

**U.S. GENERAL SERVICES
ADMINISTRATION
And
U.S. OFFICE OF PERSONNEL
MANAGEMENT**



**FY 2020
Congressional Justification**

March 18, 2019

U.S. General Services Administration

and

U.S. Office of Personnel Management

SUMMARY of the

Fiscal Year 2020 Budget Request

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The U.S. General Services Administration (GSA) is uniquely positioned to help the Federal Government best serve the American people. Optimization of GSA's performance ensures the Government can enhance national security, protect public health, and strengthen American communities.

GSA maximizes the effectiveness of every tax dollar by supporting more than \$55 billion in procurement spend and effectively managing 8,700 owned and leased properties across the United States and its territories. GSA achieves cost savings and efficiencies through smarter acquisition, responsible management of Federal real estate, transformative use of technology, and leading best practices across Government. As GSA delivers on its mission, it strives to make it easier for industry to do business with the Government, while also promoting partnerships with small and innovative companies.

In response to input from our partners in Federal agencies, local communities, and the commercial sector, there are four strategic goals that drive the budget request for FY 2020.

Strategic Goals

Savings – Save taxpayer money through better management of Federal real estate

GSA will deliver cost savings and value for taxpayers through smart asset management while also providing cutting-edge workplace solutions that help agencies fulfill their important missions.

Efficiency – Establish GSA as the premier provider of efficient and effective acquisition solutions across the Federal Government.

GSA will lead acquisition and procurement strategies that help agencies access inventive and effective commercial solutions, make it easier to do business with Government, and use our buying power to drive cost savings.

Innovation - Improve the way Federal agencies buy, build and use technology

GSA will lead the charge to modernize Government's approach to technology services. GSA will guide agencies through innovative and efficient technology deployment to meet their missions and fulfill the needs of Americans in a rapidly evolving and complex world.

Service – Design and deliver expanded shared services within GSA and across the Federal Government to improve performance and save taxpayer money

GSA will transform administrative services in Government by leading the consolidation of common mission-support processes and services across the Government. Implementing this best practice will make these services better, faster and more affordable while allowing Government agencies to dedicate more resources to their missions.

GSA's unwavering commitment to a culture of high performance and customer focus is reinforced by our agency values of service, accountability, and innovation that are the key to

helping agencies deliver on their mission. When GSA does its job well, the American people win.

The FY 2020 budget requests \$502.5 million in discretionary budget authority for GSA programs, and requests \$295.5 million in discretionary budget authority for OPM programs. This request includes new investments in GSA's annual direct appropriations to support the Shared Solutions and Performance Improvement program; fund ongoing operations of the recently established Technology Modernization Fund, Asset Proceeds and Space Management Fund, Environmental Review Improvement Fund, Pre-Election Presidential Transition; and to support the transition of OPM activities to GSA.

Pre-Election Presidential Transition requests \$9.6 million for services to eligible major party candidates before the general election in accordance with the Pre-Election Transition Act of 2010. GSA is requesting a two-year appropriation beginning in FY 2020, as the pre-election period will cross fiscal years and continue in FY 2021. Funds will be used to provide suitable office space, acquire communication services and information technology equipment, and for printing and supplies.

The Federal Acquisition Service (FAS) continues to support efficient and effective acquisition solutions across the Federal Government. In FY 2019 and FY 2020, FAS will focus on improving the Federal Marketplace buying experience by enhancing FAS's acquisition vehicles, focusing on human-centered processes and systems, and emphasizing workforce readiness.

The request for the Federal Buildings Fund (FBF) sets New Obligational Authority (NOA) at \$10.2 billion, equal to the level of collections. This zero-net budget authority request enables important investments in the Federal real property portfolio and proactively mitigate costs in leased facilities to ensure GSA continues to deliver the best value in real estate to our partners across Government.

U.S. General Services Administration
Summary of the FY 2020 Request

Summary of Appropriations

(Dollars in Thousands)

	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
Federal Buildings Fund (FBF), New Obligational Authority			
Construction and Acquisition	\$ 692,069	\$ 692,069	\$ 649,290
Repairs and Alterations	\$ 666,335	\$ 666,335	\$ 1,662,410
Rental of Space	\$ 5,493,768	\$ 5,493,768	\$ 5,508,390
Building Operations	\$ 2,221,766	\$ 2,221,766	\$ 2,383,506
Disaster Recovery	\$ 126,951	\$ -	\$ -
Sub-Total, New Obligational Authority	\$ 9,200,889	\$ 9,073,938	\$ 10,203,596
Annual Appropriations, Budget Authority			
Government-wide Policy	\$ 53,499	\$ 53,499	\$ 65,843
Operating Expenses	\$ 45,645	\$ 45,645	\$ 49,440
Former Presidents	\$ 4,754	\$ 4,754	\$ 3,851
Civilian Board of Contract Appeals	\$ 8,795	\$ 8,795	\$ 9,301
Federal Citizen Services Fund	\$ 50,000	\$ 50,000	\$ 58,400
Office of the Inspector General	\$ 65,000	\$ 65,000	\$ 68,000
Environmental Review Improvement Fund Appropriation	\$ 1,000	\$ 1,000	\$ 7,100
Asset Proceeds and Space Management Fund Appropriation	\$ 5,000	\$ 5,000	\$ 31,000
Technology Modernization Fund Appropriation	\$ 100,000	\$ 100,000	\$ 150,000
Working Capital Fund	\$ -	\$ -	\$ 50,000
Sub-Total, Annual Appropriations	\$ 333,693	\$ 333,693	\$ 492,935
Additional Annual Appropriations, Budget Authority			
Pre-Election Activities	\$ -	\$ -	\$ 9,620
Subtotal, Additional Annual Appropriations	\$ -	\$ -	\$ 9,620
OPM Discretionary Appropriation			
Salaries and Expenses Total	\$ 129,341	\$ 129,341	\$ 132,809
Salaries & Expenses	\$ 108,341	\$ 108,341	\$ 123,809
IT Modernization S&E No-Year	\$ 21,000	\$ 21,000	\$ 9,000
Trust Fund Annual Total	\$ 131,414	\$ 131,414	\$ 132,446
Sub-Total OPM Discretionary Appropriation	\$ 260,755	\$ 260,755	\$ 265,255
OPM Office of Inspector General Discretionary Appropriation			
Salaries & Expenses – OIG	\$ 5,000	\$ 5,000	\$ 5,000
Trust Fund Annual – OIG	\$ 25,000	\$ 25,000	\$ 25,265
Sub-Total OIG Discretionary Appropriation	\$ 30,000	\$ 30,000	\$ 30,265
Total Gross Budget Authority	\$ 9,825,337	\$ 9,698,386	\$ 11,001,671

Managing Federal Real Estate

GSA's FY 2020 budget request supports a robust capital program, allowing the Public Buildings Service (PBS) to fund mission-critical construction, repair, and alterations projects. This stabilizes PBS's building services and administrative costs without compromising service and support to tenant agencies. The FY 2020 request prioritizes the Administration's goals to secure our Nation's borders and reduce real estate costs while also improving the safety and condition of Government-owned assets. Although PBS has achieved programmatic reductions in recent years resulting from an unwavering approach to continuously managing its procurement, staffing, space management and utility activities, inflation and labor increases have vastly outpaced programmatic reductions, requiring an overall net-zero funding approach for the FBF. Full funding of the FBF is integral to sound portfolio management. Anything less means the agency will be unable to fund necessary repairs and improvements to the GSA inventory, which reduces the value of the public's assets over time, results in unnecessary costs due to repairs, and missed opportunities to improve efficiency through the consolidations of space. Additionally, GSA would not be able to operate its facilities at the level expected by its tenants or implement efficiency gains in its operations that will result in additional cost avoidance for commercial leases in the future. GSA also must fully fund the Rental of Space activity to ensure that lease obligations of the Federal Government are met and the risk of default is avoided. The FY 2020 request will enable PBS to fund priority construction as well as major repairs and alterations in our real estate portfolio in a strategic, timely, and cost-effective manner. Without this proactive funding approach, construction will continue to be delayed and repairs will remain unaddressed, resulting in increased costs in the future.

GSA's FY 2020 request is driven by the strategic goal to save taxpayer money through continuously improving GSA's best practices and systematically identifying methods to improve its management of Federal real estate. This will include delivering cost savings and value for taxpayers through smart asset management while also providing cutting-edge workplace solutions that help agencies fulfill their important missions. Examples include PBS's plans to consolidate employee workspace in GSA's National Capital Region and a methodical approach to proactively reducing future customer agency leasing costs by extending leasing terms where applicable.

In order to create cost savings for taxpayers, GSA's Agency Reform Plan includes the conversion of GSA's short term leases to longer term lease arrangements in order to reduce future taxpayer expense. The FY 2020 request's Lease Cost Avoidance Plan achieves this by avoiding premiums on short term leases. Additional savings will be realized over the life of these leases as more favorable terms are negotiated and space requirements are reduced wherever possible. GSA will also continue increasing usage of automated systems and private sector brokers, where appropriate, to improve our efficiency in awarding leases.

GSA continues to maintain its owned building inventory as the agency improves space utilization and optimization of the inventory while bringing focus to the total cost to the Federal

Government. GSA's priorities include disposing of underperforming assets and increasing the proportion of assets with positive funds from operations.

GSA will continue to remain an efficient and effective provider of Federal real estate services for all agencies by offering integrated turn-key services, providing high-quality facility and workspace solutions, and continuing to increase responsiveness and value to customers.

GSA intends to build upon efforts to save taxpayer money by continuing to improve operations and leverage its buying power through standardized contracts as well as GSA procurement tools.

Efficient and Effective Acquisition Solutions

GSA is committed to delivering service, innovation, and value through efficient operations, market expertise, and proactive partnerships with customer agencies and private sector vendors. Generating economies of scale is the cornerstone of our acquisition solutions, enabling us to negotiate better prices. Every day, GSA helps its customers make smart purchasing decisions to acquire the goods and services they need.

GSA is dedicated to improving the contract vehicles, services, and products provided to Federal agencies, military, and state/local entities. GSA makes access to the Government market easier, faster, and less costly to socio-economic providers by designing and delivering solutions that meet current needs and anticipate future requirements.

GSA is focused on improving the Federal Marketplace buying experience by enhancing FAS's acquisition vehicles, focusing on human-centered processes and systems, and emphasizing workforce readiness. Also included in the Federal Marketplace initiative is an effort to optimize the Multiple Award Schedules program by eliminating duplicate Special Item Numbers thereby reducing the burden on industry and reducing confusion as to which contract to use among customer agencies.

GSA leads high-impact efforts such as the Commercial Platforms initiative that will procure commercial products through commercial e-commerce portals for purposes of enhancing competition, expediting procurement, enabling market research, and ensuring reasonable pricing of commercial products. The program will be implemented in phases with the objective of enabling Government-wide use of such portals.

Innovative Technology

Technology is critical to how every agency accomplishes its mission and serves the public. It is at the core of running mission-support operations, safeguarding critical information, and analyzing program data for agency decision making. Agencies are tasked with achieving an array of critical goals involving enhanced IT security, greater use of cloud-based services, and

the overall consolidation and modernization of IT networks. GSA is well positioned to help agencies meet these goals.

GSA offers the full spectrum of technology assistance including experts who assess system design, apply user-centered research and design techniques common in the private sector, and ensure alignment with agency needs.

GSA drives more efficient and innovative Government procurement of technology services. GSA will improve technology procurements at customer agencies through acquisition consulting and assistance by identifying and incorporating best practices in technology acquisition, offering hands-on assistance to agencies during the acquisition process, and sharing the skills and knowledge developed within GSA across the Federal workforce.

The FAS Information Technology Category (ITC) is improving the customer agency experience by providing access to quality products and services through multiple contract vehicles. These acquisition vehicles are held by high quality and innovative suppliers, many of which are small businesses. These vehicles will shape and lead future IT category management efforts as well as facilitate Government-wide IT modernization. ITC goals are to be a catalyst for customer mission success and shape Government-wide IT acquisition.

ITC makes buying and managing commercial off-the-shelf software-as-a-service easier for agencies by improving existing sales channels. Improvements to IT acquisition platforms will provide agency customers the tools and expertise needed to shorten procurement cycles, ensure compliance, and obtain best value for innovative technology products, services, and solutions.

The Telecommunications subcategory within the ITC is focused on the successful transition to the Enterprise Infrastructure Solutions (EIS) contract. EIS was designated as Best-in-Class in FY 2018 and is expected to rapidly improve cybersecurity capabilities, introduce Software Defined Networking in Federal agency networks and serve as a vehicle to help agencies achieve Federal IT modernization goals. Transitioning to EIS affects more than \$2 billion in annual business volume and impacts 228 Federal agencies and other Government entities. The Telecommunications subcategory is offering agencies transition planning assistance, acquisition development, service migration, and inventory tracking and management. GSA is encouraging all agencies to use the EIS transition as an opportunity to transform and modernize their network services.

The FAS Assisted Acquisition Service (AAS) portfolio offers customized acquisition, project management and financial management services for large and complex projects at best value to the Government. AAS's highly trained contracting, project and financial management professionals provide direct assistance to partner agencies on the Government's complex information technology and cyber security challenges.

GSA offers platforms and services that can assist agencies in using modern IT tools and practices including moving to the cloud, authentication and authorization services, system modernizations, and tools to communicate with the public.

As part of the Federal Citizen Services Fund, the Secure Cloud Portfolio's mission is to make cloud computing easy, secure, and the default IT solution for Federal agencies. Both the marketplace of cloud providers and agency use of cloud solutions will continue to grow in the next several years. To date, the portfolio has more than 109 authorized cloud service providers helping reduce the costs to industry and Government of duplicative and divergent security requirements. The Federal Risk and Authorization Management Program (FedRAMP) within the portfolio will work to improve cybersecurity performance and management in cloud environments through ongoing awareness of information security, vulnerabilities, and threats affecting the operating information environment. This ensures that only authorized users have access to resources and information.

In FY 2020, the Office of Information Integrity and Access, which is part of the Office of Government-wide Policy (OGP), will continue to work on several key initiatives relating to the DotGov Domain Registry Program. This work is funded through an interagency agreement with the Technology Transformation Services (TTS) Office of Products and Programs using money from the Federal Citizen Services Fund.

The Technology Transformation Services within FAS enables the transformation of the way Government agencies build, buy, and share technology. In addition, TTS uses modern methodologies and technologies to assist Federal agencies in improving the public's experience with Government. TTS helps agencies make their services more accessible, efficient, and effective by building and providing technology applications, platforms, processes, personnel, and software solutions to Federal agencies. TTS will continue to build the foundation for the Government's digital transformation with a focus on putting users first, building, sharing and using open source code, and improving shared platforms and security.

Within TTS, the Centers of Excellence (CoEs) are pairing agencies across Government with Federal subject matter experts and industry partners to modernize IT infrastructure, increase data driven decisions and create positive experiences for citizens and customers. In FY 2017, the White House Office of American Innovation collaborated with CEOs from the largest IT companies in the U.S. to identify key areas where the Government could gain maximum efficiency and cost savings through IT modernization. This collaboration resulted in the decision to centralize subject matter expertise, best practices and access to the latest technology from private industry into five distinct CoEs, housed within TTS. Work began in April, 2018, with USDA as the "lighthouse" agency and the engagement is anticipated to last through FY 2019. In its engagement with USDA, the CoEs have produced a combination of cost savings and cost avoidance of \$9.3 million for USDA. In addition, in FY 2018 the program began a discovery phase at the Department of Housing and Urban Development (HUD). In FY 2019, the CoEs will continue to engage with USDA and HUD and plans to begin a discovery phase at a yet to be determined agency in the 2nd quarter. These centers are outlined below:

IT Infrastructure Optimization - Assisting agencies with the assessment, development, and implementation of computing infrastructure (i.e. network, storage, data center) optimization plans.

Cloud Adoption - Performing application/system portfolio analysis, developing cloud migration recommendations, planning and managing the migration execution. The goal is to assist agencies in accelerating their cloud adoption.

Customer Experience - Assisting agencies with the development and implementation of an optimal end-to-end experience for the customer. Implementation will include human-centered design and utilization of service design practices.

Data Analytics (DA) - Driving performance improvement and technical modernization through the use of data, analytics, and evidence. The DA CoE works with agencies and programs to develop and implement performance metrics at client agencies tracking strategic goals and missions, while driving continuous improvement. The DA CoE is a resource for Federal agencies seeking to develop communities of practice around data and analytics and to evaluate and select tools for carrying out data analysis, dashboarding, and data driven continuous process improvement.

Contact Center - Providing a suite of offerings to help agencies manage and enhance their customer contacts. Activities include optimizing contact center operations; utilizing self-service tools; leveraging Robotic Process Automation (RPA) and emerging technologies; building internal business processes and systems to manage day-to-day performance; navigating available acquisition solutions; and/or learning contact center best practices.

The Technology Modernization Fund (TMF) will continue to provide upfront funding for IT projects to move agencies from antiquated legacy systems to more secure, modern platforms. The TMF Board, chaired by the Federal Chief Information Officer, selects proposals with the greatest impact, strongest business case, and highest likelihood of success. The GSA TMF Program Management Office helps agencies design and strengthen their project proposals and performs ongoing monitoring and oversight of the projects selected for funding by the Board. Through the use of this innovative funding tool, agencies will move to more secure and efficient IT systems and infrastructure, such as cloud-enabled technologies and shared services, reducing technical debt and improving mission delivery. In its first year of operation, the Board has reviewed more than thirty project proposals from Federal agencies totaling over \$400 million in requested funds and has approved seven modernization projects totaling \$89 million in project awards.

Expanded Shared Services

The FY 2020 budget supports GSA's fourth strategic goal, to design and deliver expanded shared services within GSA and across the Federal Government. This includes investments in the Office of Shared Solutions and Performance Improvement, and also activities for the data migration, subscription costs and configuration of the Software-as-a-Service (SaaS) solution for both payroll and work schedule and leave management known as NewPay.

In FY 2018, OGP merged the Office of Executive Councils and the Unified Shared Services Management Office into a single organizational structure--the Office of Shared Solutions and Performance Improvement (OSSPI). OSSPI leverages data, subject matter expertise, and its authority to convene key stakeholder groups to improve the delivery of shared services. This saves agencies money; enables evidence-based performance management; and builds strategies for the optimization of management services.

SSPI continues to serve as the integration body for the shared services environment by working across functions, providers, and consumers as well as an integral part of implementing key initiatives of the Cross Agency Priority (CAP) Goal--Sharing Quality Services. The office enables delivery of high quality, high value shared services that improve performance and efficiency throughout Government. This office represents the first ever Government-wide management and oversight operating model for mission support functions including financial management, human resources, acquisitions, grants, and information technology. Stakeholders from across the Government are working together to manage and oversee these shared services with the goal of making the Government more effective and efficient.

The important policy, oversight, and standards work conducted by SSPI has laid the foundation for a service management office in GSA, which will deliver administrative shared solutions for Federal agency customers in support of the President's Management Agenda and implementation of the goals and milestones of the Sharing Quality Services CAP Goal. The FY 2020 budget includes funding from the Technology Modernization Fund to complete the configuration of the Software-as-a-Service (SaaS) solution. This solution will enable GSA to provide payroll, work schedule, and leave management services and will better position GSA to serve as a Federal-wide shared service provider.

A shared services strategy will transform administrative services by leading the consolidation of common mission-support processes and services across the Government. Implementing this best practice will make these functions better, faster, and more affordable while allowing Government agencies to dedicate more resources to their missions.

Delivering Government Solutions in the 21st Century

In June 2018, the White House released a plan to reorganize and reshape the Federal Government entitled, "Delivering Government Solutions in the 21st Century; Reform Plan and Reorganization Recommendations." The Report outlined a major proposal to reorganize the

U.S. Office of Personnel Management (OPM), merging certain functions with GSA. GSA also proposes to establish the Federal Capital Revolving Fund as outlined in the Reform Plan. In addition, GSA has several reform efforts underway including Federal-wide motor vehicle fleet consolidation, improving procurement in the Federal Marketplace, and a Government-to-Citizens initiative discussed further in the *Analytical Perspectives* volume of the FY 2020 President's Budget.

Reorganizing the U. S. Office of Personnel Management

The 2.1 million-person civilian workforce represents one of the Federal Government's larger investments and one with great impact. Like any large organization, the Federal Government is only as effective as its people. To address serious shortcomings in the areas of hiring, retention, and performance management, the Executive Branch needs a workforce management structure that elevates personnel strategy and policy, allows for a holistic view of its human capital, and continually optimizes the human resources transactional services necessary to administer one of the largest workforces in the world.

To address long standing workforce management issues, the Administration's June 2018 Government Reform and Reorganization Plan included a proposal to merge all of OPM's transactional and consultative services (e.g., those within Human Resources Solutions (HRS), Retirement Services, and Healthcare & Insurance) into GSA. The 2020 President's Budget reflects the end-state organizational structure and resources necessary to achieve this reorganization of OPM.

In response to this initiative, GSA and OPM created an interagency task force to meet the goals of the Administration's reorganization and reform proposals, beginning with the development of a transition plan for the move of HRS and OPM IT. Except for moving a small policy function to the Executive Office of the President and the background investigation function to the Department of Defense, OPM will be moved over to GSA as a third Service for human capital functions, making it a natural fit with GSA's current Services: the Public Buildings Service and the Federal Acquisition Service.

The reorganization is under way in FY 2019 with implementation planning for affected functions, including the transfer of background investigations and other OPM functions that can move administratively. The full transition would be completed in FY 2020 through legislation. This budget request includes justification for a direct appropriation to fund transition costs (discussed further in the Working Capital Fund section), covering the reorganization of remaining OPM functions, such as Retirement Services and Healthcare & Insurance. Working with our partners in Congress, this budget requests the transfer of these functions and resources to GSA in FY 2020.

By transferring key OPM functions into GSA, GSA can systematically identify and implement measures that effectively improve service delivery and efficiently use taxpayer dollars while ensuring minimal disruption for affected employees and Federal agency customers who rely on

a number of OPM services. Moving HRS to GSA will create a unified human capital services delivery organization for the Federal Government, and it will accelerate and expand our (GSA and HRS, collectively) ability to provide these services to all agencies across the Government. Consolidating the IT operations of GSA and OPM will enable the Federal Government to leverage economies of scale and GSA's advanced technology posture, improve modernization efforts and security, and rationalize systems to gain efficiencies. Lastly, moving remaining OPM functions such as Retirement and Health and Insurance Services to GSA will provide the opportunity to create an end-to-end portfolio of personnel services via GSA's shared services infrastructure.

Overall, this effort will provide GSA with the opportunity to design and deliver expanded shared services, in alignment with GSA's existing strategic plan. By combining GSA's expertise in contracting and mission support, and delivering shared services with OPM's human capital expertise, GSA can improve performance, create efficiency, and save taxpayer money. GSA sees this as an opportunity to address duplicated tasks and shift our focus, where appropriate, to higher value work. This effort will be a big step toward ensuring GSA is delivering exceptional, modern solutions across the Federal Government at best value for the taxpayer.

Additional details are included in the Reorganization chapter of the *Analytical Perspectives* volume of the President's FY 2020 Budget.

Good Accounting Obligation in Government Act

GSA is working to meet the requirements of the GAO-IG Act. GSA's most recent report for the period from April 1, 2018 to September 30, 2018 on outstanding audit recommendations can be found on the GSA website: <https://www.gsa.gov/reference/reports/budget-performance/administrators-semiannual-management-report>

OPM Budget by Fund
(Dollars in thousands)

	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
Discretionary Appropriation			
Salaries and Expenses Total	\$ 129,341	\$ 129,341	\$ 132,809
Salaries & Expenses	\$ 108,341	\$ 108,341	\$ 123,809
IT Modernization S&E No-Year*	\$ 21,000	\$ 21,000	\$ 9,000
Trust Fund Annual Total	\$ 131,414	\$ 131,414	\$ 132,446
Sub-Total Discretionary Appropriation	\$ 260,755	\$ 260,755	\$ 265,255
Mandatory Administrative Authorities			
Trust Fund Mandatory Authority			
5 USC 8348 (a)(1)(B) - Retirement	\$ 53,141	\$ 53,141	\$ 55,593
5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) - Dental & Vision	\$ 6,420	\$ 6,420	\$ 7,184
5 USC 9004(f)(B) - Long-Term Care	\$ 2,120	\$ 2,120	\$ 1,015
FERCCA (P.L. 106-265) - Retirement	\$ 2,170	\$ 2,170	\$ 2,174
Sub-Total Mandatory Administrative Authorities	\$ 63,851	\$ 63,851	\$ 65,966
Revolving Fund	\$ 1,755,930	\$ 1,814,932	\$ 896,847
Advance and Reimbursements	\$ 8,600	\$ 10,493	\$ 10,764
Office of Inspector General Discretionary Appropriation			
Salaries & Expenses – OIG	\$ 5,000	\$ 5,000	\$ 5,000
Trust Fund Annual – OIG	\$ 25,000	\$ 25,000	\$ 25,265
Sub-Total OIG Discretionary Appropriation	\$ 30,000	\$ 30,000	\$ 30,265
OPM Total	\$ 2,119,136	\$ 2,180,031	\$ 1,269,097

Note: Majority of the difference between FY 2019 and FY 2020 is due to OPM's National Background Investigations Bureau (NBIB) function transferring to the Department of Defense for all new investigations starting in FY 2020.

Federal Capital Revolving Fund

The Administration recognizes that the Federal Government must have modern facilities to carry out agency missions and serve the American people. The inability to secure sufficient, timely funding to execute the most expensive civilian real property capital transactions often results in project cost escalation and costly leases.

To address this, in June 2018, the Administration proposed the creation of a new funding mechanism for the most expensive civilian real property projects that is functionally similar to the capital budgets that States employ. The proposal would establish a mandatory revolving fund, the Federal Capital Revolving Fund, for the acquisition of Federally-owned civilian real property to the extent that the project is designated in advance in appropriations Acts, with

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agencies making discretionary annual repayments to the fund for the cost of the project over 15 years. This proposal to capitalize the Federal Capital Revolving Fund is supported within the FY 2020 Budget, providing \$10 billion for the Fund. The Fund would be housed within GSA, and Congress can use the Fund to finance capital project for any landholding/land managing agency. The Government Accountability Office (GAO) has conducted frequent reviews of real property acquisition methodologies and challenges encountered with funding large projects. In 2014, GAO supported a similar approach to this proposal; however, the Administration's proposal provides even more flexibility and cost savings opportunities than those identified by GAO.

Request for New Obligational Authority

(Dollars in Thousands)

	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
Total Revenues	\$ 9,997,803	\$ 10,131,673	\$ 10,203,596
Federal Buildings Fund (FBF), New Obligation Authority			
Construction and Acquisition	\$ 692,069	\$ 692,069	\$ 649,290
Repairs and Alterations	\$ 666,335	\$ 666,335	\$ 1,662,410
Rental of Space	\$ 5,493,768	\$ 5,493,768	\$ 5,508,390
Building Operations	\$ 2,221,766	\$ 2,221,766	\$ 2,383,506
Disaster Recovery	\$ 126,951	\$ -	\$ -
Total New Obligation Authority	\$ 9,200,889	\$ 9,073,938	\$ 10,203,596
FBF Net Budget Authority	\$ (796,914)	\$ -	\$ -

FY 2020 Capital Investment Program

(Dollars in Thousands)

CONSTRUCTION AND ACQUISITION Program (in priority order):		
Executive Agencies.....	\$	400,968
Land Ports of Entry.....	\$	248,322
New Courthouses.....	\$	-
New Obligational Authority, CONSTRUCTION AND ACQUISITION Program	\$	649,290
REPAIRS AND ALTERATIONS Program (in priority order):		
Non Prospectus (Basic) Repairs and Alterations Program.....	\$	382,057
Special Emphasis Programs.....	\$	150,000
Major Repairs & Alterations.....	\$	1,127,153
R&A Design Program.....	\$	3,200
New Obligational Authority, REPAIRS AND ALTERATIONS Program	\$	1,662,410
Total New Obligational Authority, Capital Investment Program	\$	2,311,700

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GSA Annual Appropriations

Annual Appropriations, Request for New Budget Authority
 (Dollars in Thousands)

	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
Regular Annual Appropriations, Budget Authority			
Government-wide Policy	\$ 53,499	\$ 53,499	\$ 65,843
Operating Expenses	\$ 45,645	\$ 45,645	\$ 49,440
Former Presidents	\$ 4,754	\$ 4,754	\$ 3,851
Civilian Board of Contract Appeals	\$ 8,795	\$ 8,795	\$ 9,301
Federal Citizen Services Fund	\$ 50,000	\$ 50,000	\$ 58,400
Office of the Inspector General	\$ 65,000	\$ 65,000	\$ 68,000
Environmental Review Improvement Fund	\$ 1,000	\$ 1,000	\$ 7,100
Asset Proceeds and Space Management Fund	\$ 5,000	\$ 5,000	\$ 31,000
Technology Modernization Fund	\$ 100,000	\$ 100,000	\$ 150,000
Working Capital Fund	\$ -	\$ -	\$ 50,000
Sub-Total, Regular Annual Appropriations	\$ 333,693	\$ 333,693	\$ 492,935
Additional Annual Appropriations, Budget Authority			
Pre-Election Activities	\$ -	\$ -	\$ 9,620
Subtotal, Additional Annual Appropriations	\$ -	\$ -	\$ 9,620
Total Appropriated BA	\$ 333,693	\$ 333,693	\$ 502,555

GSA Total Obligations by Object Classification
(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Estimated	FY 2020 Request
11.1 Full-time permanent.....	\$1,176,935	\$1,227,354	\$1,258,327
11.3 Other than full-time permanent	\$8,814	\$7,552	\$9,797
11.5 Other personnel compensation.....	\$25,296	\$21,526	\$24,072
11.8 Special personnel service payments.....	\$346,613	\$371,853	\$389,262
12.1 Civilian personnel benefits.....	\$407,253	\$410,185	\$429,014
13.0 Benefits for former personnel.....	\$1,369	\$1,435	\$1,448
21.0 Travel and transportation of persons.....	\$26,237	\$30,699	\$32,076
22.0 Transportation of things.....	\$16,524	\$7,328	\$7,362
23.1 Rental payments to GSA	\$64,996	\$64,102	\$59,009
23.2 Rental payments to others.....	\$5,639,705	\$5,554,405	\$5,508,849
23.3 Communications, utilities, and misc. charges....	\$1,879,204	\$1,896,795	\$1,397,144
24.0 Printing and reproduction.....	\$2,225	\$2,624	\$2,966
25.1 Advisory and assistance services.....	\$9,850,545	\$12,456,476	\$12,984,050
25.2 Other services from non federal sources.....	\$77,540	\$69,771	\$68,687
25.3 Other goods and services from federal sources....	\$830,689	\$820,209	\$854,896
25.4 Operation and maintenance of facilities.....	\$1,881,053	\$1,567,541	\$1,589,768
25.6 Medical Care	\$80	\$0	\$157
25.7 Operation and maintenance of equipment.....	\$211,915	\$149,772	\$153,672
25.8 Subsistence and Support of Persons	\$0	\$0	\$0
26.0 Supplies and materials.....	\$1,433,797	\$1,290,811	\$1,320,633
31.0 Equipment.....	\$2,505,585	\$2,708,921	\$2,849,002
32.0 Land and structures.....	\$1,146,743	\$2,074,284	\$1,979,513
33.0 Investment and Loans	\$0	\$0	\$0
41.0 Grants, subsidies, and contributions.....	\$0	\$26	\$43
42.0 Insurance claims and indemnities.....	\$1,823	\$2,133	\$2,133
43.0 Interest and dividends.....	\$36,732	\$25,882	\$25,882
44.0 Refunds.....	\$183	\$0	\$0
94.0 Financial Transfers	\$0	\$0	\$288
99.0 Total Obligations.....	\$27,571,856	\$30,761,684	\$30,948,050
<i>Subtotal, PC&B.....</i>	\$1,966,280	\$2,039,905	\$2,111,920
<i>Subtotal, Non-labor.....</i>	\$25,605,576	\$28,721,779	\$28,836,130
<i>Pre-Election Activities</i>	\$0	\$0	\$9,620

OPM Total Obligations by Object Classification

(Dollars in Thousands)

	FY 2019 Estimated	FY 2020 Request
11.1 Full-time permanent.....	\$117,946	\$119,139
11.3 Other than full-time permanent	\$0	\$0
11.5 Other personnel compensation.....	\$0	\$0
11.8 Special personnel service payments.....	\$0	\$0
12.1 Civilian personnel benefits.....	\$39,262	\$41,479
13.0 Benefits for former personnel.....	\$0	\$0
21.0 Travel and transportation of persons.....	\$1,187	\$1,259
22.0 Transportation of things.....	\$22	\$63
23.1 Rental payments to GSA	\$0	\$0
23.2 Rental payments to others.....	\$0	\$0
23.3 Communications, utilities, and misc. charges.....	\$27,821	\$28,766
24.0 Printing and reproduction.....	\$607	\$749
25.1 Advisory and assistance services.....	\$0	\$0
25.2 Other services from non federal sources.....	\$72,681	\$71,199
25.3 Other goods and services from federal sources....	\$0	\$0
25.4 Operation and maintenance of facilities.....	\$0	\$0
25.6 Medical Care	\$0	\$0
25.7 Operation and maintenance of equipment.....	\$0	\$0
25.8 Subsistence and Support of Persons	\$0	\$0
26.0 Supplies and materials.....	\$0	\$0
31.0 Equipment.....	\$686	\$913
32.0 Land and structures.....	\$543	\$1,688
33.0 Investment and Loans	\$0	\$0
41.0 Grants, subsidies, and contributions.....	\$0	\$0
42.0 Insurance claims and indemnities.....	\$0	\$0
43.0 Interest and dividends.....	\$0	\$0
44.0 Refunds.....	\$0	\$0
94.0 Financial Transfers	\$0	\$0
99.0 Total Obligations.....	\$260,755	\$265,255
<i>Subtotal, PC&B.....</i>	\$157,208	\$160,618
<i>Subtotal, Non-labor.....</i>	\$103,547	\$104,637

GSA Total FTE

	FY 2018 Actual			FY 2019 Estimate			2020 Request		
	Direct	Reimb.	Total	Direct	Reimb.	Total	Direct	Reimb.	Total
Annual Appropriations									
Office of Government-wide Policy	136	23	159	148	40	188	142	40	182
Operating Expenses	195	17	212	213	16	229	218	16	234
Federal Citizen Services Fund	67	0	67	70	0	70	71	0	71
Former Presidents	0	0	0	0	0	0	0	0	0
Civilian Board of Contract Appeals	32	0	32	41	0	41	41	0	41
Environmental Review Improvements Fund	0	0	0	10	0	10	13	0	13
Office of Inspector General	310	2	312	322	3	325	322	3	325
Subtotal, Annual Appropriations	740	42	782	804	59	863	807	59	866
Revolving Funds									
Federal Buildings Fund	4,995	312	5,307	5,241	270	5,511	5,210	270	5,480
Acquisition Services Fund	0	3,122	3,122	0	3,355	3,355	0	3,443	3,443
Capital Revolving Fund	0	0	0	0	0	0	0	0	0
Working Capital Fund	0	1,895	1,895	0	2,025	2,025	0	2,020	2,020
Technology Modernization Fund	0	0	0	6	0	6	6	0	6
Subtotal, Revolving Funds	4,995	5,329	10,324	5,241	5,650	10,891	5,210	5,733	10,949
Permanent Budget Authority									
Transportation Audits	31	0	31	37	0	37	37	0	37
Subtotal, Permanent Budget Authority	31	0	31	37	0	37	37	0	37
GSA TOTAL	5,766	5,371	11,137	6,082	5,709	11,791	6,054	5,792	11,852

Note: FY 2019 Annualized CR FTE estimates do not reflect the impact of the partial Government shutdown or the cost of living increase that was provided in the FY 2019 Enacted funding levels. Actual FTE utilization in FY 2019 is estimated to be 5,387 not the 5,511 reported above. Therefore, there is an actual increase of approximately of 93 FTE from FY 2019 to FY 2020 and not the reduction show above for the Federal Buildings Fund.

OPM FTE

	FY 2019 Estimate	FY 2020 Request
OPM Budget Authority		
Salaries and Expenses	824.7	786.1
Trust Fund Annual	808.2	781.7
Trust Fund Mandatory Authority	446.4	489.0
5 USC 8348 (a)(1)(B) - Retirement	427.3	456.0
5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) - Dental & Visior	3.4	15.0
5 USC 9004(f)(B) - Long-Term Care	3.7	6.0
FERCCA (P.L. 106-265) - Retirement	12.0	12.0
Revolving Fund	4,003.2	682.0
Advances & Reimbursements	20.0	28.0
Office of Inspector General Discretionary Total	152.0	154.0
Salaries & Expenses - OIG	20.0	20.0
Trust Fund Annual - OIG	132.0	134.0
OPM Total	6,254.5	2,920.8

Note: Reduction in FY 2020 is due to OPM's National Background Investigations Bureau (NBIB) function transferring to the Department of Defense for all new investigations starting in FY 2020.

U.S. General Services Administration
 Summary of the FY 2020 Request

Explanation of Changes, Federal Buildings Fund
 (New Obligational Authority, Dollars in Thousands)

	Construction and Acquisition	Repairs and Alterations	Rental of Space	Building Operations	TOTAL
FY 2019 Annualized CR	\$692,069	\$666,335	\$5,493,768	\$2,221,766	\$9,073,938
Change in Construction for Executive Agencies	-\$42,779				-\$42,779
Change in Construction of Courts	\$0				\$0
Change in Construction of LPOE	\$0				\$0
Change in Basic R&A program		\$69,967			\$69,967
Change in Line-Item R&A program		\$926,108			\$926,108
Change in Design and Construction					\$0
Change in Special Emphasis programs					\$0
Annualization of remaining FY 2018 Program Changes			-\$3,150		-\$3,150
FY 2018 Unobligated Balance Used to Fund FY 2019 Requirements			\$60,169		\$60,169
Rental Rate Increases			\$25,038		\$25,038
Lump Sum Payments for real estate taxes and lease buyouts			\$56,164		\$56,164
Lease Cancellations			-\$125,861		-\$125,861
Lease Expansions (other than indefinite)			\$2,261		\$2,261
Change in Base Building Cost				\$28,952	\$28,952
Change in Other/ Miscellaneous Building Cost				\$6,714	\$6,714
Change in PBS Administrative Cost				\$52,636	\$52,636
Change in Other / Miscellaneous PBS Administrative Cost				\$1,752	\$1,752
Change in Other Funding Sources				\$71,686	\$71,686
FY 2019 Program Changes					\$0
FY 20120 Request	\$649,290	\$1,662,410	\$5,508,389	\$2,383,506	\$10,203,595

Explanation of Changes, GSA Annual Appropriations
(Budget Authority, Dollars in Thousands)

	Government-wide		Operating		Civilian Board of Contract Appeals		Former Personnel		Federal Citizen Services		Inspector General		Technology Modernization		Environmental Review and Improvement		Asset Proceeds and Space Management		Working Capital		Pre-Election Activities		Total		
	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request	
FY 2019 Annualized CR	148	53,469	218	45,645	41	8,795	4,754	70	50,000	310	65,000	6	100,000	8	6,070	0	5,000	0	0	0	0	0	801	338,763	
Program Increases:																									
Federal IT Dashboard		3,500							750														0	3,500	
Digital Services				125					227														0	750	
Acquisition Services Fund Allocation/Transfer		1,437																					0	1,437	
Travel and Transportation				1,448																			0	1,448	
Let Working Capital Fund Bill Increase from Annualized FY19 CR				1,054																			0	1,054	
Personnel Compensation and Benefits						383																	0	383	
Rest						21																	0	21	
Benefits for Former Presidents																							0	0	
Printing and Communications				7																			0	7	
Supplies, Materials, and Equipment				11																			0	11	
Contractual Services				1,150																			0	1,150	
FPISC Personnel																							0	0	
Other Costs of Operation/Program Overhead																							0	0	
Program Management Services Support		2,500																					0	2,500	
Technology Business Management (TBM) PMO		1,500																					0	1,500	
Continue Data Center Optimization Initiative PMO																							0	0	
DOT GOV Contractual Services																							0	0	
Improved use of data and visualization of FRPP, ITDB, and other OGP program data																							0	0	
OPM Transition		1,716																					0	1,716	
Asset Proceeds and Space Management Fund		1,300																					0	1,300	
FTE insourcing to address increased workload		1,503																					0	1,503	
Contractual support for Shared Services initiatives																							0	0	
Program Decreases:																									
Shared Services Overhead Cost																								0	0
Reduction in Hosting OPP																								0	0
Travel and Transportation																								0	0
Contractual Services																								0	0
Communications, Printing, and Reproduction																								0	0
Working Capital Fund Bill Decrease																								0	0
FTE transfer in request for direct funding for SSPI (used reimbursable C/O programs)																								0	0
FTE transfer in support of GSA-IT C/O services increase																								0	0
Funds for George HW Bush																								0	0
FY 2020 Request	148	65,843	218	49,440	41	9,301	0	3,851	70	58,400	310	68,000	6	150,000	15	7,100	0	31,000	0	50,000	0	0	9,620	808	502,555

Information Technology Resources

GSA's information technology integration policy establishes a consistent approach to achieve the goal of providing innovative, collaborative, and cost-effective IT solutions, while delivering excellent customer services to GSA's Federal partners and agencies.

The FY 2020 budget request includes key investments that will strengthen GSA's IT enterprise architecture which will allow GSA IT to shift more resources from running legacy applications and infrastructure to investing in efforts to grow and transform GSA's business IT systems. When applicable, GSA uses incremental development practices in these efforts.

As part of the GSA Governance Process, the Chief Information Officer and Chief Financial Officer have reviewed and approved all major IT investments in the FY 2020 budget request ensuring sufficient IT resources and appropriate budget estimates. The agency has developed and implemented its plan to ensure that all baseline Federal Information Technology Acquisition Reform Act (FITARA) responsibilities are in place.

Information Technology Budget by Fund

(Dollars in thousands)

GSA Budgets	FY 2018	FY 2019	FY 2020
	Enacted	Estimate	Request
Working Capital Fund	\$ 317,535	\$ 320,503	\$ 318,971
Acquisition Services Fund	\$ 247,510	\$ 270,434	\$ 184,529
Operation Expenses	\$ 796	\$ 796	\$ 696
Federal Buildings Fund	\$ 51,598	\$ 51,264	\$ 57,960
Office of Government-wide Policy	\$ 13,426	\$ 15,573	\$ 21,353
Federal Citizens Services Fund	\$ 40,083	\$ 48,737	\$ 36,651
Acquisition Workforce Training Fund	\$ 4,219	\$ 4,202	\$ 4,459
Office of Inspector General	\$ 4,914	\$ 6,582	\$ 8,233
Transportation Audits	\$ 798	\$ 451	\$ 451
Sub-Total GSA's Budgets	\$ 680,879	\$ 718,542	\$ 633,303
External Budgets	\$ 76,438	\$ 85,998	\$ 113,509
Total GSA and External Budgets	\$ 757,317	\$ 804,540	\$ 746,812

U.S. General Services Administration

FEDERAL BUILDINGS FUND

Fiscal Year 2020 Budget Request

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Summary of the Request

The U.S. General Services Administration's (GSA) Public Buildings Service (PBS) FY 2020 budget request reflects its commitment to reinvest in the Federal infrastructure at a rate necessary to maintain and update its Federal facilities to drive efficiency. PBS collects rent from Federal agencies at commercial equivalent rental rates and is requesting full reinvestment of those funds through the Federal Buildings Fund (FBF). Strategic investments in both the physical infrastructure and operation of the leasing program will result in greater long term savings to the taxpayer. PBS has steadily reduced its operating expenses as a percent of rent collections over the last seven years, demonstrating efficiency in operating its real estate operation. Future investment in agency consolidation efforts, as well as necessary infrastructure improvements will also reduce costs to the government over the long term.

The FY 2020 budget request of \$10.2 billion in New Obligational Authority (NOA), including \$2.3 billion for capital investment, supports this long-term plan for Federal real estate. PBS balances capital investment between new construction, and repairs and alterations. The \$2.3 billion request includes \$1.3 billion to improve the safety and condition of Government-owned assets and to reduce the real estate footprint of the Federal Government. These strategic capital investments will allow GSA to relocate customer agencies from real estate currently being leased from the private sector, achieve more efficient utilization rates in Government owned assets and reduce rental payments made to GSA by customer agencies. Reinvestment and space optimization in GSA's owned real estate portfolio will also sustain the Federal Buildings Fund and provide a funding source for future investments. These investments will be closely coordinated with our Lease Cost Avoidance Plan. The request also supports the Administration's priorities of securing our Nation's borders and efficiently managing real estate costs.

The FY 2020 budget requests a \$2.4 billion investment in Building Operations to maintain service and support for Federal tenants along with prudent management of real estate including leased and owned space. The budget requests \$5.5 billion to meet the government's commitments in space that PBS leases from private industry on behalf of Federal customers. Rental of space cost are the largest singular expense for the FBF (\$5.5 billion), and therefore represents a significant opportunity for cost avoidance. Full implementation of PBS's Lease Cost Avoidance Plan has the potential to save on future lease costs by ensuring expiring leases are negotiated with long term solutions at the best deal for the government. Implementing short-term extensions on expiring leases is a temporary measure that does not optimize real estate costs for the Federal Government.

Real Estate Investment and Savings Strategy

PBS's execution of a Real Estate Investment and Savings Strategy in FY 2020 will be a primary focus for the delivery of real estate solutions to Federal agencies and will provide savings to the

American taxpayer. Full execution of this strategy will potentially reduce future Federal spending on leased space by several billion dollars. The strategy consists of three components:

1. Strategic Capital Investments;
2. Lease Cost Avoidance Plan; and
3. Resource Optimization and Investment.

By highlighting these elements of the FY 2020 budget request, GSA intends to provide Congress with a better understanding of the long term costs and savings potential of different courses of action. The investment decisions reflected in this strategy, with focus on leases and investment in current infrastructure, will optimize the return to agencies and taxpayers for many years.

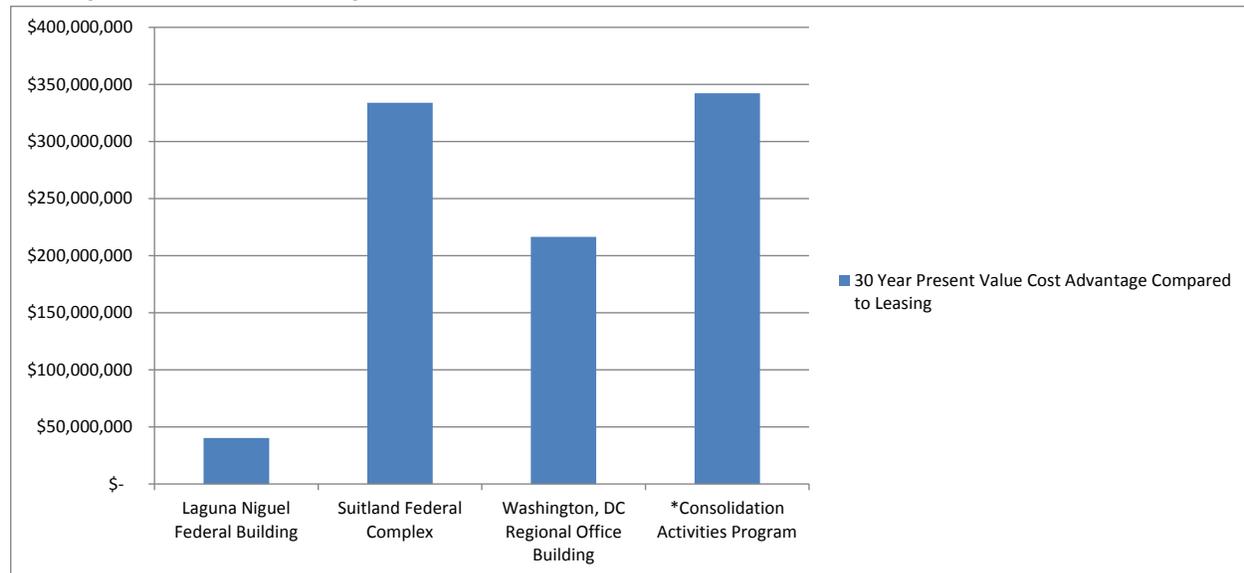
Saving taxpayer money through better management of Federal real estate remains a top priority for GSA. This effort is outlined in PBS's Real Estate Investment and Savings Strategy. This strategy will generate significant savings by reducing GSA's real estate footprint, reducing the costs of lease extensions, and optimizing existing infrastructure and resources.

Strategic Capital Investments: GSA recognizes there are significant opportunities across the PBS portfolio where capital investment can be used to achieve long term savings. Investment in major building improvements, new construction, and consolidation projects will accelerate the reduction of space by increasing space utilization and consolidation opportunities. To effectively manage our portfolio of Federal assets, we need to balance investments between new construction and repair and alterations of our existing assets. A continued focus on new construction at the expense of existing assets will force agencies out of Federal space and into more costly leases.

The project requests below are examples of real estate consolidations within GSA owned facilities or consolidations from leased to owned facilities in the current request. These five projects have a significant financial return on investment. Combined they represent an opportunity to reduce future Federal spending:

- Department of Homeland Security Consolidation at St. Elizabeths in Washington, DC
- U.S. Citizenship and Immigration Services in Laguna Niguel, CA
- Washington, DC 301 7th Street SW Regional Office Building,
- Suitland, MD Suitland Maryland Federal Center
- Consolidation Activities Program.

Savings Compared to Long Term Lease Alternatives



*The Consolidation Activities Program estimate is based on the FY2018 Consolidation Activities Program. Actual savings may vary depending on the size and location of future projects.

The alternative course of action would require maintaining a larger real estate footprint of both owned and leased space, and a larger expenditure of future funds. The alternative to the construction and repair and alteration proposals presented in the chart above is to lease space for the impacted customers.

Lease Cost Avoidance Plan: Over the next three years, the Federal Government has a unique opportunity to reduce future lease payments by several billion dollars over the life of impacted leases. This opportunity exists because an unusually large number of leases, approximately 100 million rentable square feet, will expire over the next five years. This represents over half of PBS's privately leased inventory. Long term leases provide sufficient time for PBS to work with customers to reduce their footprint, whether through consolidation within existing space or relocating to a smaller space, an option rarely available during short term extensions.

By replacing the large inventory of expiring leases with Federally owned building solutions, or with longer firm term leases at a reduced square footage, PBS can achieve lower rental rates and reduce future rental of space payments significantly. Repair and alteration projects in the Washington, DC 301 7th Street SW Regional Office Building and Suitland Maryland Federal Complex are key examples of capital investments that will allow for large tenant consolidations from leased to owned space. Without these investments, the assets do not provide the functionality and building system capacity needed to support government clients and these assets will continue to be underutilized.

Historically, PBS replaces approximately 50% of its expiring leases with long term leases and enters into extensions for the remaining leases. These short term lease extensions forgo an

opportunity to reduce space and negotiate more favorable long term rates or rent concessions. Increasing the lease replacement rate and reducing the leased square footage will contribute to the reduction of obligations from the FBF by several billion over the duration of the lease contracts (15-20 years).

Resource optimization and investment: Over the last 18 months, PBS has reduced staffing by 8% and realigned internal resources to critical positions. In order to achieve measurable benefits in managing upcoming lease expirations, PBS needs to invest additional resources in the Building Operations Budget Activity beginning in FY 2020. This will enable the replacement of an additional 20% of expiring leases and begin to eliminate the current backlog. PBS collects nearly half of its rent revenue in lease costs from our Federal customers every year. Reducing these costs for agencies will allow these agencies to better execute their mission by lowering their rental of space obligation to GSA.

Summary of Request for New Obligational Authority

	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
New Obligational Authority:			
Construction and Acquisition	\$ 692,069	\$ 692,069	\$ 649,290
Major Repairs and Alterations	\$ 367,770	\$ 354,245	\$ 1,280,353
Basic Repairs and Alterations	\$ 312,090	\$ 312,090	\$ 382,057
Installment Acquisition Program (FCRF)	\$ -	\$ -	
Rental of Space	\$ 5,493,768	\$ 5,493,768	\$ 5,508,390
Building Operations - Building Services	\$ 1,146,089	\$ 1,146,089	\$ 1,197,045
Building Operations - Salaries and Expenses	\$ 1,075,677	\$ 1,075,677	\$ 1,186,461
Disaster Recovery	\$ 126,951		
Total New Obligational Authority	\$ 9,214,414	\$ 9,073,938	\$ 10,203,596

When Congress established the FBF, dedicated resources were provided through commercial equivalent rent collections to maintain the nation’s public buildings. This common sense approach emulates private sector real estate best practices. Income generated by the FBF funds the activities of PBS, including minor and major repairs and alterations, new construction activities, all building operations, and the administrative costs associated with these programs. As a quasi-revolving fund, the FBF is subject to annual Congressional enactment of NOA--a limitation on the use of revenues collected. As shown in the table below, the appropriations process generally provided appropriations at or above the level of collections prior to FY 2011.

Net Budget Authority 14 Year History

(Dollars in Thousands)

	Presidents Budget Revenue Estimate	Enacted NOA	Net Budget Authority
FY2006	\$ 7,808,785	\$ 7,827,745	\$ 58,950
FY2007	\$ 7,844,979	\$ 7,598,426	\$ (203,215)
FY2008	\$ 7,916,272	\$ 8,012,414	\$ 146,219
FY2009	\$ 8,134,239	\$ 8,427,771	\$ 350,397
FY2010	\$ 8,222,539	\$ 8,443,585	\$ 287,406
FY2011	\$ 8,870,933	\$ 7,597,540	\$(1,202,123)
FY2012	\$ 9,302,761	\$ 8,017,967	\$(1,205,174)
FY2013	\$ 9,777,590	\$ 8,024,967	\$(1,665,003)
FY2014	\$ 9,950,560	\$ 9,370,042	\$ (580,518)
FY2015	\$ 9,917,667	\$ 9,238,310	\$ (679,357)
FY2016	\$ 9,807,722	\$ 10,196,124	\$ 388,402
FY2017	\$ 10,178,339	\$ 8,845,147	\$(1,348,192)
FY2018	\$ 9,950,519	\$ 9,214,414	\$ (736,105)
FY 2019 CR	\$ 10,131,673	\$ 9,073,938	\$(1,057,735)

*Net Budget Authority does not include rescission of prior year funding

This budget requests zero net budget authority, which provides PBS access to the full value of collected rents to reinvest in the maintenance and improvement of Federal real property assets. A lower authorized level reduces PBS's ability to fund critical repairs and improvements to the Federal inventory, resulting in avoidable increased costs due to delayed repairs and missed opportunities to consolidate space. When PBS is unable to adequately invest in its facilities, the inventory deteriorates in quality and decreases in value, inevitably requiring more extensive repairs and alterations in the future. Without full funding, the government is unable to capitalize on opportunities to make smart investments in the Federal real estate portfolio that will result in greater efficiencies and lower costs.

The FBF allows PBS to provide workplace solutions for Federal Agencies and superior value to the American people. PBS engages architects, construction managers, and engineers to design and build award-winning courthouses, land ports of entry, Federal office buildings, laboratories, and data processing centers. PBS also leases facilities and, repairs, alters, and renovates existing facilities. The agency remains a leader in energy efficiency and historic preservation. While managing all of these attributes of the portfolio there is a continued focus on supporting agency efforts to reduce the Federal Government's footprint by improving office space utilization, rightsizing the use of leases, and disposing of unneeded or underutilized facilities. PBS meets the workspace requirements of Federal agencies and more than 1 million Federal employees with an inventory of approximately 371 million rentable square feet of workspace in communities across the country.

Investing all revenue collected through agency rents into the FBF activities (including a robust capital investment program) creates efficiency, improves outcomes, and reduces costs. The FY 2020 request allocates FBF resources to address key capital requirements and strategic investments in improving the efficiency of the FBF operations across all budget activities.

The requested funding includes:

(1) \$649.29 million for New Construction and Acquisition,

CONSTRUCTION AND ACQUISITION OF FACILITIES SUMMARY OF FY 2020 PROGRAM (Dollars in Thousands)	
	FY 2020 NOA
New Construction (in priority order):	
Washington, DC DHS Consolidation at St. Elizabeths	\$ 200,000
Washington, DC Southeast Federal Center Remediation	\$ 6,850
Laguna Niguel, CA New Federal Building	\$ 185,143
Subtotal, Executive Agencies	\$ 391,993
San Luis, AZ San Luis I U.S. Land Port of Entry	\$ 248,322
Subtotal, Land Ports of Entry	\$ 248,322
St. Louis, MO Federal Bureau of Investigation	\$ 8,975
Subtotal, New Construction - Design Program	\$ 8,975
Total FY 2020 Construction and Acquisition of Facilities Program	\$ 649,290

(2) \$1.66 billion for Repairs and Alterations including \$ 382 million for Basic Repairs and Alterations, and to provide funding for the following projects:

REPAIRS AND ALTERATIONS SUMMARY OF FY 2020 PROGRAM (Dollars in Thousands) (In Priority Order)	FY 2020 NOA
Nonprospectus (Basic) Repairs and Alterations Program	\$ 382,057
Major Repairs and Alterations	
Washington, DC 301 7th Street SW Regional Office Building	\$ 95,642
Suitland, MD Suitland Federal Center	\$ 49,358
Richmond, CA Frank Hagel Federal Building	\$ 40,100
Portland, ME Edward T. Gignoux U.S. Courthouse	\$ 23,067
New York, NY Silvio V. Mollo Federal Building and Jacob K. Javits Federal Building	\$ 46,600
Cleveland, OH Anthony J. Celebrezze Federal Building	\$ 63,928
Washington, D.C. Herbert C. Hoover Phase V Construction	\$ 163,832
Cincinnati, OH FDA Forensic Chemistry Center and John Weld Peck Federal Building	\$ 17,546
Oklahoma City, OK William J. Holloway, Jr. U.S. Courthouse and U.S. Post Office and Courthouse	\$ 93,441
Boston, MA John F. Kennedy Federal Building	\$ 75,929
Austin, TX J.J. Pickle Federal Building	\$ 17,408
Philadelphia, PA James A. Byrne U.S. Courthouse	\$ 58,855
New York, NY Alexander Hamilton U.S. Custom House	\$ 61,862
Pittsburgh, PA Joseph F. Weis, Jr. U.S. Courthouse	\$ 40,634
Detroit, MI Patrick V. McNamara Federal Building Garage	\$ 17,671
Akron, OH John F. Seiberling Federal Building and U.S. Courthouse	\$ 20,086
Honolulu, HI Prince J. Kuhio Kalaniana'ole Federal Building and U.S. Courthouse	\$ 39,651
Ogden, UT James V. Hansen Federal Building	\$ 18,764
Columbus, OH John W. Bricker Federal Building	\$ 6,559
Fayetteville, AR John Paul Hammerschmidt Federal Building and U.S. Courthouse	\$ 27,545
Boston, MA Thomas P. O'Neill, Jr. Federal Building	\$ 10,896
New York, NY Daniel Patrick Moynihan U.S. Courthouse	\$ 27,570
Lakewood, CO Denver Federal Center Building 810	\$ 5,915
Anchorage, AK Anchorage Federal Building and Federal Building Addition	\$ 4,294
Conveying Systems - Various Buildings	\$ 100,000
Subtotal, Major Repair and Alterations	\$ 1,127,153
Repair and Alteration - Design Program	
Indianapolis, IN Major General Emmett J. Bean Federal Center	\$ 3,200
Subtotal, Repair and Alteration - Design Program	\$ 3,200
Special Emphasis Programs	
Consolidation Activities Program	\$ 75,000
Fire Protection and Life Safety Program	\$ 30,000
Judiciary Capital Security Program	\$ 20,000
Seismic Mitigation Program	\$ 25,000
Subtotal, Special Emphasis Programs	\$ 150,000
Total FY 2020 Repairs and Alterations Program	\$ 1,662,410

(3) \$5.51 billion for Rental of Space to acquire and administer leasehold interests in privately owned facilities where Federally owned space is not available. This amount funds annual rent for current leases, real estate tax and other one-time payments, and rent increases associated with replacement leases and expansion space.

(4) \$2.38 billion for Building Operations to provide services for both Federally owned and leased facilities as well as administration and management of all PBS real property programs. Of the total amount for Building Operations, \$1.2 billion will be allocated to Building Services to fund current services and cost increases for cleaning, utilities, maintenance, and building services in new space; and \$1.19 billion will be allocated to Salaries and Expenses to maintain the 5,210 full time equivalents (FTE), excluding reimbursable FTE. PBS specific information technology (IT) applications and PBS's contribution to the GSA Working Capital Fund (WCF) also are funded within this activity.

In addition to the new obligational authority requested in FY 2020, PBS projects \$1.35 billion in reimbursable authority for services provided to other agencies, including funding for 270 FTEs. PBS also projects \$306 million in permanent indefinite authority from leased expansion space, outleasing, energy rebates, and revenue from the sale of recyclable materials.

U.S. General Services Administration
Federal Buildings Fund

Resources, New Obligational Authority, and Fund Balance

(Dollars in Thousands, excludes Indefinite Authority)

	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
Resources:			
Available from prior year for reauthorization	\$ 4,658,208	\$ 5,582,073	\$ 6,639,808
Reprogramming Authority	\$ 13,525		
Appropriation	\$ 126,951		
Transfer	\$ (11)		
Revenue from operations:			
Rent	\$ 9,858,922	\$ 10,108,000	\$ 10,163,743
Miscellaneous	\$ 31,021	\$ -	\$ -
Outleasing	\$ 9,135	\$ 7,000	\$ 11,843
Retention of Proceeds (Sale of Real Property)	\$ 92,130	\$ 3,700	\$ 15,000
SSA/CDC/CMS Payments	\$ 6,595	\$ 12,973	\$ 13,010
Subtotal, Revenue	\$ 9,997,803	\$ 10,131,673	\$ 10,203,596
Total Resources Available	\$ 14,796,476	\$ 15,713,746	\$ 16,843,404
New Obligational Authority:			
Construction and Acquisition	\$ 692,069	\$ 692,069	\$ 649,290
Major Repairs and Alterations	\$ 367,770	\$ 354,245	\$ 1,280,353
Basic Repairs and Alterations	\$ 312,090	\$ 312,090	\$ 382,057
Installment Acquisition Program (FCRF)	\$ -	\$ -	
Rental of Space	\$ 5,493,768	\$ 5,493,768	\$ 5,508,390
Building Operations - Building Services	\$ 1,146,089	\$ 1,146,089	\$ 1,197,045
Building Operations - Salaries and Expenses	\$ 1,075,677	\$ 1,075,677	\$ 1,186,461
Disaster Recovery	\$ 126,951		
Total New Obligational Authority	\$ 9,214,414	\$ 9,073,938	\$ 10,203,596
Fund Balance:			
Total Resources Available	\$ 14,796,476	\$ 15,713,746	\$ 16,843,404
Total New Obligational Authority	\$ (9,214,414)	\$ (9,073,938)	\$ (10,203,596)
Changes to Prior Year Authority	\$ (11)	\$ -	\$ -
Fund Balance (Available for Reauthorization)	\$ 5,582,073	\$ 6,639,808	\$ 6,639,808
Net Budget Authority	\$ (796,914)	\$ (1,057,735)	\$ 0

Crosswalk of FY 2018 New Obligational Authority

(Dollars in Thousands)

	P.L. 115-Enacted 3/19/2018	Approved Reprogramming/ Transfers	FY 2018 Enacted Legislation	Indefinite Authority	FY 2018 Enacted Authority
New Obligational Authority:					
Construction and Acquisition	\$ 692,069		\$ 692,069	\$ -	\$ 692,069
Major Repairs and Alterations	\$ 354,245	\$ 13,525	\$ 367,770	\$ 20,367	\$ 388,137
Minor Repairs and Alterations	\$ 312,090	\$ -	\$ 312,090	\$ 4,080	\$ 316,170
Disaster Recovery	\$ 126,951	\$ -	\$ 126,951	\$ -	\$ 126,951
Rental of Space	\$ 5,493,768	\$ -	\$ 5,493,768	\$ 94,470	\$ 5,588,238
Building Operations - Building Services	\$ 1,146,089	\$ -	\$ 1,146,089	\$ 40,193	\$ 1,186,282
Building Operations - Salaries and Expenses	\$ 1,075,677	\$ -	\$ 1,075,677	\$ 530	\$ 1,076,207
Total, New Obligational Authority	\$ 9,200,889	\$ 13,525	\$ 9,214,414	\$ 159,640	\$ 9,374,054

Notes:

1. Transfer from Construction and Acquisition towards Major Repairs and Alterations provided funding for the emergency Denver Federal Center (DFC) roof repairs in Colorado (\$6.6 million).
2. OMB re-apportionment request from Construction and Acquisition towards Major Repairs and Alterations provided funding for the renovation of the John A Campbell U.S. Courthouse in Mobile, AL (\$6.8 million).

Indefinite Authority

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Annualized CR	FY 2020 Estimate
Repairs and Alterations:			
Historical Outleasing	\$ 12,061	\$ 10,000	\$ 11,000
Energy Rebates	\$ 8,720	\$ 10,000	\$ 10,000
International Trade Center	\$ 4,080	\$ 4,080	\$ 4,080
Recycling	\$ (414)	\$ 700	\$ 700
Total, Repairs and Alterations	\$ 24,447	\$ 24,780	\$ 25,780
Rental of Space: Leased Expansion Space	\$ 94,470	\$ 137,408	\$ 241,563
Building Operations:			
International Trade Center - Building Services	\$ 33,819	\$ 35,190	\$ 31,591
International Trade Center - Salaries and Expenses	\$ 530	\$ 663	\$ 663
Cooperative Use Act - Outleasing	\$ 4,053	\$ 3,773	\$ 4,092
National Antenna Program	\$ 2,321	\$ 1,903	\$ 2,417
Total, Building Operations	\$ 40,723	\$ 41,529	\$ 38,763
Total Indefinite Authority	\$ 159,640	\$ 203,717	\$ 306,106

Note: Indefinite authorities are not included in reported resources or new obligational authority.

U.S. General Services Administration
Federal Buildings Fund

Obligations by Object Class
(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Annualized CR	FY 2020 Estimate
11.1 Full-time, permanent.....	\$ 531,200	\$ 528,081	\$ 544,358
11.3 Other than full-time permanent.....	\$ 3,165	\$ 2,805	\$ 3,019
11.5 Other personnel compensation.....	\$ 12,562	\$ 12,502	\$ 14,728
11.8 Special personnel services payments.....	\$ 38	\$ 54	\$ 55
12.1 Civilian personnel benefits.....	\$ 178,601	\$ 175,180	\$ 183,017
13.0 Benefits for former personnel.....	\$ -	\$ -	\$ -
21.0 Travel and transportation of persons.....	\$ 11,018	\$ 11,136	\$ 12,702
22.0 Transportation of things.....	\$ 62	\$ 130	\$ 34
23.1 Rental payments to GSA	\$ -	\$ -	\$ -
23.2 Rental payments to others.....	\$ 5,639,671	\$ 5,554,405	\$ 5,508,848
23.3 Communications and utilities.....	\$ 384,747	\$ 389,692	\$ 394,956
Subtotal, Rent, communications & utilities...	\$ 6,024,418	\$ 5,944,097	\$ 5,903,804
24.0 Printing and reproduction.....	\$ 180	\$ 215	\$ 190
25.1 Advisory and assistance services.....	\$ 571,135	\$ 543,781	\$ 448,096
25.2 Other services.....	\$ 72,824	\$ 61,079	\$ 59,623
25.3 Goods & services from Gov't accounts.....	\$ 407,041	\$ 421,375	\$ 435,219
25.4 Operation and maintenance of facilities.....	\$ 1,880,821	\$ 1,567,473	\$ 1,589,744
25.5 Other contractual services - Research and Developm	\$ -	\$ 2	\$ -
25.6 Medical care.....	\$ 69	\$ -	\$ 157
25.7 Operation and maintenance of equipment.....	\$ 24,205	\$ 31,534	\$ 32,001
Subtotal, Contractual services.....	\$ 2,956,095	\$ 2,625,244	\$ 2,564,840
26.0 Supplies and materials	\$ 8,953	\$ 7,009	\$ 6,961
31.0 Equipment.....	\$ 71,708	\$ 57,045	\$ 57,511
32.0 Land and structures.....	\$ 1,146,404	\$ 2,069,284	\$ 1,953,513
41.0 Grants, subsidies, and contributions.....	\$ -	\$ 26	\$ 43
42.0 Insurance claims and indemnities.....	\$ 1,305	\$ 2,133	\$ 2,133
43.0 Interest and dividends.....	\$ 36,732	\$ 25,854	\$ 25,854
44.0 Refunds	\$ 123	\$ -	\$ -
94.0 Financial Transfers	\$ -	\$ -	\$ -
99.9 Total Obligations.....	\$ 10,982,564	\$ 11,460,795	\$ 11,272,762
Subtotal, PC&B.....	\$ 725,566	\$ 718,622	\$ 745,177
Subtotal, Non-labor.....	\$ 10,256,998	\$ 10,742,173	\$ 10,527,585

Obligations by Program
(Dollars in Thousands)

	FY 2018 Actual		FY 2019 Annualized CR		FY 2020 Estimate		Increase/(Decrease) FY 2019 Request	
	FTE	Obligations	FTE	Obligations	FTE	Obligations	FTE	Obligations
FTE and Obligations:								
1. Construction and Acquisition		\$ 521,432		\$ 1,199,720		\$ 947,764		\$ (251,956)
2. Repairs and Alterations		\$ 701,689		\$ 849,791		\$ 987,865		\$ 138,074
3. Installment Acquisition Payments		\$ -		\$ -		\$ -		\$ -
4. Construction of Lease Purchase Facilities		\$ -		\$ -		\$ -		\$ -
5. Pennsylvania Avenue Activities								
a) Repairs and Alterations		\$ -		\$ -		\$ -		\$ -
b) Building Operations - Building Services		\$ 380		\$ -		\$ -		\$ -
c) Building Operations - Salaries and Expenses		\$ -		\$ -		\$ -		\$ -
6. International Trade Center								
a) Repairs and Alterations		\$ 3,160		\$ -		\$ -		\$ -
b) Building Operations - Building Services		\$ 33,817		\$ -		\$ -		\$ -
c) Building Operations - Salaries and Expenses		\$ 530		\$ -		\$ -		\$ -
7. Rental of Space		\$ 5,646,088		\$ 5,553,937		\$ 5,508,389		\$ (45,548)
8. Building Operations								
a) Building Services		\$ 1,389,788		\$ 1,414,719		\$ 1,442,746		\$ 28,027
b) Salaries and Expenses	4,995	\$ 1,131,105	5,241	\$ 1,153,072	5,210	\$ 1,205,998	(31)	\$ 52,926
9. Reimbursable	312	\$ 1,537,180	270	\$ 1,180,000	270	\$ 1,180,000	-	\$ -
10. Disaster Recovery		\$ 17,395		\$ 109,556		\$ -		\$ (109,556)
Total FTE and Obligations	5,307	\$ 10,982,564	5,511	\$ 11,460,795	5,480	\$ 11,272,762	(31)	\$ (78,477)

Note: FY 2019 Annualized CR FTE estimates do not reflect the impact of the partial government shutdown or the cost of living increase that was provided in the FY 2019 Enacted funding levels. Actual FTE utilization in FY 2019 is estimated to be 5,387 not the 5,511 reported above. Therefore, there is an actual increase of approximately 93 FTE from FY 2019 to FY 2020 and not the reduction show above. This increase is in part to support the Lease Cost Avoidance Plan (see further explanation in Building Operations section FBF-47).

Appropriations Language

*Amounts in the Fund, including 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 **\$10,203,596,000**, of which—*

*(1) **\$649,290,000** shall remain available until expended for construction and acquisition (including funds for sites and expenses, and associated design and construction services):*

Provided, That amounts identified in the spend plan for construction and acquisition required by section 515 of this division may be exceeded to the extent that savings are affected in other such projects, but not to exceed 10 percent of the amounts included in a transmitted

prospectus, if required, unless advance notice is transmitted to the Committees on Appropriations of a greater amount;

(2) **\$1,662,410,000** shall remain available until expended for repairs and alterations, including associated design and construction services, of which—

(A) **\$1,130,353,000** is for Major Repairs and Alterations;

(B) **\$382,057,000** is for Basic Repairs and Alterations; and

(C) **\$150,000,000** is for Special Emphasis Programs:

Provided, That amounts identified in the spend plan for major repair and alterations required by section 515 of this division may be exceeded to the extent that savings are affected in other such projects, but not to exceed 10 percent of the amounts included in a transmitted prospectus, if required, unless advance notice is transmitted to the Committees on Appropriations of a greater amount: Provided further, That additional projects for which prospectuses have been transmitted may be funded under this category only if advance notice is transmitted to 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 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;

(3) **\$5,508,390,000** for rental of space to remain available until expended;

(4) **\$2,383,506,000** for building operations to remain available until expended:

Provided, That the total amount of funds made available from this Fund 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 to be submitted pursuant to 40 U.S.C. 3307, has not been transmitted to the Committees referenced therein, 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 notice is transmitted to the Committees on Appropriations: Provided further, That amounts necessary to provide reimbursable special services to other agencies under 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 2020, excluding reimbursements under 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.

FY 2020 Capital Program – Construction and Acquisition of Facilities

Program Description

This activity provides for the construction or purchase of prospectus-level facilities, prospectus-level additions to existing buildings, and remediation. All costs directly attributable to site acquisition, construction, the full range of design and construction services, and management and inspection of construction projects are funded under this activity.

Summary of Request

The FY 2020 request of \$649 million for new construction is necessary to address the Real Estate Investment and Savings Strategy. The list of new construction projects was determined based on a GSA review of each project and rating its priority relative to other potential projects. The following factors were considered:

- **Serving Our Partners:** Factors considered include agency priority and existing master plans;
- **Responsible Asset Stewardship:** Factors considered include the condition of facility being replaced including the building systems, security and functionality of the space, funds received to date, existing occupancy status and housing plan, and support of local and national portfolio plans;
- **Delivering Better Value and Savings:** Factors considered include lease cost avoidance and return on investment; and
- **Reducing the Federal Footprint:** Factors considered include space recapture and utilization rate improvement.

The FY 2020 Construction and Acquisition program request reflects GSA's support of investments in border and homeland security projects, projects to improve the safety and condition of government-owned assets, and activities in support of the Administration's direction to reduce the cost of operating the Federal Government.

The FY 2020 Construction and Acquisition program request is \$649.3 million and reflects GSA's support of investments in border and homeland security projects, projects to improve the safety and condition of government-owned assets, and activities in support of the Administration's direction to reduce the cost of operating the Federal government.

- At the request level, GSA will invest an additional \$200 million for the continued consolidation of the Department of Homeland Security (DHS) in the National Capital Region at the St. Elizabeths Campus. By bringing DHS headquarters components into a single government-owned campus, DHS will avoid incurring additional costs for commercial leases and enable its employees to collaborate more readily in a secure working environment. To date appropriations to GSA for this consolidation have

exceeded \$1.5 billion but since the FY 2017 and FY 2019 request was in part via DHS and the FY 2018 request only addressed infrastructure issues such as site utilities, perimeter security, and restoration of roads on site, the original project timeline has been delayed several years. Continued support of this vital project will result in halting further delays.

- GSA's request includes \$248.3 million for the land port of entry (LPOE) project at San Luis AZ. This request will fund the modernization and expansion of the San Luis I LPOE. The expansion and refurbishment and replacement of the existing LPOE facilities, which currently lack the infrastructure capacity to fulfill traffic demands and meet the latest security requirements, are critical for the Federal inspection agencies as they complete their missions of securing our Nation's borders.
- GSA also proposes \$185.1 million to construct a new Federal building on an undeveloped portion of federally-owned land in Laguna Niguel, CA, to consolidate the Department of Homeland Security–U.S. Citizenship and Immigration Services (USCIS) into a modern Western Regions Office Headquarters. USCIS is currently housed in the Chet Holifield Federal Building (CHFB). The CHFB has an extremely high risk seismic classification, hazardous materials, chronic vacancy, and unfunded modernization needs (including all major systems) that exceed the facility's functional replacement value.
- In addition, GSA supports design funding of GSA proposes \$8.9 million to design a new Federal facility on approximately 10 acres of land at the National Geospatial-Intelligence Agency (NGA) West Headquarters Campus (N2W) in St. Louis, Missouri, to house the Department of Justice, Federal Bureau of Investigation (FBI). This facility will consolidate FBI field office operations currently in leased spaced within the St. Louis metropolitan and suburban areas. The secure N2W campus is owned by the Department of Defense, Department of the Air Force. The Air Force will provide a minimum 50-year no-cost permit for the use of the land by GSA on the N2W Campus.
- GSA also supports the ongoing remediation of the Southeast Federal Center in Washington, DC and requests \$6.85m for the effort. Remediation of extensive environmental contamination has been underway at this site for several years in compliance with a Consent Decree from the U.S. District Court in Washington, DC. While funding has been requested in FYs 2017 and 2019, it has not been received since FY 2010.

Construction and Acquisition of Facilities
(Dollars in Thousands)

	FUNDED TO DATE	ESTIMATED TOTAL PROJECT COST				FY 2020 REQUEST					
		SITE	DESIGN	CONSTRUCTION	M&I	TOTAL	SITE	DESIGN	CONSTRUCTION	M&I	TOTAL
New Construction:											
Washington, DC DHS Consolidation at St. Elizabeths ¹	\$ 1,591,000	\$ 6,722	\$ 232,828	\$ 2,040,665	\$ 134,794	\$ 2,415,009	\$ -	\$ 7,137	\$ 180,248	\$ 12,615	\$ 200,000
St. Louis, MO Federal Bureau of Investigation	\$ -	\$ -	\$ 8,975	\$ 112,889	\$ 7,227	\$ 128,891	\$ -	\$ 8,975	\$ -	\$ -	\$ 8,975
Washington, DC Southeast Federal Center Remediation	\$ 75,857	\$ 91,707	\$ -	\$ -	\$ 91,707	\$ 91,707	\$ 6,850	\$ -	\$ -	\$ -	\$ 6,850
Laguna Niguel, CA New Federal Building	\$ -	\$ -	\$ 12,194	\$ 164,212	\$ 8,737	\$ 185,143	\$ -	\$ 12,194	\$ 164,212	\$ 8,737	\$ 185,143
Subtotal, Executive Agencies	\$ 75,857	\$ 91,707	\$ 12,194	\$ 164,212	\$ 8,737	\$ 276,850	\$ 6,850	\$ 12,194	\$ 164,212	\$ 8,737	\$ 191,993
San Luis, AZ San Luis I.U.S. Land Port of Entry	\$ -	\$ -	\$ 18,077	\$ 218,417	\$ 11,828	\$ 248,322	\$ -	\$ 18,077	\$ 218,417	\$ 11,828	\$ 248,322
Subtotal, Land Ports of Entry	\$ -	\$ -	\$ 18,077	\$ 218,417	\$ 11,828	\$ 248,322	\$ -	\$ 18,077	\$ 218,417	\$ 11,828	\$ 248,322
Total FY 2020 Construction and Acquisition of Facilities Program	\$ 75,857	\$ 91,707	\$ 30,271	\$ 382,629	\$ 20,565	\$ 525,172	\$ 6,850	\$ 30,271	\$ 382,629	\$ 20,565	\$ 440,315

New Construction -- Project Descriptions

Arizona

San Luis, AZ San Luis I U.S. Land Port of Entry..... \$248,322,000

GSA proposes \$248,322 thousand for construction of facilities to modernize and expand the San Luis I Land Port of Entry (LPOE) in San Luis, AZ. The project includes relocation and expansion of northbound vehicle primary and secondary inspection facilities; replacement of the head house to allow for proper sightlines for officers to observe activities at secondary inspection, main building, and kennels; and development of southbound inspection and detention facilities that comply with the Department of Homeland Security, Customs and Border Protection (CBP) design guide. The project will meet the current and future operational requirements of the Federal agencies. The San Luis I LPOE is the busiest non-commercial LPOE in Arizona processing over 3,000,000 vehicles and 2,500,000 pedestrians a year. The port currently processes much greater traffic than originally designed to accommodate. Existing facilities are significantly undersized and no longer meet the mission requirements of CBP. All major building systems are past their useful lives. The expanded facilities will reduce wait times and provide additional capacity for cross border travelers.

The FY 2020 request is for Design (\$18,077 thousand), Construction (\$218,417 thousand) and Management and Inspection (\$11,828 thousand).

California

Laguna Niguel, CA New Federal Building \$185,143,000

GSA proposes \$185,143 thousand for construction of a new Federal building at 24000 Avila Road in Laguna Niguel, CA, to consolidate the Department of Homeland Security–U.S. Citizenship and Immigration Services (USCIS) from the Chet Holifield Federal Building (CHFB) into a modern Western Regions Office Headquarters. The CHFB has an extremely high risk seismic classification, hazardous materials, chronic vacancy, and unfunded modernization needs (including all major systems) that exceed the facility’s functional replacement value.

This proposed project includes the construction of a single-tenant stand-alone building on the southern, undeveloped portion of a federally-owned parcel of land currently housing the CHFB facility, as well as a joint-use Federal child care center. USCIS will realize tangible operational efficiencies from a new facility built specifically to accomplish its unique mission.

The FY 2020 request is for Design (\$12,194 thousand), Construction (\$164,212 thousand) and Management and Inspection (\$8,737 thousand).

District of Columbia

Washington, DC DHS Consolidation at St. Elizabeths..... \$200,000,000

GSA proposes \$200,000 thousand for the ongoing consolidation of the Department of Homeland Security (DHS) in the National Capital Region at the St. Elizabeths Campus. By bringing DHS headquarters components into a government-owned campus, reducing its leased footprint DHS will avoid incurring additional costs for commercial leases and enable its employees to collaborate more readily in a secure working environment. The FY 2020 request includes design and construction of a new Federal building of approximately 175,000 gross square feet to house the DHS Office of Intelligence and Analysis currently located at the Nebraska Avenue Complex in Washington, DC. In addition, a parking garage will be constructed in compliance with the facility's Master Plan, additional historic preservation activities will be undertaken, and funds for the necessary management and inspection services are included in this request.

The FY 2020 request is for Design (\$7,137 thousand), Construction (\$180,248 thousand), and Management and Inspection (\$12,615 thousand).

Washington, DC Southeast Federal Center Remediation..... \$6,850,000

GSA proposes \$6,850 thousand for the continued remediation of the Southeast Federal Center (SEFC). SEFC is a 53-acre site, in the southeast quadrant of the District of Columbia along the Anacostia River. Congress previously authorized the GSA to redevelop this property by entering into agreements with private entities to enhance the value of the site to the Federal Government.

Remediation of extensive environmental contamination has been underway at this site for several years to comply with a Consent Decree from the U.S. District Court in Washington, DC. GSA will continue to fund mitigation requirements related to a Consent Order from the Environmental Protection Agency pursuant to section 3013 of the Solid Waste Disposal Act, commonly referred to as the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. § 6934, and the provisions of the development agreement with Forest City Washington. Compliance with the remediation requirements of the Consent Decree, the Consent Order and the development agreement are necessary to enable the site to be redeveloped and will continue until all of the remediation requirements have been satisfied. To date, \$75,856,500 has been appropriated in support of remediation activities of the SEFC with \$15 million last received funding in fiscal year (FY) 2010.

The FY 2020 request is for Site Remediation (\$6.85 million).

Missouri

St. Louis, MO, Federal Bureau of Investigation..... \$8,975,000

GSA proposes \$8,975 thousand for the design of a new Federal facility at the National Geospatial-Intelligence Agency (NGA) West Headquarters Campus (N2W) in St. Louis, Missouri, to house the Department of Justice, Federal Bureau of Investigation (FBI). This facility will consolidate FBI field office operations currently in leased spaced within the St. Louis metropolitan and suburban areas. The FBI's St. Louis Field Office (SLFO) covers three resident agent offices for 48 counties in the Eastern U.S. Court District of Missouri. SLFO's current primary location on 2222 Market Street was a build-to-suit lease completed in 1998 for FBI as a sole tenant. The growth in FBI's cyber mission has also necessitated additional space in recent years because servers and other IT equipment have specialized requirements.

This proposed project includes a new FBI field office building, vehicle repair annex, visitor screening facility, a 20-space surface parking lot, and structured parking garage for 385 vehicles on approximately 10 acres of land within a secure campus owned by the Department of Defense, Department of the Air Force. The Air Force will provide a minimum 50-year no-cost permit for the use of the land by GSA on the N2W Campus. The complex will consolidate FBI's three lease locations

The FY 2020 request is for Design (\$8,975 thousand).

FY 2020 Capital Program – Repair and Alterations

Program Description

This activity provides for repairs and alterations of existing buildings as well as associated design and construction services. Protection of the Government's investment, the health and safety of building occupants, relocation of agencies from leased space, and cost effectiveness are the principle criteria used in establishing priorities. Repairs to improve space utilization, prevent deterioration and damage to buildings, building support systems, and operating equipment are given priority.

Summary of Request

The FY 2020 request of \$1.43 billion in Repairs and Alterations funding is necessary to address the Real Estate Investment and Savings Strategy, a portion of the identified needs of PBS's Federal inventory, which has an average age of 47 years. Basic and Major repairs and alterations have been repeatedly deferred, including repairs to malfunctioning elevators, replacement of obsolete electrical systems, updates to outdated fire alarm systems, seismic retrofits, and asbestos abatement. The FY 2020 request supports 18 Major repairs and alterations projects for construction, nine of which were included in previous budget requests,

but were unable to be funded within appropriated amounts. Delaying the implementation of these projects has led to increased costs and missed opportunities to consolidate agencies from commercial leases to Federally owned space. For example, the Major repairs and alterations project proposed for the Joseph F. Weis, Jr. U.S. Courthouse in Pittsburgh, PA was previously proposed in FY 2018, but was unable to be funded within appropriated amounts. Due to escalating construction costs, the FY 2020 request is approximately \$9.5 million higher than the FY 2018 request. Additionally, the U.S. Bankruptcy Court's planned relocation from commercial leased space to the Weis Courthouse has been delayed by two years, costing the taxpayers approximately \$1.3 million annually. GSA's FY 2018 estimate for the total cost of deferred maintenance and repair is approximately \$1.38 billion, for activities categorized as work needing to be performed immediately to restore or maintain acceptable conditions of the building inventory. Investing in the maintenance of our public facilities today allows PBS to address much needed repairs and improvements that if allowed to go unfunded, will negatively impact agency operations, impact building occupants, and result in emergency and costly repairs or moves out of Federal space in the future.

GSA prioritizes repair and alteration projects relative to the following criteria:

- Serving Our Partners: Factors considered include space consolidation and customer priorities;
- Reducing GSA's repair backlog: Factors considered include project urgency and facility conditions;
- Promoting Savings and Economic Development: Factors considered include project phase, lease cost avoidance, agency rent savings, return on investment, payback period and market factors;
- Reducing the Federal Footprint: Factors considered include space recapture and utilization rate improvement;
- Ensuring a Safe, Secure, and Responsible Work Environment: Factors considered include code compliance, seismic and accessibility improvements, and historic status; and,
- Asset Performance: Factors considered include planned holding period for the asset and GSA's evaluation of the asset's contribution to the performance of the overall portfolio.

The FY 2020 request funds repair activities, at the lowest possible cost to the taxpayer, to ensure that existing infrastructure receives the investment needed to support partner agencies and cost saving consolidation activities within existing Federal facilities.

- PBS will invest \$1.13 billion in the existing GSA portfolio of facilities through major repairs and alterations projects and design. Funding for these capital improvements in owned facilities (including the repair/replacement of outdated mechanical, electrical, fire and life safety, conveying, heating, ventilation and air conditioning (HVAC) systems and the correction of exterior and structural deficiencies) are critical to maintaining safe, secure and functional facilities where partner agencies can perform their mission. Proposed repairs and alterations will also facilitate improved asset utilization and lower

costs for the American taxpayer.

- PBS will invest \$382 million in the Basic Repairs and Alterations program, investing in projects with a total cost below the prospectus threshold of \$3.095 million. This program ensures that emerging needs are met, mitigating the need for more costly projects. Over 70 percent of these funds are annually allocated to basic serviceability items to keep chillers and boilers running, elevators in working order, and facilities safe for occupancy.
- PBS requests \$150 million for the Special Emphasis Programs: Consolidation Activities, Fire Protection and Life Safety, Judicial Capital Security, and Seismic Mitigation.

Repairs and Alterations
(Dollars in Thousands)

	FUNDING				ESTIMATED TOTAL PROJECT COST				FY 2020 REQUEST				TOTAL FY 2020 NOA
	FUNDED TO DATE	DESIGN	CONSTRUCTION	M&I	TOTAL	DESIGN	CONSTRUCTION	M&I	TOTAL	DESIGN	CONSTRUCTION	M&I	
REPAIRS AND ALTERATIONS													
SUMMARY OF FY 2020 PROGRAM													
(Dollars in Thousands)													
(In Priority Order)													
Nonprospective (Basic) Repairs and Alterations Program													
Major Repairs and Alterations													
Washington, DC 301 7th Street SW Regional Office Building	\$ -	\$ -	\$ 82,308	\$ 5,334	\$ 87,642	\$ -	\$ 82,308	\$ 5,334	\$ 87,642	\$ 8,000	\$ 82,308	\$ 5,334	\$ 95,642
Suitland, MD Suitland Federal Center	\$ -	\$ 4,316	\$ 41,488	\$ 3,544	\$ 49,358	\$ -	\$ 41,488	\$ 3,544	\$ 49,358	\$ 4,316	\$ 41,488	\$ 3,544	\$ 49,358
Richmond, CA Frank Hagel Federal Building	\$ -	\$ 3,000	\$ 35,200	\$ 1,900	\$ 40,100	\$ -	\$ 35,200	\$ 1,900	\$ 40,100	\$ 3,000	\$ 35,200	\$ 1,900	\$ 40,100
Portland, ME Edward T. Gignoux U.S. Courthouse	\$ -	\$ 2,241	\$ 18,939	\$ 1,887	\$ 23,067	\$ -	\$ 18,939	\$ 1,887	\$ 23,067	\$ 2,241	\$ 18,939	\$ 1,887	\$ 23,067
New York, NY Silvio V. Molio Federal Building and Jacob K. Javits Federal Building	\$ -	\$ 15,913	\$ 193,128	\$ 8,709	\$ 217,748	\$ -	\$ 193,128	\$ 8,709	\$ 217,748	\$ 15,913	\$ 193,128	\$ 8,709	\$ 217,748
Cleveland, OH Anthony J. Celebrezze Federal Building	\$ 7,835	\$ 7,835	\$ 59,325	\$ 4,803	\$ 78,803	\$ -	\$ 59,325	\$ 4,803	\$ 78,803	\$ -	\$ 59,325	\$ 4,803	\$ 78,803
Washington, D.C. Herbert C. Hoover Phase V Construction	\$ 346,859	\$ 45,479	\$ 940,070	\$ 50,888	\$ 1,066,456	\$ -	\$ 940,070	\$ 50,888	\$ 1,066,456	\$ -	\$ 940,070	\$ 50,888	\$ 1,066,456
Cincinnati, OH FDA Forensic Chemistry Center and John W. Peck Federal Building	\$ -	\$ 1,714	\$ 14,249	\$ 1,587	\$ 17,546	\$ -	\$ 14,249	\$ 1,587	\$ 17,546	\$ 1,714	\$ 14,249	\$ 1,587	\$ 17,546
Oklahoma City, OK William J. Holloway, Jr. U.S. Courthouse and U.S. Post Office and Courthouse	\$ -	\$ 12,129	\$ 125,257	\$ 7,080	\$ 144,446	\$ -	\$ 125,257	\$ 7,080	\$ 144,446	\$ 12,129	\$ 125,257	\$ 7,080	\$ 144,446
Boston, MA John F. Kennedy Federal Building	\$ -	\$ 6,550	\$ 64,291	\$ 5,088	\$ 75,929	\$ -	\$ 64,291	\$ 5,088	\$ 75,929	\$ 6,550	\$ 64,291	\$ 5,088	\$ 75,929
Austin, TX J.J. Pickle Federal Building	\$ 40,261	\$ 5,092	\$ 47,843	\$ 4,734	\$ 57,669	\$ -	\$ 47,843	\$ 4,734	\$ 57,669	\$ 5,092	\$ 47,843	\$ 4,734	\$ 57,669
Philadelphia, PA James A. Byrne U.S. Courthouse	\$ -	\$ 5,225	\$ 49,640	\$ 3,990	\$ 58,855	\$ -	\$ 49,640	\$ 3,990	\$ 58,855	\$ 5,225	\$ 49,640	\$ 3,990	\$ 58,855
New York, NY Alexander Hamilton U.S. Custom House	\$ 4,708	\$ 9,432	\$ 97,075	\$ 8,188	\$ 114,695	\$ -	\$ 97,075	\$ 8,188	\$ 114,695	\$ 4,708	\$ 97,075	\$ 8,188	\$ 114,695
Pittsburgh, PA Joseph F. Weis, Jr. U.S. Courthouse	\$ -	\$ 3,430	\$ 34,437	\$ 2,787	\$ 40,634	\$ -	\$ 34,437	\$ 2,787	\$ 40,634	\$ 3,430	\$ 34,437	\$ 2,787	\$ 40,634
Detroit, MI Patrick V. Moilanen Federal Building Garage	\$ -	\$ 1,086	\$ 15,518	\$ 1,055	\$ 17,671	\$ -	\$ 15,518	\$ 1,055	\$ 17,671	\$ 1,086	\$ 15,518	\$ 1,055	\$ 17,671
Akron, OH John F. Seiberling Federal Building and U.S. Courthouse	\$ -	\$ 1,883	\$ 16,001	\$ 1,602	\$ 19,486	\$ -	\$ 16,001	\$ 1,602	\$ 19,486	\$ 1,883	\$ 16,001	\$ 1,602	\$ 19,486
Honolulu, HI Prince J. Kuhio Kalaniana'ole Federal Building and U.S. Courthouse	\$ -	\$ 3,114	\$ 34,179	\$ 2,358	\$ 39,651	\$ -	\$ 34,179	\$ 2,358	\$ 39,651	\$ 3,114	\$ 34,179	\$ 2,358	\$ 39,651
Ogden, UT James V. Hansen Federal Building	\$ -	\$ 1,466	\$ 18,380	\$ 918	\$ 20,764	\$ -	\$ 18,380	\$ 918	\$ 20,764	\$ 1,466	\$ 18,380	\$ 918	\$ 20,764
Columbus, OH John W. Brooker Federal Building	\$ -	\$ 627	\$ 5,384	\$ 548	\$ 6,559	\$ -	\$ 5,384	\$ 548	\$ 6,559	\$ 627	\$ 5,384	\$ 548	\$ 6,559
Fayetteville, AR John Paul Hammerschmidt Federal Building and U.S. Courthouse	\$ -	\$ 2,419	\$ 23,694	\$ 1,532	\$ 27,645	\$ -	\$ 23,694	\$ 1,532	\$ 27,645	\$ 2,419	\$ 23,694	\$ 1,532	\$ 27,645
Boston, MA Thomas P. O'Neill, Jr. Federal Building	\$ 16,146	\$ 925	\$ 9,378	\$ 595	\$ 10,886	\$ -	\$ 9,378	\$ 595	\$ 10,886	\$ 925	\$ 9,378	\$ 595	\$ 10,886
New York, NY Daniel Patrick Moynihan U.S. Courthouse	\$ -	\$ 2,850	\$ 23,389	\$ 1,621	\$ 27,370	\$ -	\$ 23,389	\$ 1,621	\$ 27,370	\$ 2,850	\$ 23,389	\$ 1,621	\$ 27,370
Lakewood, CO Denver Federal Center Building 810	\$ -	\$ 547	\$ 4,964	\$ 404	\$ 5,915	\$ -	\$ 4,964	\$ 404	\$ 5,915	\$ 547	\$ 4,964	\$ 404	\$ 5,915
Anchorage, AK Anchorage Federal Building and Federal Building Addition	\$ -	\$ 400	\$ 3,631	\$ 263	\$ 4,294	\$ -	\$ 3,631	\$ 263	\$ 4,294	\$ 400	\$ 3,631	\$ 263	\$ 4,294
Conveying Systems - Various Buildings	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
Subtotal, Major Repair and Alterations	\$ 415,807	\$ 137,395	\$ 1,973,971	\$ 115,851	\$ 2,227,217	\$ -	\$ 1,973,971	\$ 115,851	\$ 2,227,217	\$ 75,910	\$ 900,985	\$ 54,616	\$ 1,227,153
Repair and Alteration - Design Program													
Indianapolis, IN Major General Emmett J. Bean Federal Center	\$ -	\$ 3,200	\$ 28,685	\$ 2,305	\$ 32,191	\$ -	\$ 28,685	\$ 2,305	\$ 32,191	\$ 3,200	\$ -	\$ -	\$ 3,200
Subtotal, Repair and Alteration - Design Program	\$ -	\$ 3,200	\$ 28,685	\$ 2,305	\$ 32,191	\$ -	\$ 28,685	\$ 2,305	\$ 32,191	\$ 3,200	\$ -	\$ -	\$ 3,200
Special Emphasis Programs													
Consolidation Activities Program	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ 75,000
Fire Protection and Life Safety Program	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ 30,000
Judiciary Capital Security Program	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ 20,000
Seismic Mitigation Program	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000
Subtotal, Special Emphasis Programs	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ 150,000
Total FY 2020 Repairs and Alterations Program	\$ 415,807	\$ 140,595	\$ 2,552,713	\$ 118,157	\$ 2,791,465	\$ 79,110	\$ 1,433,042	\$ 54,616	\$ 1,622,410	\$ 79,110	\$ 1,433,042	\$ 54,616	\$ 1,622,410

Repair and Alteration -- Project Descriptions

Alaska

Anchorage, AK Anchorage Federal Building and Federal Building Addition..... \$4,294,000

GSA proposes \$4,294 thousand for repair and alterations to the Anchorage Federal Building located at 605 West 4th Avenue and to the Federal Building Addition located at 654 West 3rd Avenue, Anchorage, AK. The proposed project will replace the outdated fire alarm system, relocate the Fire Command Center, and expand the fire suppression system for full building coverage.

The project will expand the existing automatic wet pipe fire suppression system to those areas of the building that are not currently protected. Hazardous materials, including asbestos and lead-based paint, that directly impact the project, will be abated. Interior alterations include drilling through steel reinforced concrete beams to accommodate fire suppression main piping and fire alarm raceways. Incidental HVAC and electrical upgrades will also be undertaken.

The current fire alarm system was installed in 1996 and is at the end of its useful and serviceable life. System parts are no longer manufactured and are difficult to find. Currently, the fire alarm control panel is failing due to the obsolete system components and has a history of system operational issues. The fire suppression system does not provide protection in all areas of the building and will be extended for full building coverage.

The FY 2020 request is for Design (\$400 thousand), Construction (\$3,631 thousand) and Management and Inspection (\$263 thousand).

Arkansas

Fayetteville, AR John Paul Hammerschmidt Federal Building and U. S. Courthouse..... \$27,545,000

GSA proposes \$27,545 thousand for a repair and alteration project for the John Paul Hammerschmidt Federal Building and U. S. Courthouse (Hammerschmidt FB-CT), located at 35 East Mountain Street in Fayetteville, AR. Alterations include modernizing the outdated heating, ventilation, and air conditioning system (HVAC), fire protection system, and electrical and plumbing systems, as well as exterior improvements to the roof and window system. The project will modernize the asset and improve energy efficiency.

The building was constructed in 1974 and has never received significant building-wide upgrade. The exterior envelope consists of a single-pane window system and face brick in need of tuckpointing. The air distribution system consists of duct board ductwork, which is no longer code-compliant. The basement area houses the mechanical systems and main electric gear, and experiences significant flooding with heavy rainfall. The lobby area is in need of security

upgrades. Emergency/exit stairways do not comply with the current fire code. Site drainage and flood control improvements are needed to mitigate flooding. Additionally, the asphalt surface of the adjacent parking lot is deteriorated and in need of subsurface water management.

The FY 2020 request is for Design (\$2,419 thousand), Construction (\$23,594 thousand) and Management and Inspection (\$1,532 thousand).

California

Richmond, CA Frank Hagel Federal Building..... \$40,100,000

GSA proposes \$40,100 thousand for the repair and alteration of the Frank Hagel Federal Building (FHFB) located at 1221 Nevin Avenue, Richmond, CA. The proposed repairs and replacements will address key infrastructure and systems deficiencies, exigent safety issues and extend the useful life of the building to meet the long-term housing and mission needs of a key Social Security Administration (SSA) location on the West Coast.

The original systems are over 40 years old, and many are at the end of, or beyond, their useful life, constraining the building's use as a modern workplace. The project proposes to address multiple building infrastructure and system deficiencies including the complete demolition of and upgrades to the restrooms in the basement and floors 1 through 4. The existing roofing systems on the main tower, childcare, and auditorium will be replaced, and hazardous material abatement at the roofs will be undertaken. HVAC upgrades will be undertaken, and the air intake grilles currently located at ground level will be replaced and relocated to the roof level of the tower building. Plumbing upgrades include the replacement of the tepid water system with a cold and hot water supply will be made. Electrical upgrades, including replacement of all wiring and lighting with LED fixtures throughout the work areas. The main switchgear will be replaced along with the distribution panelboards on each floor in electrical closets. The completion of the proposed upgrades and replacements will address exigent safety issues and deficiencies while extending the useful life of the building.

Colorado

Lakewood, CO Denver Federal Center Building 810 \$5,915,000

GSA proposes \$5,915 thousand for a repair and alteration project for a fire suppression loop in Building 810 at the Denver Federal Center (DFC), located at West 6th Avenue & Kipling Street in Lakewood, CO.

The proposed project will replace the existing main waterline loop for the fire suppression system on the exterior of the building with a line that will run on the interior of the building and reduce the existing 30 fire risers down to 3. In addition to a new fire pump and new isolation valves at each fire riser location, approximately 500 non-code compliant sprinkler heads will be

replaced. There are 3 existing exterior main water feeds that will be extended to the interior of the building to feed the new fire loop. The existing exterior fire suppression loop and 30 associated branch lines will be abandoned in place. In addition, a plan will be developed to ensure that all warehouse storage is configured appropriately according to quantities and types of building material to ensure effective fire suppression.

The fire loop and sprinkler heads are original to the building and have exceeded their useful life. There have been 10 failures in the waterline system since 2010 requiring emergency repairs ranging from \$30,000-80,000 per repair. A water leak detection report was completed on January 31, 2018; the report indicated that a pressure test in the system identified three areas that are leaking. The repairs are a temporary fix; the system continues to degrade and will eventually fail. The sprinkler heads are at risk of failure due to age. In addition, the warehouse has three different types of storage.

The FY 2020 request is for Design (\$547 thousand), Construction (\$4,964 thousand) and Management and Inspection (\$404 thousand).

District of Columbia

Washington, DC Herbert C. Hoover Phase V Construction..... \$163,832,000

GSA proposes \$163,832 thousand for repair and alterations of Phase V of the Herbert C. Hoover Building (HCHB), located at 1401 Constitution Avenue, NW, Washington, DC. HCHB, a National Historic Landmark consisting of approximately 1.9 million gross square feet (gsf) of building space serves as the headquarters for the U.S. Department of Commerce (DOC).

This FY2020 request reflects DOC's and GSA's efforts to improve DOC's utilization rate within the building through an open office environment, also known as "21st Century Workplace," which began with a pilot project under Phase III and was incorporated into the appropriations request and authorization for Phase IV. The remaining four phases will incorporate the "21st Century Workplace" environment and incidental system upgrades, such as mechanical, electrical, plumbing, and fire and life safety systems that support the more open office environment, along with lessons learned under construction of prior phases.

Phases IV-VII renovate the remaining building in sevenths (2/7ths have already been completed), moving progressively north to Pennsylvania Avenue. The tenant improvements will continue in Phases V-VII to achieve the targeted building overall utilization rate of 192. In Phase V, proposed in FY 2020, the cafeteria will be closed and renovated and security improvements will be made to the tunnel to the Ronald Reagan Building and to the building exterior perimeter.

This request for appropriations for Phase V allows for the modernization of approximately 1/7th of the building. In addition to maintaining this Historic Landmark, the modernization will include interior renovations to improve the building's inefficient and outdated workplace layout. The HCHB is an important asset in GSA's inventory due to its value, prominent location and National

Historic Landmark status. Aside from an HVAC upgrade in the 1960s and roofing and elevator renovations in the 1990s, the ongoing project is the first major renovation in the building's history. The HVAC, electrical, and plumbing systems have deficiencies that affect tenant comfort, building operations, energy efficiency, and maintenance costs, requiring frequent temporary repairs and replacement. The current HVAC system is plagued with poor distribution, ductwork problems, insufficient inflow of fresh air, inadequate zoning, and obsolete or non-existent temperature controls. The electrical service, distribution, and branch wiring systems have exceeded their life expectancy. Much of the plumbing can no longer be maintained and needs to be replaced. The building currently has over 120 restrooms, many of which do not meet accessibility regulations. Existing sprinkler and fire alarm systems cover only a small percentage of the occupied space. These existing systems cannot be expanded and do not meet current code requirements. Replacement of flat roofs and their drainage systems will address leaking problems. Refurbishment of existing windows and the additional installation of thermal blast windows will enhance energy conservation, reduce outside air seepage, and improve security of the building.

The FY 2020 request is for Construction (\$156,708 thousand) and Management and Inspection (\$7,124 thousand).

Washington, DC 301 7th Street SW Regional Office Building \$95,642,000

GSA proposes \$95,642 thousand for repair and alterations to the GSA Regional Office Building (ROB), located at 7th & D Streets, SW in Washington, DC. The project proposes interior alterations to improve space efficiency and utilization of the building by redesigning the building's circulation systems and utilizing an open plan office concept to the greatest extent possible thereby recapturing rentable office space and the modernization of outdated mechanical, fire alarm, electrical, and plumbing systems; and exterior and structural improvements. .

The systems and equipment in the building are significantly past their useful service lives and replacement parts are expensive and difficult to find. The electrical system has both capacity and distribution issues that make it difficult and costly to perform even minor space alterations. Building elevators are far beyond their useful life resulting in frequent outages of one or more elevators. Costly custom or rebuilt parts must be used to repair them. The building's HVAC system is also well past its useful life. There are distribution issues that create hot and cold areas throughout the building, regardless of the external temperature. The building has ongoing plumbing issues and frequent pipe bursts damage interior walls and carpets.

The FY 2020 request is for Design (\$8,000 thousand), Construction (\$82,308 thousand) and Management and Inspection (\$5,334 thousand).

Hawaii

**Honolulu, HI Prince J. Kuhio Kalaniana'ole Federal Building and
U.S. Courthouse..... \$39,651,000**

GSA proposes \$39,651 thousand for repair and alterations to the Federal Building portion of the Prince Jonah Kuhio Kalaniana'ole (PJKK) Federal Building and U.S. Courthouse complex located at 300 Ala Moana Boulevard in Honolulu, HI. The proposed limited-scope project in the Federal Building will address elevators, mechanical and electrical upgrades, restroom upgrades, and fire and life-safety systems that are in need of replacement.

The PJKK Federal Building and U.S. Courthouse complex houses about 70 agencies and serves as a main Federal location that covers Hawaii and Southern Pacific areas. The Federal Building has not undergone a major renovation since its construction in 1977. Elevator work will replace equipment that has met its useful life and will now meet current safety standards. The fire sprinkler system does not have rapid response heads that are now required, and the fire life safety devices do not meet current safety codes. The mechanical, electrical and plumbing work will be part of the downsizing of the cafeteria, saving energy costs, and its failing and unsafe building systems and equipment will be replaced. Restroom floor flood drains will be installed (a toilet fixture failure caused extensive water damage due to a lack of floor drains in the original restrooms), and partition work will be completed on all floors, except on the recently renovated second floor, to meet current accessibility standards.

The FY 2020 request is for Design (\$3,114 thousand), Construction (\$34,179 thousand) and Management and Inspection (\$2,358 thousand).

Maine

Portland, ME Edward T. Gignoux U.S. Courthouse..... \$23,067,000

GSA proposes \$23,067 thousand for repair and alterations of the Edward T. Gignoux U.S. Courthouse located at 156 Federal Street in Portland, Maine. The proposed project will repair and replace the building's deficient heating, ventilation, and air conditioning (HVAC) system, and fire alarm system.

The proposed project includes replacing air distribution systems including variable air volumes, fan coil units, heating terminal units, distribution piping, duct work, the building automation system (BAS), and the fire alarm system. Outside air intakes will be relocated from the ground level to the roof level to improve security. Air handling units and distribution will be upgraded. A new radiator will be provided for the emergency generator. A fall arrest system to the roof will be installed to provide protection for personnel during roof access. The operation of the existing smoke control system will be improved.

The FY 2020 request is for Design (\$2,241 thousand), Construction (\$18,939 thousand) and

Management and Inspection (\$1,887 thousand).

Maryland

Suitland, MD Suitland Federal Center..... \$49,358,000

GSA proposes \$49,358 thousand for repairs and alterations to the two office buildings located at 4600 Silver Hill road at the Suitland Federal Center in Suitland, Maryland. The project proposes to relocate the Bureau of Labor Statistics (BLS), currently located at 2 Massachusetts Ave. NE, Washington, DC. BLS occupies approximately 710,330 rentable square feet at 2 Massachusetts Ave in a building known as the Postal Square Building. The current lease expires on May 14, 2022, and approximately 1801 BLS headquarters personnel responsible for carrying out the Bureau's mission of collecting, analyzing, and disseminating essential economic information to support public and private decision-making require continued housing to carry out the agency's mission.

The Suitland Federal Center is comprised of approximately 226 acres of land and several buildings totaling 2.6 million rentable square feet of space. Two large office buildings located at 4600 Silver Hill Road, totaling 1.46 million rentable square feet make up the majority of the campus office space. GSA proposes consolidating the BLS personnel, currently at the Postal Square Building into approximately 367,000 rentable square within the office buildings. In order to accommodate the relocation and consolidation, GSA will improve building systems, construct interior space, and verify and address fire and life safety compliance within the buildings. When complete, the office buildings will house the Census Bureau, Bureau of Economic Analysis, and Bureau of Labor Statistics.

The FY 2020 request is for Design (\$4,316 thousand), Construction (\$41,498 thousand) and Management and Inspection (\$3,554 thousand).

Massachusetts

Boston, MA John F. Kennedy Federal Building..... \$75,929,000

GSA proposes \$75,929 thousand for a repair and alteration project to replace the deficient roofing, conveying systems, and heating ventilation and air conditioning (HVAC) systems, and upgrade the lighting controls system in the John F. Kennedy Federal Building (JFK), located at 15 New Sudbury Street, Boston, MA. The proposed project will replace failing and obsolete systems, improve building performance and facilitate code compliance.

The proposed project replaces the deficient roofing system, including the flashing and sealants, with a new membrane roofing system coupled with high-efficiency insulation on the high-rise and breezeway portions of the building. In addition, the project includes remediation of potential PCBs during roof demolition work and upgrades the building's permanent roof anchor/fall arrest system providing additional safeguards.

The conveying system equipment will be modernized to bring elevators and escalators up to current technology, performance and code standards. Replacement systems shall incorporate non-proprietary, regenerative drives. Passenger cab interior panels will be replaced and include Architectural Barriers Act Accessibility Standards (ABBAS) compliant features. Escalators will incorporate power standby technologies in order to reduce energy consumption during periods of low/no passenger activity. The proposed project also replaces the bus duct to the two low-rise switchgear rooms.

Existing chillers will be replaced with new high efficiency units with non-chlorofluorocarbon refrigerants. Waste condensate from new chiller replacement will be used to provide additional hot water for snowmelt or domestic hot water. The existing variable air diffuser (VAD) system will be replaced and reconfigured with a highly efficient variable air volume (VAV) system with reheat and a direct digital control system. The existing ductwork will be replaced or cleaned. Any new equipment will be fully compatible with and tied into the existing building automation system (BAS).

The existing lighting control system will be upgraded to incorporate occupancy and daylighting strategies throughout the tenant floors and bi-level lighting in the stairways as well as an occupancy/dimming strategy in the garage.

The FY 2020 request is for Design (\$6,550 thousand), Construction (\$64,291 thousand) and Management and Inspection (\$5,088 thousand).

Boston, MA Thomas P. O'Neill, Jr. Federal Building..... \$10,896,000

GSA proposes \$10,896 thousand for repair and alterations to replace the deficient roof systems at the Thomas P. O'Neill, Jr. Federal Building located at 10 Causeway Street in Boston, MA. The proposed project will address existing roof deficiencies, improve performance, and comply with applicable life safety code requirements.

The roof and skylight gaskets/sealants systems are at the end of their useful lives. The failure of the roof is further exacerbated by the near-term risk for increased wind turbulence from an adjacent privately owned high-rise building currently under construction, which is leading to more rapid delamination. The project is critical to ensure the roof and skylight gaskets/sealant replacements occur prior to full failure, minimizing impact to customer mission. The low-rise roof has had minor leaks that have negatively impacted tenant space. Due to the poor condition of the skylight gaskets/sealants, precipitation enters the atrium area. If not addressed, full roof material failure risks damage to interior finishes, tenant property and mission, and other building elements, in addition to increased energy consumption due to deterioration of insulation properties. The incorporation of permanent roof-mounted fall protection for personnel is a necessary safeguard to meet life safety requirements.

The FY 2020 request is for Design (\$925 thousand), Construction (\$9,376 thousand) and

Management and Inspection (\$595 thousand)

Michigan

Detroit, MI Patrick V. McNamara Federal Building Garage..... \$17,671,000

GSA proposes \$17,671 thousand for repair and alterations for the Patrick V. McNamara Federal Building garage located at 477 Michigan Avenue in Detroit, MI. The proposed project will complete critical structural and related system upgrades to the parking garage, correcting serious life safety deficiencies and operability issues of the rapidly deteriorating garage.

The garage provides mission-critical parking for Federal agencies housed in the adjacent McNamara Federal Building, including secure parking for Federal law enforcement agencies. Original to the construction of the garage, the existing concrete slab structure is rapidly deteriorating with spalling concrete and rusted reinforced steel visible where sections of concrete have fallen from slabs. The asphalt-topped concrete decks are in very poor condition, with large potholes that have the potential to damage vehicles and injure pedestrians. Portions of the garage are temporarily closed due to spalling concrete and water-related degradation. Interim repairs executed over the years are also susceptible to spalling due to the continued water penetration and de-icing salts. In addition to the needed structural repairs, the storm drain, fire and life safety, electrical and mechanical, and emergency lighting systems are all failing and are non-compliant with current codes. Shutting down the parking structure for the duration of the project allows for the completion of the repairs in one phase, thereby accelerating the schedule, reducing coordination efforts, and reducing overall project costs.

The FY 2020 request is for Design (\$1,098 thousand), Construction (\$15,518 thousand), and Management and Inspection (\$1,055 thousand).

Nationwide

Various Buildings, Conveying Systems..... \$100,000,000

GSA proposes \$100,000 thousand for alterations to upgrade, replace, and improve the conveying systems in multiple Government-owned buildings. The program proposes the full modernization of the elevators, escalators, and wheelchair lifts in numerous Government-owned buildings within GSA's inventory. All of the buildings evaluated are considered long-term holds, and the proposed modernizations are required to extend the useful life of these assets. The proposed projects include:

- Replacement of the major system components, including motors and controls, and upgrades to elevator pits, machine rooms and interior cabs; and
- Incorporation of power standby technologies in escalators to reduce energy consumption during periods of low/no passenger activity, hazardous materials abatement.

The repairs and replacements of these systems will provide reliable, timely, and efficient service and ensure that current building codes, and fire, life safety, and accessibility requirements are met. The current systems have exceeded their useful lives and are difficult to maintain. Some of the equipment dates back to the original construction of the building and component parts are no longer manufactured. Tenant impacts include numerous entrapments in the elevators and multiple elevators/escalators being taken out of service due to mechanical failures and lack of replacement parts. The systems are not in compliance with current code and safety standards, and the control systems are not compatible with current technology.

Washington, DC

Robert F. Kennedy Federal Building.....	\$33,014,500
40 of 40 elevators will be replaced/repared	
James V. Forrestal Federal Building.....	\$24,000,000
30 of 30 elevators will be replaced/repared	
Robert C. Weaver Federal Building	\$15,118,000
19 of 21 elevators will be replaced/repared	
Howard T. Markey National Courts Building	\$9,598,500
9 of 10 elevators will be replaced/repared	
Wilbur Wright Federal Building	\$7,111,000
6 of 6 elevators will be replaced/repared	

Cincinnati, OH

Potter Stewart U.S. Courthouse	\$11,158,000
8 passenger and 1 freight elevator will be replaced/repared	

New York

New York, NY Alexander Hamilton U.S. Custom House\$61,862,000

GSA proposes \$61,862 thousand in repair and alteration for the Phase I construction and Phase II design of a two-phase project to address building deficiencies at the Alexander Hamilton U.S. Custom House, a National Historic Landmark located at 1 Bowling Green, New York, New York. This proposed project will remediate water infiltration in the sub-basement and basement levels to prevent further damage to the building. Phase I of the project is intended to remediate water infiltration in the sub-basement and basement levels of the building. This project will include the excavation/replacement of the sidewalk around the building to provide access to the affected areas in the sub-basement. It will involve leak mitigation for the vehicle ramp, the access hatches, the sidewalk vault, and the exterior joints, and replacement/repair of piping, as needed.

The project also will involve major structural repairs to support beams and the removal of hazardous materials.

Water infiltration in the sub-basement and basement levels is jeopardizing the structural integrity of the building and building systems. Water and drain piping located under the sidewalk vault are compromised and could collapse, which presents a potential safety hazard and could cause additional damage. Falling debris from the overhead damaged areas poses a potential safety risk to personnel and could result in additional costly emergency work. Water infiltrating at the windows also is causing damage to the building interior and negatively affecting the building's energy efficiency.

Phase II Construction, to be submitted as part of a future request, proposes replacing the skylight, replacing the exterior windows with blast windows and repairing the laylight. The proposed two-phase project will ensure the long-term occupancy of federal agencies by providing a safe and reliable work environment.

The FY 2020 request is for Design (\$4,726 thousand), Construction (\$52,752 thousand), and Management and Inspection (\$4,384 thousand).

New York, NY Daniel Patrick Moynihan U.S. Courthouse..... \$27,570,000

GSA proposes \$27,570 thousand for repair and alterations to the Daniel Patrick Moynihan U.S. Courthouse located at 500 Pearl St., New York, NY. The proposed limited-scope project will consist of facade repair and roofing replacement.

This project proposes facade repair consisting of repointing and sealing of existing windows, regrouting of joints in the granite cladding, and cleaning of all marble cladding surfaces, and other incidental repairs required to the existing facade. The project will also include replacement of all building roofing systems and repair to interior spaces damaged by leaks in the facade/roof. Interior repair work consists of ceiling/wall replacement and new finishes.

This project is required to mitigate water intrusion from facade and roof leaks, protect electrical and mechanical infrastructure from further water damage, and shield both tenant spaces and courtrooms from persistent leaking, which disturbs the continuity of day-to-day operations.

The FY 2020 request is for Design (\$2,560 thousand), Construction (\$23,389 thousand) and Management and Inspection (\$1,621 thousand).

New York, NY Silvio V. Mollo Federal Building and Jacob K. Javits Federal Building..... \$46,600,000

GSA proposes \$46,600 thousand for design in support of a multi-phase modernization project for the Silvio V. Mollo (Mollo) Federal Building located at 1 St. Andrew's Plaza, New York, New York, and the design and construction of swing space buildout, space recapture, and related

improvements at the Jacob K. Javits (Javits) Federal Building located at 26 Federal Plaza, New York, New York. The proposed Mollo project will address seismic, structural deficiencies, mechanicals, electrical distribution, security and screening pavilion, and new buildout of the Department of Justice—U.S. Attorney’s Office (USAO), Criminal Division space.

The scope of the Mollo project includes complete replacement of building systems, including the facade, roofing, HVAC, electrical infrastructure, and elevators. The project also includes accessibility upgrades, a new integrated main entrance, and construction of tenant space for the USAO Criminal Division and USMS. Swing space in the Javits building will be required so tenants can vacate the existing facility and this work can be executed. The swing space will be constructed on two floors in the Javits Federal Building to accommodate the USAO Criminal Division and USMS and, at the conclusion of this project, will be reused to permanently house the Civil Division of the USAO, currently located in lease space, and USAO Administrative Services operations, currently located in Government-owned space at 201 Varick Street, New York, NY.

This location provides USAO with easy access to both the Daniel Patrick Moynihan and Thurgood Marshall U.S. Courthouses, as well as the MCC, the Federal prison serving Manhattan. The commercial real estate market makes it highly unlikely that office space for the USAO Criminal Division could be found in one location within a reasonable distance from the courthouses. If the USAO Criminal Division were to be housed elsewhere, the transit times from the correctional facility and courthouses would be longer, and there would be a chance its operations would have to be split up among multiple locations, impacting security, operational efficiency and resulting in a significantly higher cost to the taxpayer.

The FY 2020 request is for Design (\$15,913 thousand), Construction (\$29, 123 thousand) and Management and Inspection (\$1,564 thousand).

Ohio

Akron, OH John F. Seiberling Federal Building and U.S. Courthouse.....\$20,086,000

GSA proposes \$20,086 thousand for a repair and alteration project to repair the structural deficiencies of the plaza system at the John F. Seiberling Federal Building and U.S. Courthouse located at 2 South Main Street in Akron, OH. The proposed project includes replacement of the existing, failed waterproofing system, upgrades to the drainage system, repairs to the atrium skylight, and site improvements.

The plaza waterproofing system is original to the building and has exceeded its useful life. Directly beneath the front portion of the plaza, along Main Street, are offices, a cafeteria, storage, and mechanical and circulation space and beneath the rear portion of the plaza is a parking garage. Water infiltration around the plaza skylight is causing damage to the building interior and the parking garage. Pieces of concrete have fallen underneath the plaza in vehicular and pedestrian areas. Safety netting is required in these areas. Some areas of the

garage have to be roped off and cannot be utilized. Water infiltration along the south wall of the plaza is causing water buildup in ductwork and cracking in the walls and floors. Structural concrete has begun to crack and spall as a result of the moisture buildup, causing steel reinforcement members to rust and swell. Interim repairs have been undertaken using minor repair and alteration program funds.

The FY 2020 request is for Design (\$1,883 thousand), Construction (\$16,601 thousand) and Management and Inspection (\$1,602 thousand).

Cincinnati, OH FDA Forensic Chemistry Center and John Weld Peck Federal Building..... \$17,546,000

GSA proposes \$17,546 thousand for repair and alterations to the Department of Health and Human Services, Food and Drug Administration (FDA), Forensic Chemistry Center (FCC) located at 6751 Steger Dr. in Cincinnati, OH and repair and alterations to the John Weld Peck Federal Building (Peck FB) in Cincinnati, OH.

The project scope in FCC includes demolition of the existing FDA District Office space to accommodate the expansion of the FDA's laboratory. The existing lab will be partially demolished and upgraded with new finishes. Renovations will be made to the building's systems including HVAC upgrades, lighting upgrades, emergency power upgrades, repairs to the building's exterior and roof, replacement of the fire alarm system, restroom upgrades, and improvements to the loading dock. The project will also consolidate the existing FDA District Office space and an office leased for the FDA Resident Post into vacant space within the Peck FB. To accommodate this consolidation, building demolition, interior alterations, electrical, HVAC and life safety upgrades will be undertaken.

The FCC provides forensic analyses for high-profile samples collected within FDA's Office of Regulatory Affairs and other Federal and State agencies. The FCC's specialized forensic analysis activities include product tampering, counterfeiting of pharmaceuticals, detection of contaminants in foods and pharmaceuticals, and economic fraud related to foods and pharmaceuticals and illegal drugs. FCC scientists perform original research to develop methodology to identify poisons and other hazardous materials in pharmaceutical and food matrices. Criminal casework and regulatory sample submissions are projected to grow along with an increase of personnel at the FCC. The existing lab is outdated and does not allow the agency to effectively perform critical activities.

The FY 2020 request is for Design (\$1,714 thousand), Construction (\$14,245 thousand) and Management and Inspection (\$1,587 thousand).

Cleveland, OH Anthony J. Celebrezze Federal Building..... \$63,928,000

GSA proposes \$63,928 thousand for repairs and alterations for the Anthony J. Celebrezze Federal Building (Celebrezze Building) located at 1240 E. 9th Street in Cleveland, OH.

The project proposes the build-out of space in the Celebrezze Building to meet the long-term needs of Veterans Benefits Administration (VBA), Department of Labor Office of Workers' Compensation Programs (OWCP) and Department of Education (Education). The project scope includes relocation of several existing tenants within the building to provide VBA, currently housed in the Celebrezze Building with contiguous space, thereby allowing the agency to administer services for veterans more efficiently. OWCP and Education will be relocated from privately owned leased space into Celebrezze and consolidate their footprints. The OWCP and Education office space consolidations will provide an annual lease cost avoidance of approximately \$1,011,000 and an annual rent savings of approximately \$273,000. Existing space will be abated of all hazardous materials. A new ceiling, lighting, and fire and life safety systems will be installed. Mechanical and electrical systems will be upgraded or replaced, as required for build-out of the tenants' spaces. Minor plumbing repairs in tenant spaces and some restrooms will be completed. The project will provide long-term housing solutions for all of the agencies.

The FY 2020 request is for Construction (\$59,325 thousand), and Management and Inspection (\$4,603 thousand).

Columbus, OH John W. Bricker Federal Building.....\$6,559,000

GSA proposes \$6,559 thousand for repair and alterations to the John W. Bricker Federal Building (Bricker Federal Building) for a project to consolidate the Judiciary's U.S. Bankruptcy Court (USBC) and the Department of Justice—U.S. Marshals Service (USMS) from over 51,000 usable square feet (USF) of leased space to approximately 26,000 USF of owned space. The project will meet the long-term housing needs of the USBC, decrease the Federal Government's reliance on leased space, reduce federally owned vacant space, and improve space utilization in the Bricker Federal Building. The proposed project provides an annual lease cost avoidance of approximately \$1.4 million and an annual agency rent savings of approximately \$62,000.

The project also proposes to consolidate the USBC, currently in leased space, into the Bricker Federal Building. The project will create two USBC courtrooms, three chambers, clerk space, and support spaces. The project also includes the relocation of the USMS Court Security Office from leased space into the permanent Federal space. As part of the interior space alterations, HVAC, electrical, and plumbing upgrades required to house the USBC in the building will be completed.

The FY 2020 request is for Design (\$627) Construction (\$5,384 thousand) and Management and Inspection (\$548 thousand).

Oklahoma

Oklahoma City, OK William J. Holloway, Jr. U.S. Courthouse and U.S. Post Office and Courthouse..... \$93,441,000

GSA proposes \$93,441 thousand for the first phase of a two-phase repair and alteration project for the William J. Holloway, Jr. U.S. Courthouse (Holloway CT), at 200 Northwest Fourth Street, and the U.S. Post Office and Courthouse (PO-CT) at 215 Dean A. McGee Avenue, Oklahoma City, OK. These two buildings are part of a three-building Federal complex that also includes the Federal Parking Garage. Alterations to the Holloway CT and PO-CT include interior alterations; modernization of outdated mechanical, fire alarm, electrical, and plumbing systems; and exterior improvements, such as roof and window system replacements.

Water infiltration has caused damage to building interiors. Interior stairwells are required to bring emergency egress into compliance with fire safety codes. Reconfiguration of underground parking areas will maximize efficiency. The HVAC systems have exceeded their useful lives and need to be replaced for tenant comfort and efficient operation. The supply, return, ventilation, and exhaust fans are all original to the buildings and nearing the end of their useful lives. In both buildings, public restrooms, elevator lobbies, and common areas need upgrades for ABAAS compliance.

A replacement of lighting systems and electrical system components is needed to increase efficiency and comply with current code. Inefficient and leaking windows are original to both buildings. Correction of window system deficiencies, along with repair to plaster, woodwork, and stone damaged by window leaks, is essential to the project. The potential failure of the stone exterior is a serious life safety concern. The fire alarm system is outdated and needs to be replaced. Seismic upgrades are included to address increased seismic activity in the area. Plumbing components have exceeded their useful lives and replacement parts are difficult to locate. Site work is needed to eliminate tripping hazards and comply with ABAAS.

The FY 2020 request is for Design (\$12,129 thousand), Construction (\$77,145 thousand) and Management and Inspection (\$4,167 thousand).

Pennsylvania

Philadelphia, PA James A. Byrne U.S. Courthouse..... \$58,855,000

GSA proposes \$58,855 thousand for repairs and alterations to the James A. Byrne U.S. Courthouse (Byrne USCH), located at 601 Market Street in Philadelphia, PA. The Byrne USCH supports the operations of the U.S. Court of Appeals for the Third Circuit and the U.S. District Court for the Eastern District of Pennsylvania.

The proposed project will upgrade the heating, ventilation and air conditioning (HVAC) system, which includes comprehensive repairs or replacement of obsolete air handling units and

degraded ductwork, the installation of enhanced controls and related electrical and life safety upgrades. Condensing boilers will be added to the common mechanical plant to provide hot water for reheat coils in the variable air volume devices. The energy management system (EMS) will be upgraded to integrate the controls for all HVAC components and incorporate control points for all building systems.

Given the condition of the existing HVAC system, there is increasing risk for system failure and outage to portions of floors. These failures would lead to a significant disruption to the Judiciary's ability to meet caseload requirements. If tenant agencies were forced to relocate due to a system failure or outage, costly leased space would be required because there is no vacancy within the Byrne USCH.

The FY 2020 request is for Design (\$5,225 thousand), Construction (\$49,640 thousand), and Management and Inspection (\$3,990 thousand).

Pittsburgh, PA Joseph F. Weis, Jr. U.S. Courthouse..... \$40,634,000

GSA proposes \$40,634 thousand for repairs and alterations to the Joseph F. Weis, Jr. U.S. Courthouse (Weis Courthouse) located at 700 Grant Street in Pittsburgh, Pennsylvania. The project includes upgrading/replacing the heating, ventilation, and air conditioning (HVAC) system; upgrading the electrical system; replacing a portion of the roof; and space alterations for the U.S. Bankruptcy Court to support the court's relocation from leased space into approximately 31,000 usable square feet (USF) of vacant space in the Weis Courthouse. Relocating the U.S. Bankruptcy Court into Federal space provides an annual lease cost avoidance of \$1,300,000 to the Government and an annual rent savings of approximately \$800,000 to the Judiciary.

The Weis Courthouse currently supports the operations of the U.S. Court of Appeals for the Third Judicial Circuit and the Western District of Pennsylvania for the U.S. District Court. The majority of the HVAC system is more than 50 years old and has exceeded its expected useful life. Older units still utilize the antiquated original pneumatic and communication controls. With multiple system components exceeding the expected service life and in deteriorated condition, there is increased risk for a system failure and outage to portions of floors. Failures would lead to a significant disruption to the Judiciary's ability to meet caseload requirements.

The project fits into the overall asset strategy to repurpose vacant space for the courts and court-related functions, and enables space reduction for three court-related agencies. In addition, combining the HVAC system work with the proposed tenant renovation will reduce future tenant disruptions. The Weis Courthouse has a significant amount of vacant space. The U.S. Bankruptcy Court, currently located in one of the more costly GSA leases within Pittsburgh, will reduce its space by more than 30% by moving into the Weis Courthouse, including space currently occupied by the Circuit Library. The Circuit Library will be relocating into smaller space on another floor within the Weis Courthouse.

The FY 2020 request is for Design (\$3,430 thousand), Construction (\$34,437 thousand) and Management and Inspection (\$2,767 thousand).

Texas

Austin, TX J.J. Pickle Federal Building..... \$17,408,000

GSA proposes \$17,408 thousand to continue the repair and alteration project at the J. J. Pickle Federal Building (Pickle FB), located at 300 East Eighth Street, in Austin, TX. Through this request, GSA will execute the window replacement which completes the project.

The proposed window system solution will replace the window assembly, including all glass and frame components. While this solution does not allow for retention of the original window frames as originally planned, GSA determined that replacing the building's window system is necessary to resolve air and water infiltration issues that are damaging the interior of the building.

Implementation of the window replacement has proven more complex and costly than originally anticipated in order to fully address air and water infiltration issues as well as satisfy blast, energy, and historic preservation requirements. A window mock-up determined that the original FY 2014 design for the windows did not adequately solve water infiltration issues and created the need for extensive recurring maintenance. Additionally, while the original design included blast protection, the Facility Security Level of the building has increased since the project was authorized, increasing blast protection requirements.

The FY 2020 request is for Design (\$1,640 thousand), Construction (\$14,689 thousand), and Management and Inspection (\$1,079 thousand).

Utah

Ogden, UT James V. Hansen Federal Building..... \$18,764,000

GSA proposes \$18,764 thousand for repair and alterations for James V. Hansen Federal Building (FB) located at 328 25th Street in Ogden, Utah. The proposed project will address the failing building facade, improve the seismic resiliency, upgrade elevators, and upgrade the building's main entrance to improve queuing and security.

The project proposes to replace the pre-cast concrete panel facade and windows, construct shear walls throughout the building, replace passenger elevators and the freight elevator, add an entry vestibule to the south end of the main lobby, and reconfigure the lobby interior to provide improved queuing and security. A seismic evaluation found major structural deficiencies including inadequate shear walls, discontinuous walls terminating at the first suspended level (northwest stair tower), inadequate diaphragm connections to shear walls, and existing facade precast panels and connections cannot accommodate building drift.

The FY 2020 request is for Design (\$1,466) Construction (\$16,380 thousand) and Management and Inspection (\$918 thousand).

Repair and Alteration -- Design Description

Indiana

Indianapolis, IN Major General Emmett J. Bean Federal Center..... \$3,200,000

GSA proposes \$3,200 thousand for the design of a future repair and alteration project for the Major General Emmett J. Bean Federal Center located at 8899 E. 56th street, Indianapolis, IN, that will complete critical repairs and upgrades to the building's exterior. The project proposes rebuilding the existing roof parapet of the building, replacing the north portion of the roof, recoating the building's exterior, repairing the building's windows, and replacing the cooling tower.

The Bean Center is a three-story, concrete-framed structure with brick and stone exterior walls. The building measures approximately 1,660,000 gross square feet and is situated on a 72-acre site. It was constructed in 1953 as a Department of Defense records storage facility. Ownership of the building was transferred to GSA in 1996, at which time the facility was renovated for its current office use.

The building is experiencing a serious structural failure that poses life safety hazard to its occupants and visitors. The roof parapet is separating from the roof and moving outwardly over the building's perimeter facades. There is a significant risk of large portions of the roof parapet falling off the building, and the risk increases as the parapet continues to move further. The movement is also causing delamination of the building's exterior coating which continues to fall off the building. Access to portions of the exterior has been restricted and temporary protective netting and scaffolding has been installed to protect tenants from any falling debris.

The north roof of the building, which has reached the end of its useful life, is experiencing leaks. The windows are allowing water intrusion into the building during rain events. The building cooling tower has reached the end of its useful life.

Minor (Basic) Repairs and Alterations

Nationwide

Basic Repairs and Alteration Program..... \$382,057,000

The FY 2020 repairs and alterations program request includes \$382,057 thousand for Basic Repairs and Alterations and is dedicated to ensuring that the existing infrastructure receives the investment necessary to support customer agencies at the lowest possible cost to the taxpayer. All projects are executed below the FY 2020 prospectus threshold of \$3.095 million.

The Program serves as the source of funds to ensure the daily operational continuity in 1,603 buildings with approximately 183 million owned rentable square feet of space. Funds are expended on repairs and alterations of existing buildings as well as associated design and construction services. Protection of the Government's investment, the health and safety of building occupants, relocation of agencies from leased space, and cost effectiveness are the principal criteria used in establishing priorities. Repairs to improve space utilization, prevent deterioration and damage to buildings, their support systems, and operating equipment are given priority.

The majority of obligations address below prospectus level serviceability work items to maintain a facility's suitability to its original intended function. These are repairs to prevent deterioration and damage to buildings, their support systems, and operating equipment. The balance of funds received address space alterations, health and safety, physical security and special programs.

Postponing repairs and system upgrades leads to higher operating and maintenance costs and subsequent increased repair or replacement costs.

**Special Emphasis Program
Nationwide**

Consolidation Activities Program..... \$75,000,000

GSA proposes \$75,000 thousand for the reconfiguration and renovation of space within Government owned and leased buildings during Fiscal Year (FY) 2020 to support GSA's ongoing consolidation efforts to improve space utilization, optimize inventory, decrease reliance on leased space, and reduce the Government's environmental footprint.

As part of its ongoing effort to improve space utilization, optimize inventory, decrease reliance on leased space, and reduce the Government's environmental footprint, GSA is identifying consolidation opportunities within its inventory of real property assets. These opportunities are presented through surveys and studies, partnering with customer agencies and through agency initiatives. Projects will vary in size by location and agency mission and operations; however, no single project will exceed \$20 million GSA costs. Funds will support consolidation of customer agencies and will not be available for GSA internal consolidations. Preference will be given to projects that result in an Office Utilization Rate of 130 usable square feet per person or less and a total project payback period of 10 years or less. Typical projects include the following:

- Reconfiguration and alteration of existing federal space to accommodate incoming agency relocation/consolidation. (Note: may include reconfigurations of existing occupied federal tenant space); and
- Incidental alterations and system upgrades, such as fire sprinklers or heating, ventilation and air conditioning, needed as part of relocation and consolidation.

Since inception of the Consolidation Activities Program in FY 2014, GSA has received \$283 million in support of the program. Through FY 2018 the Consolidation activities program has funded 75 projects. When complete, the 75 projects will result in more than a 1.59 million usable square foot reduction, reduce agency rental payments to GSA by \$65 million annually, and provide \$130 million in annual government lease cost avoidance.

Fire Protection and Life Safety Program..... \$30,000,000

GSA proposes \$30,000 thousand for alterations to upgrade, replace, and improve fire protection systems and life safety features in Government-owned buildings during FY 2020.

Since FY 2010, GSA has received \$121 million in support of this program. These funds supported 101 projects in 86 Government-owned buildings.

As part of its fire protection and life safety efforts, GSA currently is identifying projects in Federal buildings throughout the country through surveys and studies. These projects will vary in size, location, and delivery method. The approval and appropriation requested in this prospectus is for a set of retrofit projects with engineering solutions to reduce fire and life safety hazards. Typical projects include:

- Replacing antiquated fire alarm and detection systems that are in need of repair or for which parts are no longer available.
- Installing emergency voice communication systems to facilitate occupant notification and evacuation in Federal buildings during an emergency.
- Installing or expanding, as necessary, fire sprinkler systems to provide a reasonable degree of protection for life and property from fire in Federal buildings.
- Constructing additional exit stairs or enclosing existing exit stairs to facilitate the safe and timely evacuation of building occupants in the event of an emergency.

Judiciary Capital Security Program..... \$20,000,000

GSA proposes \$20,000 thousand for alterations to improve physical security in Government-owned buildings occupied by the Judiciary and the Department of Justice, U. S. Marshals Service (USMS) during FY 2020.

Since FY 2012, GSA has received \$126.7 million in support of this program. These funds were allocated to 12 projects. This program provides funding to address security deficiencies in existing Federal facilities in a timely and less costly manner than constructing a new courthouse. The projects in this program are based on studies undertaken by the Judiciary. This prospectus requests separate funding to address security conditions at existing Federal courthouses. GSA uses the Judiciary's asset management planning process to assist in the identification of

potential projects that involve courthouses with poor security ratings nationwide.

Seismic Mitigation Program..... \$25,000,000

GSA proposes \$25,000 thousand to install, upgrade, and improve seismic performance in Government-owned buildings. Based on seismic studies, GSA initiated a program to identify nonstructural seismic hazards, and initiated correction and risk reduction projects associated with those hazards. According to the Department of Homeland Security, Federal Emergency Management Agency, most of the damage caused by several recent U.S. earthquakes was the result of nonstructural failures, and falling nonstructural building components are responsible for the majority of injuries. Completion of projects funded through this program will reduce the risk from seismic events in Government-owned buildings.

Leasing

(Dollars in Thousands)

FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
\$5,493,768	\$5,493,768	\$5,508,390

Note: Figures do not include indefinite authority for leased space.

Program Description – Leasing

This activity provides for the leasing of privately owned buildings. This includes space occupied by Federal agencies in U.S. Postal Service facilities, and space funded by Indefinite Authority. In 2018, the NOA request provided 182 million square feet of rental space. GSA expects to provide 180 million square feet of rental space in 2019 and 180 million in 2020. (Note: The annual NOA request does not include any space funded by Indefinite Authority, these requirements are included on the table on FBF-11).

The PBS FY 2020 Rental of Space budget request is based upon the improved rent estimation process instituted in FY 2016. This process is continuously refined by GSA. This request provides more accurate requirements to build the rental of space budget by linking directly to the leasing inventory and project tracking system while still considering historical trends where appropriate.

GSA has worked closely with partner Federal agencies to capture the full breadth of agency real estate portfolios in GSA owned and leased space and create a roadmap for agencies to right-size their respective footprints. GSA is working with agencies to outline opportunities for consolidation and is establishing a sustainable ratio of leased and owned real estate for the GSA portfolio. The funding provided for consolidation projects and the special emphasis consolidation activities in the capital program request allows PBS to create new opportunities for agencies to downsize and reduce costs.

PBS's Rental of Space NOA request reflects an overall reduction of 1.8 million RSF in anticipated leased square footage from FY 2018 to FY 2020. This projected net reduction includes delegated leases that agencies will turn back to GSA and independent leases where the agency has asked GSA to provide space. As the Federal Government continues to implement strategies to identify savings through efficient space use, the cost to lease new space is expected to decrease in aggregate as GSA replaces, consolidates, or terminates expiring leases. While leased space costs are a pass-through cost for PBS, GSA's objective is to reduce the overall amount of leased RSF while also budgeting for the necessary costs of the Rental of Space budget. This activity provides the Federal Government with a portfolio approach to managing leasing requirements for space. One of the benefits provided by this portfolio approach is flexibility for individual agencies to cancel most occupancies on short notice based on mission needs. In these situations, PBS will look to fill a requirement for

another agency with this recently vacated space. Having a centralized portfolio approach for leasing enables this type of holistic approach to meeting needs across all Federal agencies.

The FY 2020 Rental of Space request consists of the following requirements:

- \$5,550.788 million for annual rent for leases already in the inventory;
- \$25.039 million for rent increases, usually associated with replacement leases, operating cost escalations, and step rents;
- \$112.864 million for real estate taxes and one-time payments, such as claims and buyouts;
- \$2.261 million for temporary expansion space, the amount of space entering the inventory for temporary leases in support of major repair and alteration projects and relocations due to forced moves or health and safety conditions; and
- (\$125.862) million for cancellations, the amount of space leaving the inventory.

Rental of Space, Explanation of Changes

(Dollars in Thousands)

	New Obligational Authority (NOA)
Fiscal Year 2019 Annualized CR	\$ 5,493,768.00
FY 2019 Program Changes	\$ 59,638.00
Annualization of remaining FY 2019 Program Changes	\$ (2,618.00)
Fiscal Year 2020 Base	\$ 5,550,788.00
FY 2019 Unobligated Balance Used to Fund FY 2020 Requirements	\$ (56,700.00)
Rent Changes (Step Rent, CPIs, Escalations)	\$ 25,038.55
Lump Sums (Taxes, IBAs, RWAs, Double Rent, Others)	\$ 112,864.43
Cancellations	\$ (125,861.06)
Expansions	\$ 2,261.60
Fiscal Year 2020 Request	\$ 5,508,391.52

Building Operations

While maximizing resources for new construction and acquisition activities, and repair and alteration programs, the FY 2020 request of \$2.38 billion for Building Operations continues to optimize PBS' efficiency in internal operations while supporting key building operation needs requested by our customers.

Lease Cost Savings Plan

As highlighted in the summary, increasing the on-time lease replacement rate to 70% and reducing the leased square footage will contribute to reducing FBF obligations by billions over the duration of the lease contracts (15-20 years). This strategy achieves these savings by implementing long term strategic lease replacement decisions that capitalize on opportunities to reduce square footage, implement cost effective consolidation opportunities, and negotiate the most favorable rates for continuing occupancies. Continuing to implement short term extensions does not support the government's goal of reducing the Federal footprint. Greater investment in the leasing program will maximize the opportunities to achieve long term savings in the program.

Resource Request

To begin executing the lease cost savings strategy, PBS will invest additional resources to replace expiring leases on time with long term agreements that reduce the amount of leased space. Based on the current personnel funding in the Building Operations allocation, there are only sufficient resources to execute 50% of these leases without using short term extensions. Implementing more long term solutions will ensure PBS is not at risk for paying above market rates for short term extensions. One of the primary reasons for the extensions is PBS does not have the resources to execute the workload required to replace all leases on time..

In order to execute the lease cost savings plan, GSA proposes to increase on board staffing to 5,480 in FY 2020. An investment of a total of \$34 million, likely close to half government FTE and half in contracted management support staff ramping up in FY 2019 and fully onboard in FY 2020 will enable PBS to execute 70% of these leases with start dates in 2022. This is an improvement of 20% over the current 50% replacement rate. PBS will initiate strategic hiring in 2019 to prepare for this initiative to be fully executed in 2020. PBS will reduce the number of lease extensions and avoid lease premiums. In addition to these avoided costs for short term extension premiums, there is the opportunity to avoid higher leasing rates as longer terms will typically yield a more favorable rate and PBS will continue to work to consolidate space. Lower costs to the agencies will allow the agencies to dedicate their resources to mission execution while PBS focuses on delivering quality space.

Building Operations, Explanation of Changes
(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Annualized CR	FY 2020 Estimate
BASE BUILDING	\$ 1,103,376	\$ 1,117,160	\$ 1,146,112
Maintenance	\$ 412,625	\$ 418,088	\$ 438,792
Cleaning	\$ 373,795	\$ 373,005	\$ 376,877
Utilities	\$ 261,391	\$ 268,866	\$ 274,243
Security	\$ 55,565	\$ 57,201	\$ 56,200
OTHER / MISC BUILDING	\$ 113,756	\$ 124,548	\$ 131,262
Misc Bldg Support	\$ 86,844	\$ 97,269	\$ 104,017
Studies	\$ 23,531	\$ 22,863	\$ 23,320
Building Moves	\$ 3,381	\$ 4,416	\$ 3,925
TOTAL BUILDING SERVICES REQUIREMENT	\$ 1,217,132	\$ 1,241,708	\$ 1,277,374
OTHER FUNDING SOURCES	\$ (71,043)	\$ (95,619)	\$ (80,329)
TOTAL BUILDING SERVICES NOA	\$ 1,146,089	\$ 1,146,089	\$ 1,197,045
PBS ADMINISTRATIVE	\$ 1,121,913	\$ 1,140,773	\$ 1,193,409
Personnel Compensation and Benefits	\$ 682,442	\$ 675,053	\$ 701,598
GSA Working Capital Fund	\$ 350,126	\$ 357,432	\$ 364,945
Management Support	\$ 53,273	\$ 59,952	\$ 76,140
PBS Information Technology	\$ 36,724	\$ 44,500	\$ 50,439
Administrative Services	\$ 9,022	\$ 13,029	\$ 9,480
Heating Operation and Transmission Division	\$ (9,674)	\$ (9,193)	\$ (9,193)
OTHER / MISC PBS ADMINISTRATIVE	\$ (976)	\$ 1,644	\$ 3,396
Travel	\$ 9,880	\$ 10,770	\$ 12,336
Training	\$ 6,438	\$ 6,800	\$ 6,800
Telephones	\$ 5,531	\$ 6,000	\$ 5,907
Equipment	\$ 1,014	\$ 1,084	\$ 858
Supplies	\$ 762	\$ 982	\$ 933
Printing	\$ 177	\$ 210	\$ 190
Transportation	\$ 47	\$ 30	\$ 23
RWA Sliding Scale Fee	\$ (24,825)	\$ (24,232)	\$ (23,651)
TOTAL SALARIES AND EXPENSES REQUIREMENT	\$ 1,120,937	\$ 1,142,417	\$ 1,196,805
OTHER FUNDING SOURCES	\$ (45,260)	\$ (66,740)	\$ (10,344)
TOTAL SALARIES AND EXPENSES NOA	\$ 1,075,677	\$ 1,075,677	\$ 1,186,461
TOTAL BUILDING OPERATIONS NOA	\$ 2,221,766	\$ 2,221,766	\$ 2,383,506

Note: Other Funding Sources includes funds from projected prior year recoveries, National Antenna Program, Cooperative Use Act, and carryover.

While the Building Services NOA Request is increasing \$51 million from FY 2019 to FY 2020, total spend is increasing \$36 million. This difference in NOA vs spend is due to lower levels of carryover when compared to prior years as planned in the FY 2019 President's Budget. Similarly, Salaries and Expenses NOA is increasing by \$111 million from FY 2019 to FY 2020, however total spend is increasing \$54 million.

Building Services

(Dollars in Thousands)

FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
\$1,146,089	\$1,146,089	\$1,197,045

Note: Figures do not include indefinite authority

Program Description – Building Services

This activity provides services for Government-owned and leased facilities, including cleaning, utilities and fuel, maintenance, and miscellaneous services (such as moving, evaluation of new materials and equipment, and field supervision).

The FY 2020 Building Services portion of the Building Operations request is \$1.20 billion.

The FY 2020 request continues efforts to operate PBS’s building inventory as efficiently as possible by keeping requested funding levels at the lowest possible level. In FY 2015, PBS implemented additional national oversight of operating budgets in an effort to examine the management, contract provisions, contracting practices, and other activities that contribute to better value in PBS’s operating services.

Maintenance: The maintenance budget consists of the electrical, plumbing, HVAC, elevator/escalator operations, and labor in support of the operations of the facilities within GSA’s control. The FY 2020 request includes \$439 million, a five percent increase from the FY 2019 requested level for maintenance. This increase provides for additional wage rate increases and inflation on current maintenance contracts as well as maintenance support for facilities that will come into PBS’s inventory including newly constructed or renovated space.

Cleaning: The cleaning budget consists of the interior cleaning, exterior cleaning, trash removal, landscaping, and snow removal operations of the facilities within GSA’s control. The FY 2020 request includes \$377 million, an increase of approximately one percent from the FY 2019 requested funding for cleaning.

Utilities: The utility budget consists of the cost of water and sewage as well as energy needed to heat, cool, and power federal facility operations. The FY 2020 request includes \$274 million, an increase of two percent from the FY 2019 requested funding level. The annual costs of Energy Saving Performance Contracts and Utility Energy Service Contracts are funded from the utilities budget. GSA anticipates that these costs will be offset in future fiscal years by reductions to utility payments by PBS and cost avoidance within the Maintenance and Basic Repairs and Alterations budgets.

Security: The security budget provides funding for the work the Department of Homeland Security - Federal Protective Service performs for GSA occupied and vacant space. The FY

2020 request includes \$56 million, which is consistent with the FY 2019 request level.

Miscellaneous Building Support: The FY 2020 request includes \$104 million, an increase of seven percent from the FY 2019 request level, for miscellaneous building support. In FY 2020 the request will fund operations at the appropriate level to support customer needs. This category includes various programs that support improved operations. The Fire Protection and Life Safety Program identifies fire and safety hazards in GSA-controlled facilities. The Space Alterations and Changes Program funds Federal space requirements development, including expansion space and alterations under \$25 thousand. The Energy and Environmental Program oversees environmental testing and hazardous material abatement, as well as improving efficiencies by diagnosing, metering, and enhancing building systems with advanced automation systems. This budget supports Realty Services, including leased space requirements development, market surveys and appraisals, brokerage commissions, and assigning and backfilling space. In addition, this funding allows for Special Programs that include cafeteria and child care operations and the historic preservation program. Miscellaneous Building Support also funds various support functions not chargeable elsewhere such as key making, signage, renting operating equipment and tools, and raising and lowering flags. The majority of the increase to this program area is in support of the Lease Cost Avoidance Plan by funding program of requirements and construction management services for lease projects with upcoming expirations. Funding these requirements will ensure customer requirements are met and extensions are avoided. s.

Studies: The FY 2020 request includes \$23.3 million, an increase of approximately 2 percent from the FY 2019 requested funding level for studies. Studies supporting the FY 2021 Capital Project request are fully funded in this Building Services request; however, building studies in other areas were held flat in the request. This category includes building studies such as environmental studies and assessments, project development studies, building engineering reports, and planning studies. Energy audits are not included in this category. Studies are the first phase in successfully completing a capital project and are vital to the formulation of the Five-Year Capital Plan; it is therefore imperative that funding be provided at the request level.

Building Moves: This category funds costs associated with moving an agency into or out of space or moving GSA offices. The FY 2020 request includes \$3.9 million, a decrease of \$491 thousand, or 11 percent, from the FY 2019 requested funding level for building moves.

Salaries and Expenses

(Dollars in Thousands)

FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
\$1,075,677	\$1,075,677	\$1,186,461

Program Description – Salaries and Expenses

This activity provides for general management and administration of all real property-related programs including salaries and benefits paid from the FBF, administrative costs funded directly by the FBF, and contributions to the GSA WCF.

The FY 2020 Salaries and Expenses portion of the Building Operations request is \$1.19 billion.

Personnel Compensation and Benefits (PC&B): The FY 2020 request includes \$702 million, a four percent increase from the FY 2019 request levels. There are approximately 110 FTE funded in FY 2020 to support the Lease Cost Avoidance Plan that will provide the required support to replace 70% of the expiring highest value leases. In total, there are 5,480 FTE funded by the FY 2020 request, of which 270 FTE will be funded from reimbursable authority and not the FBF New Obligational Authority. The anticipated reimbursable authority to fund PC&B in FY 2020 is \$44 million.

GSA Working Capital Fund: The FY 2020 request includes \$365 million for the PBS portion of the Working Capital Fund, an increase of \$8 million from the FY 2019 level. The majority of this increase is the result of FY 2019 requirements being funded with carry over balances in the WCF, reducing the amount of FBF NOA needed to fund the requirements for PBS in FY 2018 and FY 2019. This category provides funding for GSA's overhead and administrative functions including Budget and Finance, Human Resources, and GSA IT services as well as select PBS specific requirements.

Management Support: The FY 2020 request includes \$76 million, an increase of two percent from the level of funding provided in the FY 2019 request. Management Support refers to PBS functions that are contracted out rather than maintained in-house in order to fulfill short term initiatives, implant specified subject matter expertise, or reduce personnel costs based upon competitive analyses. Positions support administrative functions as well as core areas of PBS's business such as leasing and building support. There has been an increase of approximately \$17 million to this category to provide contract support for the Lease Cost Avoidance Plan. This \$17 million represents the full contractor portion of the \$34 million in resources necessary to increase the expiring lease replacement rate from 50% to 70%.

PBS IT Services: The FY 2020 request includes \$50 million, an increase of thirteen percent from the level of funding provided in the FY 2019 request for PBS IT Services. This category provides funding for PBS-specific IT investments including operation, maintenance, and

enhancements of national applications. This request supports the top priority IT enhancements and investments in the PBS IT portfolio. Five million of this increase is a result of an investment to replace the current Electronic Project Management (PM) system which is used to support project management of PBS' design and construction projects. The replacement of this system will address an outdated user interface and slow performance, efficiency gains will also result by eliminating duplicative data entry.

Other/Miscellaneous PBS Administrative: This category provides funding for PBS's administrative costs such as transportation, telephones, printing, supplies, equipment, and travel, as well as programmatic spending not associated with Management Support. This category also includes \$6.8 million for training that represents less than one percent of base salary cost. Training funds provide discretionary and mandatory requirements such as PBS's Acquisition and Project Management personnel training, and the Facilities Management certification program.

Program Description – Reimbursable Program

REIMBURSABLE PROGRAM EXPLANATION OF BUDGET CHANGES (Dollars in Thousands)		
	FTE	Reimbursable Authority
FY 2019 Annualized CR	270	\$ 1,363,666
Workload Decreases	0	\$ 9,101
FY 2020 Estimate	270	\$ 1,354,565

When requested by other Federal agencies, PBS provides, on a reimbursable basis, building services such as tenant alterations, cleaning, utilities, and other operations, and protection services which are in excess of those services provided within the standard commercial rental charges.

Schedule of Indefinite Authorities

Program	Source	Explanation
Recycling and Energy Rebates	40 U.S.C. § 592	The Administrator may obligate amounts received and deposited in the FBF for energy management improvement and recycling programs.
Historic Properties	54 U.S.C. § 306121	The proceeds of any outlease for a historic property may, notwithstanding any other provision of law, be retained by the agency entering into such lease and used to defray costs incurred by the agency with respect to such property or other properties under the control of the agency which are on the National Register of Historic Places.
Pennsylvania Avenue Activities	40 U.S.C. § 6701(b)(1)	The Administrator may use amounts transferred from the Pennsylvania Avenue Development Corporation (PADC) or income earned on PADC property for activities associated with carrying out the responsibilities of the PADC transferred to the Administrator. Any income earned after October 1, 1998, shall be deposited to the Federal Buildings Fund to be available for the purposes authorized under this subchapter, notwithstanding 40 USC 592(c)(1).
International Trade Center	40 U.S.C. § 6701(a)(1)	The Administrator may make and perform transactions as necessary to carry out the trade center plan at the Federal Triangle Project. See also 40 U.S.C. § 6701(b) (1), noted above.
Cooperative Use Act and National Antenna Program	40 U.S.C. § 581(h)(3)	The Administrator may deposit into the FBF amounts received under Cooperative Use Act leases or rentals, and amounts deposited shall be credited to the appropriation from the Fund applicable to the operation of the building.
Telecommuting	40 U.S.C. § 587(b)(4)	The Administrator may deposit into the FBF user fees related to telecommuting centers, and use the fees to pay costs incurred in establishing and operating telecommuting centers. GSA may accept and retain income received from Federal agencies and non-Federal sources to defray costs directly associated with the functions of telecommuting centers.
Rental of Space	40 U.S.C. § 586 (d)	An agency may make rent payments to GSA for lease space relating to expansion needs of the agency. Payment rates shall approximate commercial charges for comparable space. Payments shall be deposited into the FBF. GSA may use amounts received under this subsection, in addition to amounts received as New Obligational Authority, in the Rental of Space activity of the FBF.

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U.S. General Services Administration
GOVERNMENT-WIDE POLICY
Fiscal Year 2020 Budget Request
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Appropriations Language

*For expenses authorized by law, not otherwise provided for Government-wide policy and evaluation activities associated with the management of real and personal property assets and certain administrative services; Government-wide policy support responsibilities relating to acquisition, travel, motor vehicles, information technology management, and related technology activities; and services as authorized by 5 U.S.C. 3109; **\$65,843,000**, of which \$8,000,000 shall remain available until September 30, 2021.*

Program Description

This appropriation provides for the activities of the Office of Government-wide Policy (OGP). OGP works cooperatively with other agencies to develop and evaluate policies associated with the following: acquisition and acquisition workforce career development; real property; personal property; travel, transportation management, motor vehicles, and aircraft; committee management; information technology and cyber security; and transparency of regulatory information. OGP also collaborates with agencies and other primary Government organizations to provide support for the execution of Government-wide priorities and programs including oversight and management of Government-wide shared service mission support functions and implementation support for cross-agency priority goals in the President's Management Agenda (PMA). OGP identifies and shares policies and best practices to drive savings, efficiency, and effectiveness across the Federal Government.

OGP consists of seven offices including the Office of Asset and Transportation Management; the Office of Evidence and Analysis; the Office of Information Integrity and Access; the Office of Federal High Performance Buildings; the Office of Evaluation Sciences; the Office of Acquisition Policy; and the Office of Shared Solutions and Performance Improvement.

Amounts Available for Obligation

(Dollars in Thousands)

	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
Discretionary authority:			
Annual appropriation	\$ 53,499	\$ 53,499	\$ 65,843
Reimbursable authority:			
Unobligated balance, start of year	\$ 19,566	\$ 30,561	\$ 30,561
New authority	\$ 6,256	\$ 9,851	\$ 9,851
Transfers in for Inter-Agency Councils/Cross-Agency Priority Goals	\$ 31,308	\$ 32,000	\$ 32,000
Transfers out for Inter-Agency Councils/Cross-Agency Priority Goals	\$ (840)	\$ -	\$ -
Change in uncollected payments	\$ 1,445	\$ -	\$ -
Unobligated balance, expiring	\$ (275)	\$ -	\$ -
Subtotal, Reimbursable Authority	\$ 57,460	\$ 72,412	\$ 72,412
Reimbursable Unobligated balance, end of year*	\$ 30,561	\$ 30,561	\$ 30,561
Obligations, Reimbursable	\$ 26,899	\$ 41,851	\$ 41,851
Obligations, appropriated (annual)	\$ 53,102	\$ 53,499	\$ 65,843
Obligations, appropriated (multi-year)	\$ 1,000	\$ -	\$ -
Total obligations	\$ 80,001	\$ 95,350	\$107,694
Carry over authority	\$ -	\$ -	\$ 8,000
Net Outlays	\$ 43,964	\$ 57,210	\$ 64,616

Note: *- In FY2018, DOD advanced the GSA, TAS 18/19 0401 funds contribution twice for the amount of \$14 million in support of Crosscutting Priority (CAP) Goals. GSA was not able to refund DOD before the end of the fiscal year due to the IPAC window being closed. The IPAC refund in the amount of \$7 million was processed in FY2019.

Explanation of Changes, Appropriated Dollars and FTE

(Dollars in Thousands)

	FTE	FY 2018 Enacted	FTE	FY 2019 Annualized CR	FTE	FY 2020 Request
	131.0	\$53,499	148.0	\$ 53,499	148.0	\$ 65,843
Program Increases:						
Technology Business Management (TBM) PMO						\$ 2,500
Federal IT Dashboard						\$ 3,500
Improved use of data and visualization of FRPP, ITDB, and other OGP programs data						\$ 1,716
Continue Data Center Optimization initiative PMO						\$ 1,500
FTE insourcing to address increased workload					6	\$ 1,300
Contractual support for Shared Services initiatives						\$ 1,503
Net Working Capital Fund Bill increase from FY 19 C.R.						\$ 1,437
Subtotal, Program Increases.....					6	\$ 13,456
Program Decreases:						
FTE transfer in support of GSA-IT CxO services increase					(6)	\$ (1,112)
Subtotal, Program Decreases.....					(6)	\$ (1,112)
Total Adjustments.....					0	\$ 12,344

Funding by Program, Dollars and FTE

(Dollars in Thousands)

	FY 2018		FY 2019		FY 2020	
	FTE	Obligations	FTE	Authority	FTE	Authority
1. Administration						
Annual appropriation	5.0	\$ 11,377	7.0	\$ 11,637	9.0	\$ 16,300
Subtotal, Administration	5.0	\$ 11,377	7.0	\$ 15,649	9.0	\$ 16,300
2. Evidence and Analysis						
Annual appropriation	8.0	\$ 2,877	9.0	\$ 2,877	11.0	\$ 3,100
Subtotal, Evidence and Analysis	8.0	\$ 2,877	9.0	\$ 3,100	11.0	\$ 3,100
3. Evaluation Sciences						
Annual appropriation	5.0	\$ 1,039	7.0	\$ 1,039	7.0	\$ 1,011
Reimbursable authority	0.0	\$ 844	0.0	\$ 1,000	0.0	\$ 1,000
Subtotal, Evaluation Sciences	5.0	\$ 1,883	7.0	\$ 2,039	7.0	\$ 2,011
4. Asset and Transportation Management						
Annual appropriation	37.0	\$ 11,863	45.0	\$ 11,946	45.0	\$ 11,118
Reimbursable authority	0.0	\$ -	0.0	\$ -	0.0	\$ -
Subtotal, Asset and Transportation	37.0	\$ 11,863	45.0	\$ 11,118	45.0	\$ 11,118
5. Information Integrity and Access						
Annual appropriation	33.0	\$ 13,794	35.0	\$ 13,801	32.0	\$ 21,875
Reimbursable authority	0.0	\$ 2,736	0.0	\$ 3,500	0.0	\$ 3,500
Subtotal, Information Integrity and Access Management	33.0	\$ 16,530	35.0	\$ 17,301	32.0	\$ 25,375
6. Federal High Performance Buildings						
Annual appropriation	11.0	\$ 2,912	11.0	\$ 2,912	11.0	\$ 2,862
Subtotal, Federal High Performance Buildings	11.0	\$ 2,912	11.0	\$ 2,862	11.0	\$ 2,862
7. Acquisition Policy						
Annual appropriation	32.0	\$ 9,240	34.0	\$ 9,287	33.0	\$ 9,577
Reimbursable authority	8.0	\$ 2,080	12.0	\$ 2,851	12.0	\$ 2,851
Subtotal, Acquisition Policy	40.0	\$ 11,320	46.0	\$ 12,428	45.0	\$ 12,428
8. Shared Solutions and Performance Improvement						
Annual appropriation	0.0	\$ 1,000	0.0	\$ -	0.0	\$ -
Reimbursable authority	5.0	\$ 1,800	0.0	\$ 2,500	0.0	\$ 2,500
Reimbursable authority, Management councils/CAP Goals	16.0	\$ 19,439	28.0	\$ 32,000	28.0	\$ 32,000
Subtotal, Shared Solutions and Performance Improvement	21.0	\$ 22,239	28.0	\$ 34,500	28.0	\$ 34,500
Total, Annual appropriated	131.0	\$ 54,102	148.0	\$ 53,499	148.0	\$ 65,843
Total, Reimbursable	29.0	\$ 26,899	40.0	\$ 41,851	40.0	\$ 41,851
Total, Budget Authority	160.0	\$ 81,001	188.0	\$ 95,350	188.0	\$ 107,694

Summary

The FY 2020 appropriated budget request provides \$65.843 million and 148 full time equivalents (FTE) for the Office of Government-wide Policy (OGP); a net increase of \$12.3 million from the FY 2019 annualized CR request, and \$5.8 million from the FY 2019 enacted level.

In FY 2020 OGP will continue to develop, analyze, and assist agencies in implementing administrative policies for the Federal Government in multiple functional areas including real and personal property; aircraft and motor vehicles; travel and transportation of goods and people; acquisition of goods and services; information technology and cybersecurity policy; shared services; and high performance Federal buildings. The 2020 Budget provides the funding required to also providing support to agencies on implementing new initiatives related to policy development.

Program Financing

Salaries and expenses of OGP staff and Government-wide policy programs are funded from annual appropriations and reimbursable authority. Other reimbursable costs within OGP include the Federal Acquisition Institute (FAI) and the CXO Council and Cross-Agency Priority (CAP) Goal funds. The CXO Council and CAP Goal funds are collected by the Office of Shared Solutions and Performance Improvement (OSSPI), which, in coordination with OMB, identifies and pursues Government efficiency and shared service initiatives across agencies to support the Federal Management Councils and Cross-Agency Priority Goals.

Program Changes

OGP is requesting \$2.5 million to expand the current OGP Technology Business Management (TBM) Program Management Office (PMO) to support the Government-wide effort to improve IT spending transparency. The PMO will focus on setting standards, sharing best practices, and supporting agencies in their individual implementations of TBM.

OGP is requesting \$3.5 million to manage the collection, analysis, and public presentation of IT budget and performance data that is currently associated with the Federal IT Dashboard and the Capital Planning and Investment Control (CPIC) data collection process. OGP will provide the operational support to fulfill the statutory requirements set forth in the Federal Information Technology Acquisition Reform Act (FITARA) on enhanced transparency and risk reporting in IT investments. OGP will manage the operational responsibilities of the initiative, with close coordination with OMB Office of E-Government and Information Technology (also known as the Office of the Federal Chief Information Officer).

OGP's Office of Information, Integrity, and Access will continue work on several key initiatives,

including execution of the Data Center Optimization program management office with \$1.5 million. The funding will ensure OGP's continued support as the Data Center Optimization Managing Partner coordinating the Government-wide data center strategy in collaboration with OMB.

OGP will elevate its use of data with \$1.7 million to improve both Government-wide policy development and the overall presentation and user experience for all published Government-wide data related to OGP programs (e.g., FRPP, travel, fleet, etc.). This includes making enhancements to website usability, increasing OGP's analytical capability, and continuing to expand OGP's database of government-wide management data to include the integration of multiple IT data sources.

OGP has been a leader across government to drive the creation and adoption of quality shared services for mission support functions. OGP requests \$1.5 million to support the government-wide adoption of shared services and conduct program management efforts to coordinate all processes and governance to facilitate both the creation of supply and the migration of customers.

OGP requests \$1.3 million and an increase in the FTE ceiling from 142 to 148 (six new FTE) of highly qualified experts to further support OGP's mission. These resources may perform work related to driving travel and transportation standards, developing standards related to emerging information technologies, analyzing Government-wide data to inform policy, and supporting the development of acquisition policy.

Finally, OGP's request includes a net increase of \$1.4 million from the FY 2019 C.R. to fund the Working Capital Fund bill, and also includes a transfer of \$1.1 million and 6 FTE to WCF GSA IT to align IT functions across GSA.

Reimbursable Programs

The FY 2020 Request includes \$32 million in reimbursable funding for OSSPI. Those services include administration of the Federal executive councils (Chief Financial Officers Council, Chief Information Officers Council, Federal Real Property Council, Federal Privacy Council, Performance Improvement Council, PMIAA Council, etc.), supporting the implementation of priorities identified in the President's Management Agenda, and accelerating the use of data to influence the creation of effective management strategies.

- The Government-wide Executive Council's budget includes up to \$17 million in transfer authority to support cross-Government initiatives related to mission support activities, management priorities, and challenges.
- Up to \$15 million in transfer authority is budgeted for cross-agency priority goals (CAP) as identified in the President's Management Agenda. These activities are discussed in

more detail in the Executive Office of the President's FY 2019 Congressional Justification.

The OGP budget request includes \$9.9 million in reimbursable authority for the Office of Information Integrity and Access; the Office of Evaluation Sciences; the Office of Acquisition Policy; and the Office of Shared Solutions and Performance Improvement.

- OGP's request includes \$3.5 million in reimbursable authority to manage the collection, analysis, and public presentation of IT budget and performance data that is currently associated with the Federal IT Dashboard (www.itdashboard.gov) and the Capital Planning and Investment Control (CPIC) data collection process.
- To continue to provide high quality data evaluation support to its agency partners, the Office of Evaluation Sciences is requesting \$1 million in reimbursable activity.
- The Federal Acquisition Institute (FAI) submission includes \$2.9 million in reimbursable activity for the agreement with the Acquisition Workforce Training Fund to support implementation of the FAI Improvement Act (41 U.S.C. §1201 Pub. L. 112-81). The Act promotes career development and strategic human capital management for the Federal acquisition workforce. FAI deploys a civilian agency training consortium board that utilizes innovative tools and technology to reduce redundancies, leverage resources, and align acquisition workforce development training objectives across Federal agencies.
- \$2.5 million in reimbursable authority is requested for OSSPI to fund shared service priorities to support the Government-wide management agenda or Federal-wide reform efforts identified by OMB.

Obligations by Object Class

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Annualized CR	FY 2020 Request
11.1 Full-time permanent	\$ 17,702	\$ 18,903	\$ 18,750
11.3 Other than full-time permanent	\$ 121	\$ 250	\$ 210
11.5 Other personnel compensation	\$ 312	\$ 300	\$ 286
11.8 Special personnel services payments	\$ 578	\$ 578	\$ 1,100
12.1 Civilian personnel benefits	\$ 5,315	\$ 6,439	\$ 6,375
21.0 Travel and transportation of persons	\$ 177	\$ 177	\$ 202
23.3 Communications and utilities	\$ 46	\$ 46	\$ 38
24.0 Printing and reproduction	\$ 158	\$ 158	\$ 447
25.1 Advisory and assistance services	\$ 15,990	\$ 13,500	\$ 20,441
25.2 Other services from non-Federal sources	\$ 184	\$ 184	\$ 270
25.3 Other goods & services from Federal sources	\$ 13,439	\$ 12,884	\$ 17,664
26.0 Supplies and materials	\$ 26	\$ 26	\$ 45
31.0 Equipment	\$ 54	\$ 54	\$ 15
99.0 Obligations, Appropriated (Annual)	\$ 54,102	\$ 53,499	\$ 65,843
<i>Subtotal, PC&B</i>	\$ 24,028	\$ 26,470	\$ 26,721
<i>Subtotal, Non-labor</i>	\$ 30,074	\$ 27,029	\$ 39,122
99.2 Obligations, reimbursable	\$ 26,899	\$ 41,851	\$ 41,851
99.9 TOTAL OBLIGATIONS	\$ 81,001	\$ 95,350	\$ 107,694

OGP Policy Offices

Office of Asset and Transportation Management

OGP's Office of Asset and Transportation Management provides policy, guidance, and reporting on asset management functions ranging from personal and real property, postage, aviation, travel and transportation, and oversight of Government-wide Federal Advisory Committee Act management. This office is responsible for maintaining the Federal Travel Regulation and calculating and publishing annual Per Diem rates. The Office of Asset and Transportation Management helps agencies make better decisions through evidence-based policies that enable effective and efficient Government-wide asset and transportation management.

Office of Evidence and Analysis

The Office of Evidence and Analysis works to expand the agency's ability to gather, compile, and generate evidence based analyses from a variety of business systems that provide decision making information for senior leadership. The work of this team will improve the effectiveness of operations, processes, and systems by providing empirical data to inform policy development and operational decision-making.

Office of Information Integrity and Access

The Office of Information Integrity and Access supports and enables agency implementation of Government-wide information technology (IT) policies and programs and uses data, analysis, and collaboration to improve Federal IT service delivery.

This office works directly with the OMB Office of Electronic Government and the Chief Information Officers Council (CIO Council), to support CIOs, IT procurement personnel, and other IT decision makers to address both the most common and the most complex Federal IT challenges including:

- Cybersecurity;
- Domain Services and internet connectivity;
- Identity, Credential, and Access Management;
- IT Accessibility and Section 508 compliance; and
- IT Infrastructure Modernization and data center optimization.
- Technology Business Management implementation support
- IT Dashboard support

These initiatives are carried out through several business lines including: CIO Engagement, Digital Government, Information Security, and IT Infrastructure Modernization. Under these business lines, OGP manages several Government-wide programs and Communities of Practice.

Office of Federal High Performance Buildings

The Office of Federal High-Performance Buildings supports the overall Federal Government mission to operate more effectively and efficiently, as directed in Executive Order 13834, Efficient Federal Operations. The office supports implementation of the Energy Independence and Security Act of 2007 and drives efficient use of energy, water, and natural resources. The office advances Federal building innovation in planning design and operations to reduce costs, enable agency missions, enhance human health and performance, and minimize environmental impacts.

Office of Evaluation Sciences

The Office of Evaluation Sciences (OES) deploys diverse scientific expertise to Federal agencies and translates research insights into concrete recommendations for how to improve Federal programs, policies, and operations using low or no-cost solutions. OES then collaborates with agencies to implement, rigorously test, and evaluate the impact of these changes, building a portfolio of evidence for decision makers. OES pairs teams of experts directly with agency collaborators to quickly discern the most feasible and cost effective solutions to most efficiently improve upon priority outcomes.

A typical project involves:

- Identifying existing administrative data sets that can be used to measure results;
- Designing operationally feasible, no-cost or low-cost changes using proven insights;
- Integrating rigorous evaluations within current program implementation and agency constraints;
- Providing technical services and capacity building on how to implement and analyze rigorous evaluations and calculating cost savings; and
- Disseminating results and best practices to Government audiences and the public.

Office of Acquisition Policy

The Office of Acquisition Policy performs a number of key Government-wide acquisition policy roles:

- Serves as one of the architects of the Federal Acquisition Regulation (FAR) that represents the rule book Governing all Federal agency procurements and directs acquisition policy in areas related to small business participation, competition,

- sustainable acquisition, labor policy, cost control, risk management, integrity, and ethics;
- Coordinates with the Office of Federal Procurement Policy and other agencies through its role as the Chair of the Civilian Acquisition Council to implement laws, Executive orders, agency regulations, and other initiatives in support of the Federal Government's acquisition system;
 - Hosts the Federal Acquisition Institute (FAI) which facilitates and promotes acquisition career development and strategic human capital management for the acquisition workforce;
 - Manages the Regulatory Information Service Center (RISC) Division that provides cost effective regulatory planning services for more than 65 Federal agencies;
 - On behalf of OMB's Office of Information and Regulatory Affairs (OIRA), supports public transparency and participation in regulatory activities through the RISC/OIRA; and
 - Consolidated Information System (ROCIS), Reginfo.gov, and the publication of the Unified Agenda and the Regulatory Plans of all Federal agencies.

In addition to its Government-wide role, this office is responsible for driving efficient and effective acquisition performance, workforce management, and development within GSA.

Office of Shared Solutions and Performance Improvement

In FY 2018, OGP merged the Office of Executive Councils and the Unified Shared Services Management Office into a single organizational structure, the OSSPI. OSSPI leverages data, subject matter expertise and its authority to convene Federal stakeholder groups. OSSPI improves the delivery of mission by: (1) informing and shaping policy and transformation opportunities of mission-support functions; (2) enabling evidence-based performance management; and (3) building strategies and support for agencies as they plan for and execute transformational initiatives that align to the goals set forth in the President's Management Agenda.

The office continues to provide analytical, management, and administrative services to the following Federal management councils:

- Chief Acquisition Officers Council
- Chief Financial Officers Council
- Chief Information Officers Council
- Performance Improvement Council
- President's Management Council
- Chief Human Capital Officers Councils

In addition OSSPI provides support to related sub-councils and boards, including the Shared Services Governance Board and Business Standards Council.

The office also continues to serve as the integration body for the shared services environment, working across functions, providers, and consumers. This office enables delivery of high quality, high value shared services that improve performance and efficiency throughout Government. This office serves as the program management office to advise, track, and support the execution of the shared service initiative as documented in the President's Management Agenda (PMA). The administrative services included in the PMA include, but are not necessarily limited to: financial management, human resources, acquisitions, grants, and information technology. Stakeholders from across the Government are working together to manage and oversee these shared services with the goal of making the Government more effective and efficient.

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U.S. General Services Administration

OPERATING EXPENSES

Fiscal Year 2020 Budget Request

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Appropriations Language

For expenses authorized by law, not otherwise provided for, for Government-wide activities associated with utilization and donation of surplus personal property; disposal of real property; agency-wide policy direction, management and communications; and services as authorized by 5 U.S.C. 3109; **\$49,440,000**, of which not to exceed \$7,500 is for official reception and representation expenses.

Program Description

This appropriation supports a variety of operational activities which are not feasible or appropriate for a user fee arrangement. Major programs include the personal property utilization and donation activities of the Federal Acquisition Service; the real property utilization and disposal activities of the Public Buildings Service; Executive Management and Administration activities including support of Government-wide mission assurance activities; and top-level, agency-wide strategic communications activities.

Amounts Available for Obligation

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Annualized CR	FY 2020 Request
<i>Unobligated balance, start of year</i>	\$ 772	\$ 772	\$ 772
Discretionary authority:			
Annual appropriation	\$ 45,645	\$ 45,645	\$ 49,440
Reimbursable authority			
New authority	\$ 8,198	\$ 14,740	\$ 14,740
Change in uncollected payments	\$ -	\$ -	\$ -
Subtotal, reimbursable authority	\$ 8,198	\$ 14,740	\$ 14,740
Reimbursable authority, expiring	\$ -	\$ -	\$ -
Appropriations authority, expiring	\$ (893)	\$ -	\$ -
Recovery of prior-year obligations	\$ -	\$ -	\$ -
Unobligated balance, lapsing	\$ -	\$ -	\$ -
Unobligated balance, reimbursable	\$ -	\$ -	\$ -
Unobligated balance, rescinded	\$ -	\$ -	\$ -
Unobligated balance, sequestered.	\$ -	\$ -	\$ -
Unobligated balance, end of year	<u>\$ (772)</u>	<u>\$ (772)</u>	<u>\$ (772)</u>
Total, obligations	\$ 52,950	\$ 60,385	\$ 64,180
Obligations, appropriated (annual)	\$ 44,752	\$ 45,645	\$ 49,440
Obligations, reimbursable	\$ 8,198	\$ 14,740	\$ 14,740
Net Outlays	<u>\$ 47,655</u>	<u>\$ 54,347</u>	<u>\$ 48,946</u>

U.S. General Services Administration
 Operating Expenses

Funding by Program

(Dollars in Thousands)

	FY 2018		FY 2019		FY 2020	
	FTE	Authority	FTE	Authority	FTE	Authority
1. Personal Property Management						
Annual appropriation	53.0	\$ 8,460	53.0	\$ 8,735	53.0	\$ 9,419
Reimbursable authority	9.0	\$ 1,339	9.0	\$ 3,165	9.0	\$ 3,165
Subtotal, PPM	62.0	\$ 9,799	62.0	\$ 11,900	62.0	\$ 12,584
2. Real Property Disposal						
Annual appropriation	82.0	\$ 15,338	83.0	\$ 15,622	83.0	\$ 17,471
Reimbursable authority	7.0	\$ 3,113	7.0	\$ 11,500	7.0	\$ 11,500
Subtotal, RPD	89.0	\$ 18,451	90.0	\$ 27,122	90.0	\$ 28,971
3. Executive Direction						
Annual appropriation	78.0	\$ 20,954	82.0	\$ 21,288	82.0	\$ 22,550
Reimbursable authority	0.0	\$ 3,746	0.0	\$ 75	0.0	\$ 75
Subtotal, M&A	78.0	\$ 24,700	82.0	\$ 21,363	82.0	\$ 22,625
Total, Annual appropriated	213.0	\$ 44,752	218.0	\$ 45,645	218.0	\$ 49,440
Total, Reimbursable	16.0	\$ 8,198	16.0	\$ 14,740	16.0	\$ 14,740
Total, Budget Authority	229.0	\$ 52,950	234.0	\$ 60,385	234.0	\$ 64,180

Explanation of Changes by Program, Appropriated Dollars and FTE

(Dollars in Thousands)

	PPM		RPD		EXEC		TOTAL	
	FTE	Authority (\$000)	FTE	Authority (\$000)	FTE	Authority (\$000)	FTE	Authority (\$000)
FY 2019 Annualized CR	53.0	\$ 8,735	83.0	\$ 15,622	82.0	\$ 21,288	218.0	\$ 45,645
Program Increases:								
Salaries and Benefits		\$ 684		\$ 60		\$ 704		\$ 1,448
Travel and Transportation		\$ -		\$ 23		\$ 102		\$ 125
Rent		\$ -		\$ 611		\$ 443		\$ 1,054
Communications		\$ -		\$ 5		\$ 2		\$ 7
Contracts		\$ -		\$ 1,150		\$ -		\$ 1,150
Supplies		\$ -		\$ -		\$ 11		\$ 11
Subtotal, Program Increases:	-	\$ 684	-	\$ 1,849	-	\$ 1,262	-	\$ 3,795
Program Decreases								
Decreases:	-	\$ -	-	\$ -	-	\$ -	-	\$ -
FY 2020 Request	53.0	\$ 9,419	83.0	\$ 17,471	82.0	\$ 22,550	218.0	\$ 49,440

U.S. General Services Administration
Operating Expenses

Obligations by Object Classification

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Annualized CR	FY 2020 Request
11.1 Full-time, permanent	\$ 20,463	\$ 23,902	\$ 22,806
11.3 Other than full-time permanent	\$ 1,173	\$ -	\$ 1,755
11.5 Other personnel compensation	\$ 311	\$ 251	\$ 256
11.8 Special personnel services payments	\$ (39)	\$ -	\$ -
12.1 Civilian personnel benefits	\$ 6,874	\$ 7,649	\$ 7,723
13.0 Benefits for former personnel	\$ -	\$ -	\$ -
21.0 Travel and transportation of persons	\$ 675	\$ 665	\$ 779
22.0 Transportation of things	\$ -	\$ -	\$ -
23.1 Rental payments to GSA	\$ 415	\$ -	\$ 1,054
23.2 Rental payments to others	\$ -	\$ -	\$ -
23.3 Communications and utilities	\$ 77	\$ 114	\$ 138
24.0 Printing and reproduction	\$ 3	\$ 3	\$ -
25.1 Advisory and assistance services	\$ 4,142	\$ 154	\$ 833
25.2 Other services from non-Federal sources	\$ 5	\$ -	\$ 36
25.3 Other goods & services from Federal sources	\$ 10,551	\$ 12,784	\$ 13,939
25.4 Operation and maintenance of facilities	\$ -	\$ -	\$ -
25.6 Medical care	\$ -	\$ -	\$ -
25.7 Operation and maintenance of equipment	\$ 4	\$ -	\$ -
26.0 Supplies and materials	\$ 65	\$ 98	\$ 104
31.0 Equipment	\$ 33	\$ 25	\$ 17
99.0 Obligations, Appropriated (Annual)	\$ 44,752	\$ 45,645	\$ 49,440
<i>Subtotal, PC&B</i>	\$ 28,782	\$ 31,802	\$ 32,540
<i>Subtotal, Non-labor</i>	\$ 15,970	\$ 13,843	\$ 16,900
99.2 Obligations, reimbursable	\$ 8,198	\$ 14,740	\$ 14,740
99.9 Total obligations	\$ 52,950	\$ 60,385	\$ 64,180

Summary of the Request

The FY 2020 request provides a total of \$49.4 million and 218 FTE for the base program for Operating Expenses (OE). This request represents an 8.3 percent increase from the FY 2019 annualized Continuing Resolution (CR) level of \$45.6 million, however, it is equal to the enacted FY 2019 level. The request includes \$5.2 million to support agency reform priorities including the OPM transition and the NewPay initiative, offset by a decrease in the WCF contribution.

Appropriated Program: The Operating Expenses appropriation supports the following programs:

- The Personal Property Utilization and Donation program transfers personal property no longer needed by a Federal agency to other Federal agencies, State and local governments, and nonprofit organizations;
- The Office of Real Property Utilization and Disposal transfers or sells unneeded real property assets to benefit the Federal Government and surrounding communities;
- Executive Direction provides top-level, agency-wide direction and supports Government-wide mission assurance activities.

Reimbursable Program: In FY 2020 the programs of the Operating Expenses appropriation anticipate providing reimbursable services to other Federal agencies in the amount of \$14.7 million, a level which supports 16 FTE. This amount includes:

- (1) \$3.2 million and 9 FTE for the Personal Property Center, which serves as a repository of unwanted Federal personal property. The excess personal property is available for screening by Federal, State, and other eligible donees at the facility.
- (2) \$11.5 million and 7 FTE 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; and
- (3) \$75 thousand for emergency support function #7 (ESF-7) under the national response framework. Office of Mission Assurance personnel are responsible for coordinating ESF-7 activities on behalf of GSA. This support is provided pursuant to 44 C.F.R. §206.208(d), and all personnel hours (overtime), travel and other costs for activities in support of the response and recovery efforts are reimbursable under a Mission Assignment issued by the Federal Emergency Management Agency.

Federal Acquisition Service, Personal Property Utilization and Donation

FY 2020 Budget Request

The FY 2020 budget request provides \$9.4 million and 53 FTE for the Personal Property Utilization and Donation program which is an increase of \$0.6 million from the FY 2019 annualized Continuing Resolution.

Program Description

The Federal Acquisition Service (FAS) Personal Property program facilitates the transfer and reutilization of excess Federal personal property. Personal property no longer needed by a Federal agency may be offered at no cost to other Federal agencies, State and local governments, and eligible nonprofit organizations. These functions are managed and operated by the Utilization and Donation program which is funded through the Operating Expenses appropriation.

Utilization and Donation: The Utilization and Donation program saves money for the Federal Government and recipient organizations by promoting the efficient utilization and disposal of Government property. When federally owned personal property is determined to be “excess,” it is first offered to other Federal agencies and transferred at no cost upon request. All Federal agencies must use excess personal property as the first source of supply in lieu of new procurements. If the property is not needed by any Federal agency, it is declared “surplus” and is offered for donation to State and local governments and other eligible donees. The division is also responsible for the disposal of foreign gifts received by executive branch employees as part of their official duties.

Sales: When excess personal property cannot be disposed of through reutilization or donation, the FAS Personal Property Sales Program provides sales services to Federal agencies for sale of property directly to the public. This part of the program is not funded through the Operating Expense appropriation but is instead funded through the Acquisition Services Fund (ASF). More information on this program can be found in the Acquisition Services Fund section of GSA’s FY 2020 Congressional Justification.

Public Buildings Service, Office of Real Property Utilization and Disposal

FY 2020 Budget Request

The FY 2020 Budget request provides \$17.5 million for the Office of Real Property Utilization and Disposal (RPUD) which is an increase of \$1.8 million from the FY 2019 annualized Continuing Resolution.

The budget request includes an increase of \$611 thousand that is required to pay the program's rent bill, an increase of \$1.2 million in contractual services for additional real property utilization and disposal activity in support of administration real property reform efforts, and other small program increases. In prior years, the RPUD program received a rent waiver from the Commissioner of the Public Buildings Service.

The program's activities are vital to the Government-wide effort to reduce real estate expenses by improving the utilization of real property assets and disposing of surplus assets in a timely manner. RPUD plays an integral role in the implementation of recent legislation focused on the disposal of Federal real estate including the Federal Assets Sale and Transfer Act of 2016 and the Federal Property Management Reform Act of 2016. Furthermore, GSA anticipates an increase in workload as ongoing agency reform efforts throughout the Federal Government will likely result in a greater number of properties declared excess or surplus.

Program Description

The Office of Real Property Utilization and Disposal works with all Federal land holding agencies to develop real estate strategies (conveyances, exchanges, relocations and sales) to identify and better manage underutilized assets. The RPUD program offers Federal clients a wide range of realty services, expert guidance and analytical tools. Services include: transaction support, due diligence analysis, targeted asset reviews, highest and best use studies, appraisals, marketing strategies, environmental assessments and historic evaluations. This program leverages its services, tools and expertise to drive optimal real estate outcomes that are tailored to an agency's unique mission requirements. These outcomes result in more efficient operation of the Federal real property portfolio. To complement its expertise and to enhance service offerings, RPUD provides a variety of contractual vehicles that offer Federal clients access to realty and environmental firms. RPUD services are available to all Federal landholding agencies.

RPUD employs the following programs/tools, among others:

Public Benefit Conveyances (PBCs): When property is no longer needed by the Federal Government, RPUD partners with Federal sponsoring agencies to make surplus real property available to eligible entities for certain public purposes such as public health, homeless assistance, education, law enforcement, emergency management, and recreation, as

authorized by statute. RPUD conducts compliance inspections to ensure properties are used as intended. In FY 2018 RPUD conveyed 25 properties with an estimated market value of \$59.5 million.

Early Transfer Authority: Early Transfer Authority (ETA) allows the Federal Government to transfer property to non-Federal entities before the completion of environmental cleanup, as long as safeguards are in place to protect human health and the environment.

Lighthouse Program: The National Historic Lighthouse Preservation Act (NHLPA) authorizes RPUD to divest historic lighthouses in partnership with the Coast Guard and the National Park Service. NHLPA recognizes the cultural, recreational, and educational value associated with these historic resources by allowing lighthouses to be conveyed at no cost to Federal agencies, State and local governments, and non-profit organizations that have the resources and expertise to preserve and manage the asset. In the event a suitable steward is not identified, RPUD is authorized to divest of the property through a competitive public sale.

Utilization Studies: RPUD provides objective real property reviews for landholding agencies. These asset reviews can be targeted toward an individual asset or a portfolio of assets depending on the needs of the landholding agency. These studies provide the critical information to drive viable realty strategies.

Online Auctions: For over a decade RPUD has been efficiently selling surplus properties via a dedicated auction website (realestatesales.gov). This sales method maximizes the sale price because it reaches a larger base of buyers at a lower cost than traditional outcry auctions. In the five year period ending in FY 2018, RPUD sold 706 properties via auction for more than \$326 million in gross receipts.

Reimbursable Services: Certain Federal landholding agencies have their own real estate authority, but utilize RPUD to perform realty services on their behalf. RPUD provides these services through inter-agency agreements, on a reimbursable basis. Services range from the management and execution of all aspects of a disposition project to specific tasks to inform a utilization decision or implement a disposition strategy.

Executive Direction

FY 2020 Proposed Budget

The FY 2020 request for Executive Direction provides \$22.6 million and 82 FTE which is an increase of \$1.3 million from the FY 2019 annualized Continuing Resolution. The request includes \$5.2 million to support agency reform priorities including the OPM transition and the NewPay initiative, offset by a decrease in the Working Capital Fund (WCF) contribution.

Program Description

This program area supports a variety of general management and administrative activities associated with GSA internal operations. These activities include: (1) the Offices of the Administrator and the Regional Administrators, (2) the Office of Congressional and Intergovernmental Affairs, (3) the Office of Mission Assurance, (4) the Office of Strategic Communication and (5) the Executive Direction Corporate Account.

The Offices of the Administrator and Regional Administrators are responsible for the execution of all functions assigned to GSA by law and regulation.

Office of Congressional and Intergovernmental Affairs (OCIA) is the GSA liaison with Congress, State and local governments, foreign governments, and partner Federal agencies. OCIA coordinates meetings and testimony before Congressional Committees, helps Congressional offices resolve issues related to GSA programs and services, supports the GSA legislative program with the Congress, and coordinates reimbursable services through the GSA Working Capital Fund (WCF) to over 1,400 House-district and Senate-state offices for the Congress. OCIA also facilitates interactions between GSA officials and delegations representing foreign, State, and local governments.

The Office of Mission Assurance (OMA) executes GSA responsibilities during domestic and national security emergencies to aid Federal agencies and State and local governments, support client agency needs, and restore GSA operations. OMA ensures the continuation of the agency's critical business processes by integrating and coordinating activities across all domains of security (physical, cyber, personnel and industrial), HSPD-12 credentialing, emergency management, contingency and continuity planning, and disaster response. The OMA continuity mission is authorized by the National Continuity Policy (NSPD-51/HSPD-20) and directly supports GSA responsibilities to recover and perform primary mission essential functions during a continuity event. Certain OMA activities are funded from the WCF to assure the safety, privacy and security of GSA facilities, people and IT assets nationwide.

The Office of Strategic Communication (OSC) provides information on the activities of the agency, its products, and initiatives to GSA's stakeholders: customers, employees, and the American public.

U.S. General Services Administration
Operating Expenses

The Executive Direction Corporate Account funds WCF payments and regional rent and security for the organizations under Executive Direction.

U.S. General Services Administration

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Fiscal Year 2020 Budget Request

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U.S. General Services Administration
Allowances and Office Staff for Former Presidents

Appropriations Language

For carrying out the provisions of the Act of August 25, 1958 as amended (3 U.S.C. 102 note) and Public Law 95-138, **\$3,851,112**.

Program Description

This appropriation provides pensions, office staffs, and related expenses for former Presidents Jimmy Carter, William Clinton, George W. Bush, and Barack Obama.

Summary of the Request

The FY 2020 proposed budget provides a total of \$3.9 million for the annual pensions of the former presidents and compensation of their office staffs and related expenses. GSA has a statutory requirement to support these activities under the Former Presidents Act of 1958 as amended (3 U.S.C. 102 note).

FY 2020 Explanation of Changes

(Dollars in Thousands)

	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
	\$ 4,754	\$ 4,754	\$ 3,851
Program Increases:	\$ -	\$ -	\$ -
Program Decreases:	\$ -	\$ -	\$ (903)
Total Adjustments	\$ -	\$ -	\$ (903)

The FY 2020 budget request is reduced due to the passing of Former President George H. W. Bush in November 2018.

*U.S. General Services Administration
Allowances and Office Staff for the Former Presidents*

Amount Available for Obligation
(Dollars in Thousands)

	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
Discretionary authority:			
Annual appropriation	\$ 4,754	\$ 4,754	\$ 3,851
Unobligated balance, rescinded	\$ -	\$ -	\$ -
Unobligated balance, sequestered	\$ -	\$ -	\$ -
Unobligated balance, end of year	\$ (359)	\$ -	\$ -
Total, obligations	\$ 4,395	\$ 4,754	\$ 3,851
<i>Net Outlays</i>	\$ 4,245	\$ 4,706	\$ 3,812

*U.S. General Services Administration
Allowances and Office Staff for Former Presidents*

Obligations by Object Classification

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Annualized CR	FY 2020 Request
11.8 Special personnel services payments	\$ 419	\$ 438	\$ 306
12.1 Civilian personnel benefits	\$ 334	\$ 423	\$ 367
13.0 Benefits for former personnel	\$ 1,088	\$ 1,120	\$ 903
21.0 Travel and transportation of persons	\$ 56	\$ 85	\$ 13
23.1 Rental payments to GSA	\$ 1,856	\$ 1,958	\$ 1,673
23.2 Rental payments to others	\$ 0	\$ -	\$ -
23.3 Communications and utilities	\$ 269	\$ 162	\$ 219
24.0 Printing and reproduction	\$ 56	\$ 76	\$ 47
25.1 Advisory and assistance services	\$ 134	\$ 227	\$ 147
25.3 Other goods & services from Federal sources	\$ 73	\$ 35	\$ 61
25.4 Operation and maintenance of facilities.	\$ 49	\$ 48	\$ 4
26.0 Supplies and materials	\$ 29	\$ 60	\$ 34
31.0 Equipment	\$ 32	\$ 122	\$ 77
99.0 Obligations, Appropriated (Annual)	\$ 4,395	\$ 4,754	\$ 3,851
<i>Subtotal, PC&B</i>	<i>\$ 1,841</i>	<i>\$ 1,981</i>	<i>\$ 1,576</i>
<i>Subtotal, Non-labor</i>	<i>\$ 2,554</i>	<i>\$ 2,773</i>	<i>\$ 2,275</i>

*U.S. General Services Administration
Allowances and Office Staff for the Former Presidents*

FY 2020 Budget Request by Former President

(Dollars in Thousands)

	CARTER	CLINTON	G W BUSH	OBAMA	TOTAL
Personnel Compensation	\$ -	\$ 96	\$ 96	\$ 114	\$ 306
Personnel Benefits	\$ -	\$ 123	\$ 110	\$ 134	\$ 367
Pensions for Former Presidents	\$ 212	\$ 230	\$ 224	\$ 237	\$ 903
Travel	\$ -	\$ -	\$ 8	\$ 5	\$ 13
Rental Payments to GSA	\$ 118	\$ 513	\$ 500	\$ 542	\$ 1,673
Communications, Utilities, and Misc	\$ 17	\$ 1	\$ 162	\$ 40	\$ 219
Printing	\$ 5	\$ 17	\$ 5	\$ 20	\$ 47
Other Services	\$ 103	\$ 39	\$ 28	\$ 41	\$ 211
Supplies	\$ 2	\$ 7	\$ 18	\$ 7	\$ 34
Equipment	\$ -	\$ 26	\$ 3	\$ 49	\$ 78
FY 2020 Request	\$ 457	\$ 1,052	\$ 1,154	\$ 1,188	\$ 3,851

*Personnel Compensation and Benefits for former President Carter are provided by contract support categorized under 'Other Services'.

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U.S. General Services Administration
CIVILIAN BOARD OF CONTRACT APPEALS

Fiscal Year 2020 Budget Request

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Appropriations Language

For expenses authorized by law, not otherwise provided for, for the activities associated with the Civilian Board of Contract Appeals, \$9,301,000, of which \$2,000,000 shall remain available until expended.

Analysis of Language Provisions and Changes

In the FY 2020 OMB submission, the Civilian Board of Contract Appeals (CBCA) continues the practice adopted in the FY 2019 President's Budget Request to have a separate appropriation for the CBCA. This practice reflects the independent nature of the CBCA. Having a separate appropriation across the General Services Administration's (GSA) independent offices is now standard. In addition, the separate appropriation increases transparency to Congress and stakeholders by providing additional detail about the CBCA appropriation within GSA's budget documents. This separate appropriation for the CBCA was supported by both the CBCA and GSA and adopted by Congress in the enacted appropriations for FY2018. The CBCA also requests that a portion of the appropriation be available until expended to allow for the flexibility of carry forward resources to address potential increased workload and uncertainty related to a recent amendment to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) which gives CBCA additional responsibility to arbitrate certain FEMA disputes.

Program Description

The CBCA is an independent tribunal with worldwide jurisdiction housed within GSA. The CBCA presides over various disputes involving Federal executive branch agencies. Its primary responsibility is to resolve contract disputes between Government contractors and agencies under the Contract Disputes Act (CDA).

Amounts Available for Obligation
(Dollars in Thousands)

	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
Discretionary authority:			
Annual appropriation	\$ 8,795	\$ 8,795	\$ 9,301
Reimbursable authority:			
New authority.....	\$ 150	\$ 75	\$ 50
Change in uncollected payments.....	\$ -	\$ -	\$ -
Subtotal, reimbursable authority.....	\$ 150	\$ 75	\$ 50
Appropriation's authority, expiring.....	\$ (274)		
Total, obligations.....	\$ 8,602	\$ 8,870	\$ 9,351
Obligations, appropriated (annual)	\$ 8,521	\$ 8,795	\$ 9,301
Obligations, reimbursable.....	\$ 81	\$ 75	\$ 50
<i>Net Outlays</i>	\$ 8,436	\$ 8,707	\$ 9,208

*U.S. General Services Administration
Civilian Board of Contract Appeals*

Explanation of Changes, Appropriated Dollars and FTE

(Dollars in Thousands)

	FTE	FY 2018 Enacted	FTE	FY 2019 Annualized CR	FTE	FY 2020 Request
	32.0	\$ 8,795	41.0	\$ 8,795	41.0	\$ 9,301

Program Increases:

Personnel Compensation and Benefits	\$	393
Rent	\$	21
Operation and maintenance of equipment	\$	3
Contractual Services	\$	87
Supplies, Materials, and Equipment	\$	2
Subtotal, Program Increases	\$	506

Total Adjustments	\$	506
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Summary of the Request

The FY 2020 budget provides \$9,301 thousand and 41 FTE for the CBCA, an increase of \$506 thousand over the FY 2019 annualized CR level, and equal to the FY 2019 enacted level. The budget also includes \$50 thousand in authority for reimbursable alternative dispute resolution services provided to external customers, in accordance with 5 U.S.C. § 573.

The CBCA adjudicates contract disputes between Government contractors and all civilian executive agencies other than the National Aeronautics and Space Administration, the United States Postal Service, the Postal Rate Commission, and the Tennessee Valley Authority. The CBCA also hears and decides other types of cases, including: cases arising under the Indian Self-Determination Act; disputes between insurance companies and the Department of Agriculture's Risk Management Agency involving actions of the Federal Crop Insurance Corporation; claims by Federal civilian employees from all executive branch agencies (including Department of Defense agencies) for reimbursement of expenses incurred while on official temporary duty travel or in connection with relocation to a new duty station; claims by carriers or freight forwarders involving actions of GSA regarding payment for transportation services; and applications by prevailing private parties for recovery of litigation costs under the Equal Access to Justice Act.

In keeping with Congress' charge to the CBCA upon its creation, the CBCA encourages the prompt, efficient and inexpensive resolution of disputes through the use of alternative dispute resolution (ADR). It uses a variety of techniques intended to shorten and simplify the formal proceedings normally used to resolve cases. The CBCA also provides alternative dispute

resolution services to executive agencies on matters not covered by the CDA. In 2018, Congress amended the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C. 5189a(d), to authorize (without additional funding) the Board to arbitrate disputes between applicants and the Federal Emergency Management Agency (FEMA) as to eligibility for public assistance (or repayment of past public assistance) for disasters after January 1, 2016, when the disputed amount exceeds \$500,000 or, for an applicant in a rural area, is at least \$100,000. Additionally, the CBCA provides, on a reimbursable basis, dispute resolution services to entities not covered by the CBCA's organic CDA authority. These include: Department of Energy National Laboratories, the Smithsonian Institution, the Millennium Challenge Corporation, and FEMA for certain national disasters declared before 2016 (Hurricanes Katrina, Rita and Gustav).

U.S. General Services Administration
 Civilian Board of Contract Appeals

Obligations by Object Classification

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Annualized CR	FY 2020 Request
11.1 Full-time, permanent.....	\$ 3,587	\$ 4,073	\$ 4,389
11.3 Other than full-time permanent.....	\$ 598	\$ 174	\$ 177
11.5 Other personnel compensation.....	\$ 31	\$ 32	\$ 38
12.1 Civilian personnel benefits.....	\$ 1,186	\$ 1,212	\$ 1,280
21.0 Travel and transportation of persons.....	\$ (13)	\$ 30	\$ 30
23.1 Rental payments to GSA.....	\$ 2,374	\$ 2,403	\$ 2,419
23.3 Communications and utilities.....	\$ 30	\$ 35	\$ 40
24.0 Printing and reproduction.....	\$ 12	\$ -	\$ -
25.1 Advisory and assistance services.....	\$ 39	\$ 40	\$ 42
25.2 Other services from non-Federal sources.....	\$ 31	\$ 20	\$ 20
25.3 Other goods & services from Federal sources.....	\$ 472	\$ 576	\$ 661
25.4 Operation and maintenance of facilities.....	\$ 18	\$ 20	\$ 20
25.7 Operation and maintenance of equipment.....	\$ 2	\$ 6	\$ 9
26.0 Supplies and materials.....	\$ 114	\$ 126	\$ 126
31.0 Equipment.....	\$ 40	\$ 48	\$ 50
99.0 Obligations, Appropriated (Annual).....	\$ 8,521	\$ 8,795	\$ 9,301
<i>Subtotal, PC&B.....</i>	<i>\$ 5,402</i>	<i>\$ 5,491</i>	<i>\$ 5,884</i>
<i>Subtotal, Non-labor.....</i>	<i>\$ 3,119</i>	<i>\$ 3,304</i>	<i>\$ 3,417</i>
99.2 Obligations, Reimbursable.....	<u>\$ 81</u>	<u>\$ 75</u>	<u>\$ 50</u>
99.9 Total obligations.....	\$ 8,602	\$ 8,870	\$ 9,351

U.S. General Services Administration

FEDERAL CITIZEN SERVICES FUND

Fiscal Year 2020 Budget Request

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Appropriations Language

*For expenses authorized by 40 U.S.C. 323 and 44 U.S.C. 3604; and for expenses authorized by law, not otherwise provided for, in support of interagency projects that enable the Federal Government to enhance its ability to conduct activities electronically through the development and implementation of innovative uses of information technology; **\$58,400,000** to be deposited into the Federal Citizen Services Fund: Provided the previous amount may be transferred to Federal agencies to carry out the purpose of the Federal Citizen Services Fund: Provided further, that the appropriations, revenues, reimbursements, and collections deposited into the Fund shall be available until expended for necessary expenses of Federal Citizen Services and other activities that enable the Federal Government to enhance its ability to conduct activities electronically: Provided further, that the transfer authorities provided herein shall be in addition to any other transfer authority provided in this Act.*

Program Description

The Federal Citizen's Services Fund (FCSF) enables public access and engagement with the Government through an array of public and agency facing products and programs. The FCSF initiatives helps individuals, businesses, other governments, and the media more easily interact with Federal information, services, benefits, and business opportunities. The Fund supports agency facing programs that drive Government-wide transformation efforts to secure digital Government through shared services, platforms, and solutions. The Fund also provides technical expertise to agencies to improve their operations and, ultimately, the public's experience with Government in support of the President's Management Agenda and CAP Goals. FCSF supports extensive communities of practice that drive adoption and improvement of digital services, and help agencies develop and share best practices and training to address tactical needs. GSA will continue to use the FCSF to support Electronic Government (E-Gov) initiatives that drive innovation in Government operations and improve the transparency, efficiency, and effectiveness of Federal operations and quality of Government services.

The FCSF funds many of the activities of the Office of Products and Programs (OPP), a division of the Technology Transformation Services (TTS) within GSA's Federal Acquisition Service. The FCSF appropriation provides for the salaries and expenses of staff and programs authorized by 40 U.S.C. 323 and 44 U.S.C. 3604. Other TTS programs not funded by FCSF are funded on a reimbursable basis by the Acquisition Services Fund (ASF). The ASF-funded portion of TTS includes the Office of 18F, the Office of Acquisitions, the Centers of Excellence, and the Presidential Innovation Fellows Program.

U.S. General Services Administration
Federal Citizen Services Fund

Amounts Available for Obligation

(Dollars in Thousands)

	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
<i>Unobligated balance, start of year</i>	\$ 20,348	\$ 20,383	\$ 20,383
Discretionary authority:			
Annual appropriation	\$ 50,000	\$ 50,000	\$ 58,400
Total Collections:			
Reimbursable Services:			
From Federal Agencies.....	\$ 2,634	\$ 7,353	\$ 7,353
From the Private Sector.....	\$ -	\$ -	\$ -
User Fees.....	\$ -	\$ -	\$ -
Gifts from the Private Sector.....	\$ 5	\$ 11	\$ 11
Change in Unfilled Customer Orders.....	\$ -	\$ -	\$ -
Subtotal, reimbursable authority.....	\$ 2,639	\$ 7,364	\$ 7,364
Recovery of prior-year obligations.....	\$ 4,143		
Net transfer			
Unobligated balance, reimbursable.....	\$ (268)		
Unobligated balance, direct.....	\$ (20,115)	\$ (20,383)	\$ (20,383)
Total, obligations.....	\$ 56,747	\$ 57,364	\$ 65,764
Obligations, appropriated (no year)	\$ 53,646	\$ 50,000	\$ 58,400
Obligations, reimbursable.....	\$ 3,101	\$ 7,364	\$ 7,364
<i>Net Outlays</i>	<i>\$ 53,245</i>	<i>\$ 49,500</i>	<i>\$ 57,816</i>

*U.S. General Services Administration
Federal Citizen Services Fund*

Explanation of Changes, Appropriated Dollars and FTE

(Dollars in Thousands)

	FTE	FY 2018 Enacted	FTE	FY 2019 Annualized CR	FTE	FY 2020 Request
	67.0	\$ 50,000	70.0	\$ 50,000	71.0	\$ 58,400
Program Changes:						
OPM IT Transformation					-	\$ 5,000
DotGov Domain Contractual Services					-	\$ 4,250
Modernizing Identity Proofing PMO					1.0	\$ 1,000
Digital Services					-	\$ 750
Acquisition Services Fund Allocation/Transfer					-	\$ 227
Reduction/Investment in Hosting/Infrastructure Services Across OPP Portfolios					-	\$ (795)
Net Reductions to Shared Services Overhead Costs					-	\$ (2,032)
Subtotal, Program Changes.....					1.0	\$ 8,400
Total Adjustments.....					1.0	\$ 8,400

Summary of the Request

The FY 2020 proposed budget provides a total of \$58.4 million for the FCSF.

Key Changes

The FY 2020 request continues the FY 2019 President’s Budget Request proposal that the cap on the total amount of funding (including collections) available in the fiscal year from the FCSF be removed from the appropriations language. Given recent increases in the size and scope of reimbursable work TTS performs, this flexibility is needed so all of the appropriations, revenues, reimbursements, and collections deposited into the Fund shall be available without limitation other than customer agency demand.

The FY 2020 request includes \$1 million for the Modernizing Identity Proofing Program Management Office. Requested funds will cover salaries, benefits, equipment, supplies, travel, and training for 1 FTE and contractual support. Work will focus on agency outreach, awareness, documentation, and general research and development.

The FY 2020 request includes \$5 million to support IT-related activities for the OPM transition. The transition will include the migration of functions to GSA, including OPM’s Information Technology (IT). Five years after one of the largest data breaches in history, IT scorecards indicate that OPM is still in an extremely high-risk position with mounting technical debt. GSA consistently ranks as one of the best IT operations in the Federal Government, and with requested transition resources, can make the needed investments to overhaul OPM IT. The funds will be used to transform and improve service delivery for these IT activities.

The FY 2020 request includes \$4.25 million for the DotGov Domain Program. In FY 2020, the Office of Government-wide Policy is expected to retain programmatic responsibility for the DotGov Domain Program.

Program Reviews

GSA will work with OMB during FY 2019 to analyze the impacts of current FCSF programs to determine if they are continuing to deliver the maximum value intended for government-wide programs under the FCSF. As new technology modernization needs evolve year after year, GSA will continue to ensure that the FCSF iterates on current programs and has the space to respond to changing needs of agency stakeholders.

Program Financing

The FCSF is financed from annual appropriations to pay for the salaries and expenses of the TTS staff and programs associated with 40 U.S.C. 323 and 44 U.S.C. 3604. Reimbursements from Federal agencies pay for the direct costs of services TTS provides on behalf of the agencies such as contact center services. The FCSF also allows for user fees for publications ordered by the public and is authorized to accept gifts from the public for purposes of defraying the cost of printing, publishing, and distributing consumer information and educational materials and undertaking other consumer information activities. All income is available without regard to fiscal year limitations.

U.S. General Services Administration
Federal Citizen Services Fund

Obligations by Object Classification

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Annualized CR	FY 2020 Request
11.1 Full-time, permanent.....	\$ 8,265	\$ 9,034	\$ 10,408
11.3 Other than full-time permanent.....	\$ 135	\$ -	\$ -
11.5 Other personnel compensation.....	\$ 155	\$ 222	\$ 258
11.8 Special personnel services payments.....	\$ -	\$ -	\$ -
12.1 Civilian personnel benefits.....	\$ 2,560	\$ 2,738	\$ 3,163
21.0 Travel and transportation of persons.....	\$ 107	\$ 171	\$ 171
22.0 Transportation of things.....	\$ -	\$ -	\$ -
23.1 Rental payments to GSA.....	\$ -	\$ -	\$ -
23.3 Communications and utilities.....	\$ 111	\$ 143	\$ 143
24.0 Printing and reproduction.....	\$ -	\$ 171	\$ 171
25.1 Advisory and assistance services.....	\$ 21,120	\$ 27,330	\$ 35,927
25.2 Other services.....	\$ 60	\$ -	\$ -
25.3 Goods & services from Gov't accounts.....	\$ 21,095	\$ 10,185	\$ 8,153
25.7 Operation and maintenance of equipment.....	\$ 1	\$ -	\$ -
26.0 Supplies and materials.....	\$ 6	\$ 3	\$ 3
31.0 Equipment.....	\$ 31	\$ 3	\$ 3
42.0 Insurance claims and indemnities.....	\$ -	\$ -	\$ -
99.0 Obligations, appropriated.....	\$ 53,646	\$ 50,000	\$ 58,400
<i>Subtotal, PC&B.....</i>	<i>\$ 11,115</i>	<i>\$ 11,994</i>	<i>\$ 13,829</i>
<i>Subtotal, Non-labor.....</i>	<i>\$ 42,531</i>	<i>\$ 38,006</i>	<i>\$ 44,571</i>
99.0 Obligations, reimbursable.....	\$ 3,101	\$ 7,364	\$ 7,364
99.9 Total obligations.....	\$ 56,747	\$ 57,364	\$ 65,764
<i>Full-Time Equivalents (FTE)</i>	<i>67.0</i>	<i>70.0</i>	<i>71.0</i>

Technology Transformation Service FCSF-Funded Activities

TTS develops and maintains user-centric shared services, solutions, platforms, and practices to improve information and service delivery across Government, enabling citizen access and engagement with the Government.

During the course of FY 2018, the programs under the FCSF created a cost avoidance to other Federal agencies of approximately \$350 million, had over 200 government agency partners across all branches (executive, legislative, judicial) and levels (Federal, State, local, tribal) of government, and had public digital touchpoints of over 5 billion.

The FY 2020 Budget request will support TTS continuing to deliver these impactful modernization products and platforms across the government in the following existing portfolios:

Cloud Portfolio

The Cloud Portfolio's mission is to make cloud computing the easy, secure, and default IT solution for Federal agencies. The Cloud Portfolio does this through creating: (1) a broad marketplace of approved government and private sector products and platforms; (2) guidance for best practices for using the cloud; and (3) promotion of collaboration through the creation of a strong cross-government cloud community. Both the marketplace of cloud providers and agency use of cloud will continue to grow during the next several years. To date, the portfolio includes 127 authorized cloud service providers helping reduce the duplicative and divergent security requirements costs to industry and government.

Projects, programs, or initiatives supporting this portfolio include, but are not limited to, the following existing efforts:

FedRAMP

The Federal Risk and Authorization Management Program (FedRAMP) is a Government-wide program that provides a standardized approach to security assessment, authorization, and continuous monitoring for cloud products and services. This makes it easier for shared service providers and small companies to meet requirements for multiple agencies; historically ~30% authorized vendors are small businesses. FedRAMP has consistently seen at least 50% growth year over year since inception. The FedRAMP program has also worked diligently with industry and agency partners to reduce the average time to authorization from 12+ months to an average of approximately 6 months.

Security Authorizations Re-Imagined

One of the barriers to fast adoption of new technologies is the security authorization process as defined by Federal law and policy. Building on the role FedRAMP plays in securing cloud technologies, the portfolio is partnering with the administration, agencies, and industry to identify new ways to approach security authorizations to increase

efficiencies, reduce time to market, and minimize cost wherever possible.

Public Experience Portfolio

The Public Experience Portfolio's mission is to unify, improve, and standardize the public's experience with the Federal Government. Through an omni-channel approach, the portfolio aggregates information from across the government around different topics and answers the public's questions in both English and Spanish. The portfolio helps agencies implement executive and congressionally mandated digital and innovation policies. The portfolio's build once, use many approach avoids duplication, increases transparency and saves the government money. The portfolio offers centralized resources that make government more innovative and digitally focused.

Projects, programs, or initiatives that support this portfolio include, but are not limited to, the following existing efforts:

USAGov

The programs in this category include the suite of offerings under the USAGov platform, which include the English and Spanish language websites and U.S. Government's Contact Center. USA.gov and USAGov en Español (formerly known as Gobierno.USA.gov) make it easy for the public to find and consume U.S. Government information and services on the web. The USA.gov platform connected people to government information more than 90 million times through its websites, social media, publications, email, and phone calls through its USA.gov Contact Center.

USAGov Information Exchange

USAGov is partnering with several Federal agencies to simplify and integrate services along life events. The program enables the public to authorize release of information between agencies when it is needed to adjudicate benefit or service applications.

Data and Analytics Portfolio

The Data and Analytics Portfolio empowers both the public and agencies by making government information more open and leveraging data to enable more effective decision-making. The portfolio focuses on providing agencies with analytics and data management capabilities helping them better understand and serve the needs of the public, while giving the public better access to government data. The portfolio also supports OMB and the President's Management Agenda in advancing two Cross Agency Priority Goals: *Leveraging Data as a Strategic Asset* and *Improving Customer Experience with Federal Services*.

Projects, programs, or initiatives supporting this portfolio include, but are not limited to, the following existing efforts:

Data.gov

Data.gov is the Federal Government's open data site. The Data.gov catalog provides

access to datasets from across Government on subjects such as health, education, public safety, and many more. The Federal Open Data Policy requires agencies to make datasets available in an open, machine-readable format for inclusion in Data.gov. A unified, searchable data catalog helps researchers, students, entrepreneurs and the general public in making discoveries, building businesses, and making informed consumer choices. In addition to the catalog, the Data.gov program provides shared tools for agencies to assist them in achieving the goals of the Open Data Policy. The Data.gov program supports OMB in the leadership of the open data community in the Federal Government and in the development and implementation of the Federal Data Strategy under the President's Management Agenda.

Digital Analytics Program (DAP)

The Digital Analytics Program offers advanced web analytics tools and training to Federal agencies. This allows the government to determine what content is most effective when communicating with the public on more than 5,000 websites. It also allows agencies to track and measure opportunities for streamlining and improving the usability of government websites. In addition, the Federal Web Policy memo mandates the use of DAP on Federal websites.

Feedback Analytics

Feedback Analytics develops and manages government-wide services that collect, validate, and report quantitative and qualitative customer feedback to aid service improvement and decision-making. This includes methods to evaluate progress toward achieving customer experience goals and to inform continual improvements to service design and delivery across digital and non-digital channels. Current capabilities include freely available feedback tools to embed on agency websites and the ability to aggregate and analyze simple feedback data from other sources.

API.data.gov

API.data.gov is a shared service providing Application Programming Interface (API) management features to Federal agencies, including API analytics and API keys. APIs are a way for agencies to share data in machine readable formats which empowers external app developers to leverage government data and services. API.data.gov's service provides tools to make it easier for agencies to launch and manage their API programs, with API analytics allowing agencies to understand how their APIs are being used.

SmarterIT Solutions Portfolio

The SmarterIT Solutions Portfolio mission is to improve technology outcomes with Federal services through efficient and modern development and delivery. These products eliminate the need for Federal agencies to create redundant solutions to common IT challenges.

The projects, program, or initiatives that support this portfolio include, but are not limited to, the following existing efforts:

Search.gov

Search.gov powers the search box on 1,975 Federal Government websites—at no cost to agencies—to deliver fast, relevant search results to the public. This commercial-grade service delivers thorough government-centric results across 175 Federal agencies. Search.gov is in greater demand than ever because the leading commercial provider discontinued two heavily used products. In addition, the Federal Web Policy memo mandates the use of search.gov or a similar solution on websites. The program is currently serving about 40% of the Federal market, and is continuing to increase its usage.

Code.gov

Code.gov, part of the implementation of OMB Memorandum M-16-21, *Federal Source Code Policy: Achieving Efficiency, Transparency, and Innovation through Reusable and Open Source Software*, contains code inventories from 24 Federal agencies. It provides a central location for Federal Government source code for agency re-use and public consumption. In FY 2017, there were roughly 2,700 source code projects for reuse on Code.gov. By the end of FY 2018, that number increased to 4,000. For example, the analytics.usa.gov code has been reused 30 times by city, county, and Federal agencies, and the U.S. Web Design System code snippets were used by 150 Federal, State, and local agencies. The time and cost savings resulting from code reuse will continue to grow, as agencies are required to make 20% of their code open source every year to comply with the Federal Source Code Policy.

Innovation Portfolio

Innovative, modern, and shared resources like actionable plans and playbooks help government be more innovative and digitally focused. The Innovation Portfolio serves as a connection point between digital practitioners, innovation hubs and idea labs across government. The mission is to convene and leverage expertise to encourage evaluation of alternative approaches to problem solving and the deployment of proven technology and innovation practices. The portfolio focuses on a series of internal and external government-wide initiatives. These include executive and congressionally mandated digital and innovation policies and initiatives, strategies, programs, and outreach efforts inviting participation and fresh perspectives from a broad range of stakeholders to innovate and help solve problems across government. Projects, programs, or initiatives supporting this portfolio include, but are not limited to, the following existing efforts:

Challenge.gov

Challenge.gov helps Federal agencies develop, launch and manage incentivized challenge competitions. These include technical, scientific, ideation, and creative competitions where the U.S. Government seeks innovative ideas and solutions from the

public. Competitions increase the number of solvers tackling a problem and identify novel approaches, without bearing high levels of risk. The program also supports America COMPETES and American Innovation and Competitiveness Act (AICA) authorities. Since 2010, more than 100 agencies have run more than 840 challenges.

CitizenScience.gov

CitizenScience.gov is a catalog of federally supported projects that engage the American public in addressing societal needs and accelerating science, technology, and innovation. The program draws on public participation to advance scientific knowledge and research. In FY 2018, GSA improved the site to make it more interactive, and added professional development resources for Federal project managers. We continue to refresh the platform to become more action-oriented to better serve identified user needs.

Digital.gov/DigitalGov University (DGU)

Digital.gov provides agencies with centralized methods, policies, and tools needed to create effective digital services in Government. The program helps agencies learn, build, deliver, and measure digital services. Digital.gov also shares the stories of agencies changing the way technology is used to better deliver information and services to the public. The program also includes Digital.gov University, which provides focused trainings and events, to help teams learn and adopt new concepts and collaborate with others working on the same problems across government.

21st Century IDEA Implementation and US Web Design System

The 21st Century IDEA (Act) Implementation and U.S. Web Design System will assist agencies in implementing the IDEA Act which will drive customer centric implementations across U.S. Government public websites with metrics and consistent look and field. Dedicated staff will work with agencies to understand their responsibilities and provide guidance and specific implementation details.

Modernizing Identity Proofing

In FY 2020, TTS will focus efforts on broad agency engagement, awareness, documentation, and community-building to research, identify and share modern identity proofing practices most suitable for use in the Federal Government. GSA staff will continue to engage with Federal practitioners, identity experts, and industry service providers to make identity proofing more secure, easier, and less expensive.

10x

In FY 2017, TTS launched a gated investment program, formerly called the “Great Pitch” and now known as 10X. This initiative was designed to solicit new ideas for good-for-Government projects from around government and to fund work through a series of approval phases. Successful products and services launched include Code.gov, the U.S. Web Design System (formerly Standards), and plainlanguage.gov. Products and services currently under development include Federal Grantee Reporting, Eligibility Rules Service, and the U.S. Data Federation. The program will continue the incremental investment process in order to find, fund, and eventually scale new technology products and services serving the office’s Federal agency partners and the public.

U.S. General Services Administration

ENVIRONMENTAL REVIEW IMPROVEMENT FUND

Fiscal Year 2020 Budget Request

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Appropriations Language

*For necessary expenses of the Environmental Review Improvement Fund established pursuant to 42 U.S.C. 4370m-8(d), **\$7,100,000** to remain available until expended.*

Analysis of Language Provisions

This provides appropriations for the Environmental Review Improvement Fund (ERIF) for operations of the Federal Permitting Improvement Steering Council (Permitting Council or FPISC), including the Office of the Executive Director (FPISC-OED). This appropriation, in conjunction with anticipated fees, will allow the Permitting Council to execute its statutory mission and to carry out certain responsibilities under Presidential Executive Order 13807 on Establishing Discipline and Accountability in the Environmental Review and Permitting Process Infrastructure.

Program Description

This appropriation supports the authorized activities of the Environmental Review Improvement Fund and the Federal Permitting Improvement Steering Council (Permitting Council) established under Title XLI of the Fixing America's Surface Transportation Act of 2015 (Public Law 114–94). The Permitting Council leads ongoing Government-wide efforts to modernize the Federal environmental review and permitting process for major infrastructure projects and works with Federal agency partners to implement and oversee adherence to the statutory requirements set forth in Title 41 of the Fixing America's Surface Transportation Act (FAST-41). FAST-41 is a voluntary program for large, complex infrastructure projects that provides oversight, strengthens cooperation and communication among permitting agencies, enhances transparency for the project sponsor and other stakeholders, and emphasizes concurrent permit processing for covered infrastructure projects. Projects receive these benefits without modifying or undermining any underlying Federal statutes or regulations, or the status of any mandatory reviews.

Amounts Available for Obligation

(Dollars in Thousands)

	FY 2018 Actual	FY 2019* Annualized CR	FY 2019 President's Budget Request	FY 2020 Request
Resources:				
Available from prior year	\$ -	\$ 626	\$ 626	\$ -
Appropriation	\$ 1,000	\$ 1,000	\$ 6,070	\$ 7,100
Anticipated Fee Collections	\$ -	\$ 400	\$ 400	\$ 2,400
Anticipated CAP Goal funding	\$ 3,747	\$ 2,000	\$ -	\$ -
Total Resources Available	\$ 4,747	\$ 4,026	\$ 7,096	\$ 9,500
ERIF Obligations:				
ERIF Labor	\$ 815	\$ 1,317	\$ 2,320	\$ 3,134
ERIF Management Support	\$ 3,140	\$ 2,509	\$ 4,496	\$ 6,085
ERIF Other Cost	\$ 166	\$ 200	\$ 280	\$ 281
Total ERIF Obligations	\$ 4,121	\$ 4,026	\$ 7,096	\$ 9,500
Fund Balance:				
Total Resources Available	\$ 4,747	\$ 4,026	\$ 7,096	\$ 9,500
Total ERIF Obligations	\$ 4,121	\$ 4,026	\$ 7,096	\$ 9,500
Resources Less Obligations	\$ 626	\$ -	\$ -	\$ 0
Net Budget Authority	\$ 1,000	\$ 2,026	\$ 7,096	\$ 9,500

Note:

* The growing number of projects, added quarterly, to the Federal Permitting Improvement Steering Council (FPISC) Dashboard, since the Council's creation in 2015, continues to exceed current resources. In a scenario where the Council is funded under a full year CR in FY 2019, FPISC would be unable to fulfill its statutory requirements set forth in Title 41 of the Fixing America's Surface Transportation Act (FAST-41).

Explanation of Changes, Appropriated Dollars and FTE
 (Dollars in Thousands)

	FY 2018 Actual		FY 2019* Annualized CR		FY 2019 President's Budget		FY 2020 Request	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
	3.0	\$ 374	5.0	\$1,000	8.0	\$6,070	12.0	\$ 7,100
Program Increases:								
FPISC Contracts and Contract Support							7.0	\$1,246
Other Costs of Operations / Program Overhead								\$4,854
Subtotal, Program Increases							7.0	\$6,100
Total Adjustments							7.0	\$ 6,100

* -See note on page ERIF-3

Summary of the Request

The Permitting Council is requesting \$7.1 million to fully cover all salaries and staff expenses for 12 FTE and contract support. In FY 2019, FPISC is aggressively implementing FAST-41 and continuing to make process improvements on a project-by-project basis. In FY 2020, FPISC will use the additional \$6.1 million above the CR level of \$1 million, to provide enhanced project-specific support that will assist with project management from the beginning to end of the project life-cycle.

The Permitting Council was established under Title 41 of the Fixing America's Surface Transportation Act (FAST-41). FAST-41 outlines a new governance structure, set of procedures, and authorities designed to improve the efficiency and timeliness of the Federal permitting and environmental review process for major infrastructure projects. The Permitting Council is responsible for working with Federal agency partners to implement and oversee adherence to the statutory requirements set forth in FAST-41 and Presidential Executive Order 13807. The Permitting Council is led and chaired by an Executive Director, who is appointed by the President, and also includes representatives of 14 Federal agencies¹, as well as the Director

¹ The Secretary of Agriculture, Secretary of the Army, Secretary of Commerce, Secretary of the Interior, Secretary of Energy, Secretary of Transportation, Secretary of Defense, Administrator of the Environmental Protection Agency, Chairman of the Federal Energy Regulatory Commission, Chairman of the Nuclear Regulatory Commission, Secretary of Homeland Security, Secretary of Housing and Urban Development, Chairman of the Advisory Council on Historic Preservation, and the General Services Administration.

of the Office of Management and Budget (OMB), and the Chairman of the Council on Environmental Quality.

To help finance these responsibilities and activities, and address barriers to timely completion of required reviews and authorizations to the extent they arise, Section 4370m-8 of FAST-41 creates a new authority for the heads of agencies to establish a fee structure. This fee structure would recover reasonable costs incurred in the conduct and coordination of environmental reviews and authorizations. Any fees collected are to be deposited into a separate fund known as ERIF. The Executive Director of the Permitting Council may use ERIF funds to administer, implement, and enforce FAST-41, including the expenses of the Permitting Council and agreements with other agencies for administrative support to the Permitting Council. In addition, the Executive Director, with the approval of the OMB, may transfer amounts in the ERIF to other agencies to facilitate timely and efficient environmental reviews and authorizations for proposed covered projects.

On September 4, 2018, the Permitting Council, in conjunction with the General Services Administration (GSA), published a notice in the *Federal Register* proposing an initiation fee of \$200,000 for project sponsors to reimburse the FPISC Office of the Executive Director (FPISC-OED) for reasonable costs to implement certain requirements and authorities required under Title 41 of the Fixing America's Surface Transportation (FAST-41) Act, as well as the operating costs of FPISC-OED. The timing for promulgation of a final fee regulation is anticipated for late summer of 2019.

This request would support the Permitting Council and facilitate more timely and efficient environmental reviews and permitting authorizations through implementing requirements of Section 42 U.S.C 4370m et seq.

Specifically, this funding would provide FPISC with 12 FTE and a team of contractors to:

- Coordinate with project sponsors and lead and cooperating agencies;
- Review FAST-41 Initiation Notices (FINs);
- Track agencies' schedules and progress in completing environmental reviews and authorizations;
- Support interagency identification of bottlenecks in the environmental review and authorizations process;
- Support lead agencies on developing coordinated project plans and timelines to synchronize cross-agency permitting activities;
- Identify and share best administrative review practices;
- Implement Government-wide process improvements; and
- Mediate disputes between project sponsors and relevant agencies related to FAST-41 projects' permitting timetables.

*U.S. General Services Administration
Environmental Review Improvement Fund*

Appropriated funding and fees collected would also be used to maintain and enhance the publicly available Permitting Dashboard, an online tool for Federal agencies, project developers, and interested members of the public to track the Federal Government's environmental review and authorization processes for FAST-41 projects.

Obligations by Object Class

(Dollars in Thousands)

	FY 2018 Actual	FY 2019* Annualized CR	FY 2019 President's Budget Request	FY 2020 Request
11.1 Full-time permanent	\$ 420	\$ 692	\$ 992	\$ 1,607
11.5 Other personnel compensation	\$ 2	\$ 6	\$ 13	\$ 13
11.8 Special personnel services payments	\$ 263	\$ 400	\$ 1,000	\$ 1,000
12.1 Civilian personnel benefits	\$ 130	\$ 219	\$ 315	\$ 514
21.0 Travel and transportation of persons	\$ 8	\$ 30	\$ 100	\$ 100
23.1 Rental payments to GSA	\$ 152	\$ 166	\$ 166	\$ 166
24.0 Printing and reproduction	\$ 5	\$ 5	\$ 6	\$ 7
25.1 Advisory and assistance services	\$ 15	\$ 952	\$ 1,939	\$ 2,444
25.3 Other goods & services from Federal sources	\$ 3,125	\$ 1,548	\$ 2,557	\$ 3,641
26.0 Supplies and materials	\$ 1	\$ 3	\$ 3	\$ 3
31.0 Equipment	\$ -	\$ 5	\$ 5	\$ 5
99.0 Obligations	\$ 4,121	\$ 4,026	\$ 7,096	\$ 9,500
Subtotal, PC&B	\$ 815	\$ 1,317	\$ 2,320	\$ 3,134
Subtotal, Non-labor	\$ 3,306	\$ 2,709	\$ 4,776	\$ 6,366

*-See note on page ERIF-3

U.S. General Services Administration
ASSET PROCEEDS AND SPACE MANAGEMENT FUND
Fiscal Year 2020 Budget Request
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Appropriations Language

*For carrying out the purposes of the Federal Assets Sale and Transfer Act of 2016 (Public Law 114–287) **\$31,000,000** to be available until expended, to the Asset Proceeds and Space Management Fund.*

Appropriations Language Explanation

This appropriation language provides funding for the implementation of recommendations of the Public Buildings Reform Board consistent with P.L. 114-287.

Program Description

This activity provides for carrying out actions pursuant to the Public Buildings Reform Board recommendations for civilian real property. In addition, amounts received from the sale of any civilian real property pursuant to a recommendation of the Board are available, as provided in appropriations Acts. Authorized activities include consolidation, co-location, exchange, redevelopment, reconfiguration of space, disposal, covering costs associated with sales transactions, acquiring land, construction, constructing replacement facilities, and conducting advance planning and design as may be required to transfer functions from a Federal asset or property to another Federal civilian property.

*U.S General Services Administration
Asset Proceeds and Space Management Fund*

Amounts Available for Obligation

(Dollars in Thousands)

	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
Resources:			
Available from prior year for reauthorization	\$ -	\$ -	\$ -
Appropriation	\$ 5,000	\$ 5,000	\$ 31,000
Retention of Proceeds (Sale of Real Property)	\$ -	\$ -	\$ -
Subtotal, Revenue	\$ -	\$ -	\$ -
Total Resources Available	\$ 5,000	\$ 5,000	\$ 31,000
New Obligational Authority:			
Sales and Disposals	TBD	TBD	TBD
Construction and Acquisition	TBD	TBD	TBD
Redevelopment and Reconfiguration	TBD	TBD	TBD
Total New Obligational Authority	\$ 5,000	\$ 5,000	\$ 31,000
Fund Balance:			
Total Resources Available	\$ 5,000	\$ 5,000	\$ 31,000
Total New Obligational Authority	\$ 5,000	\$ 5,000	\$ 31,000
Fund Balance (available for reauthorization)	\$ -	\$ -	\$ -
Net Budget Authority	\$ 5,000	\$ 5,000	\$ 31,000

Explanation of Changes

(Dollars in Thousands)

	FTE	FY 2018 Enacted	FTE	FY 2019 Annualized CR	FTE	FY 2020 Request
	-	\$ 5,000	-	\$ 5,000	-	\$ 31,000

Program Decreases:

Sales and Disposals	TBD
Construction and Acquisition	TBD
Redevelopment and Reconfiguration	TBD
Subtotal, Program Increases	- \$ 26,000

Total Adjustments **- \$ 26,000**

Summary of the Request

The FY 2020 Request is \$31 million for the Asset Proceeds and Space Management Fund.

The Asset Proceeds and Space Management Fund will fund the recommended actions of the Public Buildings Reform Board that have been approved by the Office of Management and Budget. The Board will identify opportunities for cost savings and deficit reduction by minimizing the Federal Government's inventory of civilian real property.

Since 2003, the Government Accountability Office has designated Federal real property management as a high-risk area, citing concerns about the deteriorating condition of facilities, the quantity of excess and underutilized properties, and an overreliance on leasing. To address these concerns, the Fund will execute actions to consolidate the footprint and maximize the utilization rate of Federal buildings and facilities, reduce the reliance on leased space, sell or redevelop high value assets that are under-utilized to obtain the highest and best value for the taxpayer, reduce operating and maintenance costs, reduce redundancy, and facilitate and expedite the sale or disposal of unneeded Federal civilian properties.

Program Financing

The corpus of the Asset Proceeds and Space Management Fund was established with appropriations in FY 2018 and GSA is seeking further appropriations in FY 2020. The appropriated funds will be available to finance real property projects recommended by the Public Buildings Reform Board and approved by the Office of Management and Budget. The Fund is also authorized to collect amounts received from the sale of civilian real property pursuant to a recommendation of the Board. Those amounts may be used in future fiscal years, as provided in appropriations acts. To complete the execution of the approved projects, the disposing agency may fund the project directly or the program management for the Asset Proceeds and Space Management Fund may fund the project. For projects funded by the Asset Proceeds and Space Management Fund, the program management for the Fund may enter into reimbursable agreements.

U.S General Services Administration
Asset Proceeds and Space Management Fund

Obligations by Object Class

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Annualized CR	FY 2020 Request
24.0 Printing and reproduction	\$ -	\$ -	\$ 100
25.1 Advisory and assistance services	\$ -	\$ -	\$ 900
25.3 Other goods & services from Federal sources	\$ -	\$ -	\$ 4,000
32.0 Land and structures	\$ -	\$ 5,000	\$ 26,000
99.0 Obligations, Appropriated	\$ -	\$ 5,000	\$ 31,000
<i>Subtotal, PC&B</i>	\$ -	\$ -	\$ -
<i>Subtotal, Non-labor</i>	\$ -	\$ 5,000	\$ 31,000

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U.S. General Services Administration
TECHNOLOGY MODERNIZATION FUND

Fiscal Year 2020 Budget Request

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Appropriations Language

*For carrying out the purposes of the Technology Modernization Fund, as authorized by section 1078 of subtitle G of title X of the National Defense Authorization Act for Fiscal Year 2018 (Public Law 115-91) **\$150,000,000**, to remain available until expended.*

Program Description

The Technology Modernization Fund (TMF) is a full-cost recovery fund that finances the transition of Federal agencies from antiquated legacy information technology (IT) systems to more effective, secure, and modern IT platforms. The National Defense Authorization Act for Fiscal Year 2018 (Public Law 115-91), Subtitle G—Modernizing Government Technology (MGT), Section 1078 established the TMF and Technology Modernization Board (Board). The TMF is administered by GSA in accordance with recommendations made by the interagency TMF Board established by the MGT Act. The Board is chaired by the Administrator of the Office of Electronic Government and comprises six additional members, delineated in the Act, possessing expertise in IT development, financial management, cybersecurity and privacy, and acquisition.

In accordance with OMB guidance, the Board rigorously reviews agency modernization proposals and recommends select projects for funding, including identifying opportunities to migrate multiple legacy systems to common platforms; ensuring prioritization of projects with the greatest government-wide impact and probability of success; and improvements to the security of critical IT infrastructure. As funding is allocated to priority agency projects across the Federal Government, it is subsequently replenished by agency repayments to the fund for amounts transferred. This includes the cost of any services or work performed related to the administration of the Fund, ensuring that the TMF is self-sustaining and can continue to support modernization projects well beyond the initial infusions of capital. The GSA Administrator, in consultation with the Board and Director of OMB, is responsible for continuous oversight of funded projects to ensure success, and that technical experts are paired with specific projects on a reimbursable basis to help execute quickly and successfully. All funding will be provided in increments based on agile development practices and are subject to the achievement of planned project milestones.

Ultimately, retiring or modernizing vulnerable and inefficient legacy IT systems will not only make agencies more secure, it will also save money. Absent immediate action, the cost to operate and maintain legacy systems will continue to grow, while security vulnerabilities and other risks will remain unresolved. As a means of addressing these pressing challenges, the TMF is an important step in changing the way the Federal Government manages its IT portfolio.

In its first year of operation, the Board has reviewed more than 30 Initial Project Proposals from Federal agencies totaling over \$400 million in requested funds and has approved seven modernization projects totaling \$89 million in project awards.

Summary of the Request

The FY 2020 Request for the TMF is \$150 million for transfers to agencies in support of projects selected by the Board, and for services and work related to the administration of the Fund.

The pervasive use of legacy IT systems and infrastructure results in increased cybersecurity risks to Federal IT systems, inadequate services for the American people and businesses, and increased carrying costs to operate and maintain aging systems. Absent action to modernize systems, the cost to operate and maintain legacy systems will continue to increase while security vulnerabilities and other risks will expand.

The TMF is designed to improve management and oversight of IT modernization investments, allowing agencies to move to more secure and efficient IT systems and infrastructure, such as cloud and shared services, while also establishing stronger mechanisms for Federal agencies to regularly refresh their IT systems based on modern technologies.

IT modernization can generate significant long-term cost savings and improvements in security, but agencies are not always able to fund the investments up front. The TMF places a portion of the Federal Government's more than \$80 billion annual IT spending under a central mechanism designed to improve management and oversight with resources dedicated to IT modernization.

The TMF strengthens the ability of the Federal Government to strategically prioritize investments across Government, ensuring that projects with the greatest government-wide impact are pursued. The Board evaluates and prioritizes agencies' investment proposals according to criteria established by the Board. Criteria include the risks of continuing to operate the legacy IT system, capacity for reuse of the modernized platform, improved user experience and service delivery, and potential savings. GSA assists in evaluation of proposals and ongoing monitoring of projects that receive funds.

The TMF provides up-front funding for modernization investments that agencies will repay over a period of up to five years. This enables agencies to amortize non-recurring up-front costs and more appropriately plan for the retirement, replacement, and modernization of legacy systems; agency repayments replenish the Fund over time to support future investments. Funding for all projects is incremental and tied to completion of agreed-upon milestones. This approach ensures that agencies employ agile development techniques and prevents sunk costs.

*U.S. General Services Administration
Technology Modernization Fund*

As previously mentioned, the Board has already reviewed more than thirty Initial Project Proposals from Federal agencies totaling over \$400 million in requested funds and has approved seven modernization projects totaling \$89 million in project awards. As of Q2 FY 2019, there are still more than a dozen proposals totaling over \$200 million in requested funds that are moving through the Board's review process, demonstrating strong interest on the part of agencies to secure upfront funding for their project through the TMF. Detailed information about each funded project, as well as the project's status, is available on the TMF website, tmf.cio.gov.

Projects Funded Through Initial TMF Seed Funding (Through Q1 FY 2019)	Project Allocations
U.S. Department of Energy Enterprise Cloud E-Mail	\$ 15,217,096
U.S. Department of Agriculture Farmers.gov Customer Experience Portal	\$ 10,000,000
U.S. Department of Housing and Urban Development Mainframe Migration	\$ 20,000,000
U.S. Department of Labor Labor Certificate Processing Modernization	\$ 3,500,000
U.S. General Services Administration Application Modernizations	\$ 14,997,667
U.S. Department of Agriculture Infrastructure Optimization and Cloud Adoption	\$ 5,000,000
U.S. General Services Administration NewPay Implementation	\$ 20,650,000
TOTAL PROJECT ALLOCATIONS	\$ 89,364,763

Program Financing

The TMF provides up-front funding to agencies through transfers of budget authority from the TMF to the receiving agency. Payments from agencies for amounts transferred plus a small fee for Program Management Office services rendered will replenish the fund. The expenses of the GSA TMF Program Management Office are funded through the available Fund balance.

U.S. General Services Administration
Technology Modernization Fund

Amounts Available for Obligation

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Annualized C.R.	FY 2020 Request
Resources:			
Available from prior year	\$ -	\$ 88,364	\$ 88,059
Appropriation	\$ 100,000	\$ 100,000	\$ 150,000
Offsetting Collections	\$ -	\$ 1,256	\$ 13,058
Total Resources Available	\$ 100,000	\$ 189,620	\$ 251,117
PMO Obligations	\$ (409)	\$ (1,561)	\$ (1,850)
Transfer Out for Modernization Projects	\$ (11,227)	\$ (100,000)	\$ (150,000)
Fund Balance	\$ 88,364	\$ 88,059	\$ 99,267

Explanation of Changes, Appropriated Dollars and FTE

(Dollars in Thousands)

	FTE	FY 2018 Enacted	FTE	FY 2019 Annualized C.R.	FTE	FY 2020 Request
	-	\$ 100,000	6.0	\$ 100,000	6.0	\$ 150,000

Program Changes:

Increased Operating Costs to Manage Larger Fund and Additional Projects		\$ 289
Increased Funding for Transfers to Technology Modernization Projects	-	\$ 49,711
Subtotal, Program Changes	-	\$ 50,000
Total Adjustments	-	\$ 50,000

U.S. General Services Administration
Technology Modernization Fund

Obligations by Object Classification
(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Annualized C.R.	FY 2020 Request
11.1 Full-time, permanent	\$ 219	\$ 694	\$ 829
11.3 Other than full-time permanent	\$ -	\$ -	\$ -
11.5 Other personnel compensation	\$ -	\$ -	\$ -
12.1 Civilian personnel benefits	\$ 65	\$ 210	\$ 251
21.0 Travel and transportation of persons	\$ 4	\$ 30	\$ 45
23.1 Rental payments to GSA	\$ -	\$ -	\$ -
23.3 Communications and utilities	\$ -	\$ -	\$ -
24.0 Printing and reproduction	\$ -	\$ -	\$ -
25.1 Advisory and assistance services	\$ 121	\$ 607	\$ 695
25.2 Other services from non-Federal sources	\$ -	\$ -	\$ -
25.3 Other goods & services from Federal sources	\$ -	\$ 15	\$ 23
26.0 Supplies and materials	\$ -	\$ 5	\$ 8
31.0 Equipment	\$ -	\$ -	\$ -
99.0 Obligations, Appropriated (Annual)	\$ 409	\$ 1,561	\$ 1,850
Subtotal, PC&B	\$ 284	\$ 904	\$ 1,080
Subtotal, Non-labor	\$ 125	\$ 657	\$ 770

Note:

Obligations by Object Class include PMO costs only, awarded project funds are obligated at the receiving agency.

U.S. General Services Administration
PRE-ELECTION PRESIDENTIAL TRANSITION
Fiscal Year 2020 Budget Request
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*U.S. General Services Administration
Expenses, Pre-Election Activities*

Appropriations Language

For activities authorized by the Pre-Election Presidential Transition Act of 2010 (Public Law 111-283), not to exceed \$9,620,000, to remain available until September 30, 2021: Provided, That such amounts may be transferred to "Acquisition Services Fund" or "Federal Buildings Fund" to reimburse obligations incurred for the purposes provided herein in fiscal years 2019 and 2020: Provided further, That amounts made available under this heading shall be in addition to any other amounts available for such purposes.

Program Description

In accordance with the Pre-Election Transition Act of 2010, the Pre-Election Presidential Transition appropriation will enable GSA to provide suitable office space for Pre-Election transition activities, acquire communication services and information technology equipment, and for printing and supplies associated with the transition.

Explanation of Changes

(Dollars in Thousands)

	FY 2018		FY 2019		FY 2020	
	FTE	Enacted	FTE	Annualized CR	FTE	Request
	-	\$ -	-	\$ -	-	\$ 9,620
Program Changes:						
Operating Costs						\$ 9,620
Subtotal, Program Changes					-	\$ 9,620
Total Adjustments					-	\$ 9,620

Summary of the Request

The Pre-Election Presidential Transition Act of 2010, Public Law 111-283, was enacted to provide for transition services to eligible major party candidates before the general election.

The FY 2020 budget requests \$9.6 million for pre-election transition services to eligible major party candidates before the general election in accordance with the Pre-Election Transition Act of 2010, to be available as a two-year appropriation for FY 2020-FY 2021, as the election will occur in FY 2021. GSA uses these funds to provide suitable office space for transition activities, acquire communication services and information technology equipment, and for printing and supplies associated with the transition.

Transition services become available to each major party candidate during the period beginning on the date of the notification of their eligibility by the GSA Administrator and ending on the date of the general elections.

GSA's request assumes support for pre-election transition services to two presidential campaigns prior to the 2020 election. This request is consistent with the provision in the Pre-Election Presidential Transition Act that states "there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act," GSA is requesting a two-year appropriation beginning in FY 2020, as the pre-election period will cross fiscal years and continue in FY 2021. Because preparations for the transition will begin in FY 2019, GSA requests that the authority for this appropriation also allow it to be used to reimburse obligations incurred for this purpose during FY 2019 in the Federal Buildings Fund and Acquisition Services Fund, consistent with authority provided in the 2016 pre-election appropriation.

Obligations by Object Classification
(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Annualized CR	FY 2020 Request
23.1 Rental Payments to GSA	\$0	\$0	\$ 780
25.1 Advisory and Assistance Services	\$0	\$0	\$ 2,415
25.3 Goods & Services from Gov't Accounts	\$0	\$0	\$ 2,805
26.0 Supplies and Materials	\$0	\$0	\$ 50
31.0 Equipment	\$0	\$0	\$ 3,570
99.9 Total Obligations	\$0	\$0	\$ 9,620

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Fiscal Year 2020 Budget Request

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Appropriations Language

For necessary expenses of the Office of Inspector General and services as authorized by 5 U.S.C. 3109, \$68,000,000: *Provided*, That not to exceed \$50,000 shall be available for payment for information and detection of fraud against the Government, including payment for recovery of stolen Government property: *Provided further*, That not to exceed \$2,500 shall be available for awards to employees of other Federal agencies and private citizens in recognition of efforts and initiatives resulting in enhanced Office of Inspector General effectiveness.

Contingent upon enactment of authorizing legislation to reorganize the Office of Personnel Management (OPM) and transfer certain of its functions to the General Services Administration (GSA), for necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, including service as authorized by 5 U.S.C. 3109 and hire of passenger motor vehicles, \$5,000,000, and in addition, not to exceed \$25,265,000, to be transferred from the appropriate trust funds of OPM's successor division at GSA for administrative expenses to audit, investigate, and provide other oversight, as determined by the Inspector General, of the retirement and insurance programs of OPM's successor division at GSA: *Provided*, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere.

The President's Budget proposes the transfer of the Office of Personnel Management Office of Inspector General to the General Services Administration Office of the Inspector General. The proposal, contingent upon enactment of authorizing legislation, envisions a consolidated Office of the Inspector General with a total budgetary authority of \$98 million.

GSA OIG Program Description

This appropriation provides agency-wide audit, investigative, and inspection functions to identify and correct management and administrative deficiencies within the General Services Administration (GSA), including conditions for existing or potential instances of fraud, waste, and mismanagement. This audit function provides internal audit and contract audit services. Contract audits provide professional advice to GSA contracting officials on accounting and financial matters relative to the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of GSA operations and programs, test internal control systems, and develop information to improve operating efficiencies and enhance customer services. The investigative function provides for the detection and investigation of improper and illegal activities involving GSA programs, personnel, and operations. The inspection function supplements traditional audits and investigations by providing systematic and independent assessments of the design, implementation, and/or results of GSA's operations, programs, or policies.

OPM OIG Program Description

This appropriation funds the U.S. Office of Personnel Management (OPM) Office of the Inspector General's (OIG) efforts to protect the integrity of OPM's programs and operations. The OPM OIG's audits, investigations, evaluations, and administrative sanctions program serve to prevent and detect fraud, waste, abuse, and mismanagement. The OPM OIG's FY 2020 Budget request reflects the proposed merger of OPM and the General Services Administration (GSA), consistent with OMB's *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations*.

The OPM OIG's Office of Audits conducts audits of OPM programs and operations. The Office of Audits issued 48 audit reports in FY 2018, with questioned costs totaling over \$109 million. The majority of the Office of Audits' work involves the Federal Employees Health Benefits Program (FEHBP), auditing the health insurance carriers and the pharmacy benefit managers that contract with OPM. In addition, the Office of Audits focuses on other key OPM benefits programs, including the Federal retirement program, the Federal Employees' Group Life Insurance Program, the Federal Employee Dental and Vision Insurance Program, the Federal Long Term Care Insurance Program, and the Federal Flexible Spending Accounts. The OPM OIG also conducts information systems audits that cover general and application controls and security within OPM information systems and programs as well as OPM contractor systems, such as those of FEHBP insurance carriers. One key project is to provide ongoing oversight of OPM's information technology (IT) modernization efforts, including a data center consolidation and potential

mainframe migrations. The OPM OIG's longstanding expertise in these areas has been recognized and endorsed by the Congress. The OPM OIG's continued oversight of this project is essential to the IT security posture of the OPM, its systems, and the highly sensitive data contained in these systems. The Office of Audits also conducts audits of OPM revolving fund programs and operations, and the Office of Audits is responsible for the oversight of the OPM financial statement audit, which is conducted by an independent public accounting firm.

The OPM OIG's Office of Investigations detects and investigates improper and illegal activities involving OPM programs, personnel, and operations. The Office of Investigations is a statutory law enforcement organization, with the authority to carry firearms, issue subpoenas, and to seek and execute both search and arrest warrants. In FY 2018, the OPM OIG's activities led to 65 arrests, 88 indictments/informations, and 54 criminal convictions, resulting in over \$25 million in recoveries. In addition, the Office of Investigations partnered with the U.S. Department of Justice (DOJ) and other Federal, state, and local law enforcement agencies to investigate and collect fines, penalties, and forfeitures to the Federal Government totaling over \$888 million. Based on the evidence gathered during OPM OIG investigations, the Office of Investigations pursues appropriate remedies, including referrals to the DOJ for criminal prosecutions or civil action, and/or referral to OPM or to the FEHBP Administrative Sanctions program. The Office of Investigations also investigates allegations of fraud against OPM programs, such as the FEHBP, the Civil Service and Federal Employees Retirement Systems, and the National Background Investigative Bureau (NBIB). When appropriate, the Office of Investigations also conducts investigations of OPM internal operations and employee and contractor misconduct.

The OPM OIG's Office of Evaluations conducts nationwide studies of OPM programs from a broad, issue-based perspective, as well as evaluations of specific areas of operation and matters of urgent concern. The Office of Evaluations conducts special reviews in response to Congressional requests for studies or information that may require immediate attention and OPM management requests for independent assessments. Evaluators in this office use a variety of methods and techniques to evaluate and assess an OPM operation or concern to develop recommendations for OPM management, the Congress, and the public.

Finally, the OPM OIG FEHBP Administrative Sanctions program debars and suspends health care providers whose loss of licensure or conduct may pose a health and safety risk to FEHBP enrollees and their families or a financial threat to the FEHBP. In FY 2018, the OPM OIG was responsible for 914 suspensions and debarments within the FEHBP.

In January 2014, the Congress passed the OPM IG Act (P.L. 113-80). This legislation has provided the necessary funding for the OPM OIG to audit, investigate, and provide other oversight of the activities of the OPM revolving fund programs and operations. Although NBIB will transfer to the Department of Defense, the OPM OIG will require continued

funding from OPM's Revolving Fund to ensure the continuity of law enforcement investigations of NBIB activities that began prior to the NBIB transition. These investigations could include yet unreported criminal allegations involving OPM.

GSA OIG 5-Year Appropriation History Table

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
	Enacted	Enacted	Enacted	Full Year CR	Request
Estimate to Congress:	\$67,803,000	\$66,000,000	\$66,000,000	\$65,000,000	\$68,000,000
Appropriated:					
Annual Funds	\$63,000,000	\$65,000,000	\$65,000,000		
Rescissions					
Sequestration					
No-Year Funds	\$2,000,000				
Rescissions					
Total.....	\$65,000,000	\$65,000,000	\$65,000,000		

U.S. General Services Administration
Office of Inspector General

GSA OIG Amounts Available for Obligation

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Full Year CR	FY 2020 Request
Unobligated balance, start of year ¹	\$5,597	\$5,389	\$3,389
<i>Discretionary authority:</i>			
Appropriation (annual).....	\$65,000	\$65,000	\$68,000
Appropriation (no-year).....			
<i>Reimbursable authority:</i>			
Offsetting collections.....	\$600	\$600	\$600
Subtotal amount available for obligation	\$71,197	\$70,989	\$71,989
<i>Discretionary authority:</i>			
Unobligated balance, expiring.....	(\$1,158)	\$0	\$0
Unobligated balance, end of year.....	(\$5,389)	(\$3,389)	(\$1,889)
<i>Reimbursable authority:</i>			
Unobligated balance, expiring.....	(\$253)	\$0	\$0
Total obligations	\$64,397	\$67,600	\$70,100
Obligations, appropriated (annual).....	\$63,842	\$65,000	\$68,000
Obligations, appropriated (no-year).....	\$208	\$2,000	\$1,500
Obligations, reimbursable.....	\$347	\$600	\$600
Net outlays, appropriated.....	\$64,057	\$66,780	\$69,241

¹ Unobligated balance reflects no-year funds appropriated in FY 2014 through FY 2016. During the recent FY 2019 lapse in appropriations, the OIG expended \$4,335 thousand of these no-year funds in order to maintain full operations from December 22, 2018, through January 23, 2019. A recasting of no-year funds obligated and outlaid in support of personnel costs during the lapse made \$3,843 thousand available for future obligations and outlays.

*U.S. General Services Administration
Office of Inspector General*

GSA OIG Explanation of Changes, Appropriated Dollars, and FTE

(Dollars in Thousands)

	<u>FTE</u>	<u>Budget Authority</u>
2019 Full Year CR	310	\$ 65,000
2020 Request	<u>320</u>	<u>\$ 68,000</u>
Net Change.....	10	\$ 3,000

	<u>FTE</u>	<u>Budget Authority</u>
Maintaining Current Levels:		
FY 2019 Pay Increase (1.9%), Effective Jan. 2019		\$ 246
Non-Pay Inflation (1.9%)		\$ 251
Program Initiatives:		
Additional Oversight FTE	10	\$ 1,503
Anticipated Transition Costs Associated with OPM OIG Merger		\$ 1,000
Net Change.....	10	\$ 3,000

Reimbursable Resources	3	\$ 600
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GSA OIG Summary of Request

The FY 2020 budget requests a total of **\$68,000 thousand** for the Office of Inspector General. This represents a net increase of **\$3,000 thousand** from the FY 2019 request level, including the following:

\$246 thousand for FY 2019 pay increase (1.9%), effective January 2019

\$251 thousand for inflation (1.9%)

\$1,503 thousand for additional oversight FTE

\$1,000 thousand for anticipated transition costs associated with OPM OIG merger

Reimbursable Programs: The FY 2020 OIG reimbursable request includes **\$600 thousand** for the following reimbursable work: (1) \$350 thousand for the Fleet Card Program; and (2) \$250 thousand for on-going reimbursable work with other agencies and independent commissions.

FY 2020 Annual CIGIE Assessment	\$176,800
FY 2020 Annual Training Request: Certified by the Inspector General	\$525,000

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GSA OIG Obligations by Object Classification

(Dollars in Thousands)

	FY 2018	FY 2019	FY 2020
	Actual	Full Year CR	Request
11.1 Full-time permanent	\$34,688	\$35,491	\$36,663
11.3 Other than full-time permanent	\$224	\$251	\$261
11.5 Other personnel compensation	\$2,385	\$2,440	\$2,450
11.8 Special personal services payments	\$(147)	\$21	\$21
11.9 Total personnel compensation	\$37,150	\$38,203	\$39,395
12.1 Civilian personnel benefits	\$13,551	\$13,605	\$14,584
21.0 Travel and transportation of persons	\$1,493	\$1,510	\$1,550
22.0 Transportation of things	\$0	\$0	\$0
23.1 Rental payments to GSA	\$4,789	\$4,801	\$4,839
23.2 Rental payments to others	\$0	\$0	\$0
23.3 Communications, utilities and miscellaneous charges	\$365	\$373	\$375
24.0 Printing and reproduction	\$6	\$10	\$10
25.1 Advisory and assistance services	\$2,134	\$1,945	\$2,336
25.2 Other services	\$18	\$8	\$8
25.3 Purchases of goods and services from government accounts	\$2,907	\$2,923	\$2,823
25.4 Operation and maintenance of facilities	\$20	\$0	\$0
25.7 Operation and maintenance of equipment	\$840	\$953	\$993
26.0 Supplies and materials	\$182	\$179	\$179
31.0 Equipment	\$380	\$490	\$908
42.0 Insurance claims and indemnities	\$7	\$0	\$0
99.0 Subtotal	\$63,842	\$65,000	\$68,000
99.0 Reimbursable obligations	\$347	\$600	\$600
99.9 Total Obligations	\$64,189	\$65,600	\$68,600

GSA OIG FY 2020 Request

For FY 2020, the General Services Administration (GSA) Office of Inspector General (OIG) requests \$68,000 thousand to execute our mission to detect and deter waste, fraud, abuse, and misconduct and to promote economy and efficiency in GSA's multibillion dollar programs and operations including contracts. The OIG also anticipates an expansion of our oversight mission with the transfer of human resources operational functions currently performed by the Office of Personnel Management (OPM) to GSA, beginning in FY 2019, under the President's reorganization and reform plan Reshaping American Government in the 21st Century.

This funding level will provide a positive return to American taxpayers since our work routinely results in large financial recoveries each year that significantly exceed our appropriation. For example, our efforts resulted in recoveries totaling \$111 million in FY 2018, \$121 million in FY 2017, \$72 million in FY 2016, and \$243 million in FY 2015. Additionally, our recommended cost savings and identification of funds put to better use yielded nearly \$427 million dollars in additional potential savings during FY 2018.

The OIG's success in carrying out our mission is directly tied to the expertise of auditors, special agents, inspectors, attorneys on staff, and the administrative staff that support these personnel. This is especially important as GSA implements new programs and initiatives. For FY 2020, sufficient funding and the ability to replenish departing staff are imperative to our continued productivity.

That productivity was significant, as evidenced by our audit, inspection, and investigative work in FY 2018. Our audit and inspection efforts produced 71 reports to help GSA improve the efficiency and effectiveness across a wide range of its operations. In a restricted report, our IT audit of technical controls for a GSA information system identified deficiencies that left the system vulnerable to cyber-attack, and increased the risk of sensitive information breaches and system outages. Additionally, in an implementation review of the actions GSA took in response to an earlier audit report on a personally identifiable information breach, auditors found deficiencies in GSA's breach practices and current Breach Notification Policy.

Notable recent audits also showed the need for GSA to sharpen its metrics and evaluation plan for the Transactional Data Reporting Pilot Program in order to enable objective and effective judgments about the pilot's value; improve controls to ensure that contract employees receive required background investigations before obtaining access to sensitive government information and facilities in connection with GSA's effort to transition federal agencies to the telecommunications contract Enterprise Infrastructure Solutions; and improve compliance with internal leasing policies in the wake of failures that led to the costly cancellation of the lease of an office building in Tulsa, Oklahoma.

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We also completed a significant multidisciplinary review of GSA's revised plan for the Federal Bureau of Investigation Headquarters project, which we expect will assist the Agency in providing more transparent cost and other information to decision makers as the project moves through the appropriations process.

Our evaluation of GSA's nondisclosure policy regarding employee communications with Congress found that the policy lacked whistleblower protection language required by law and that the agency's implementation of unpublished policies violated its own internal directive and led to opportunities for confusion, misinterpretation, and inconsistent application.

Our evaluation of GSA's Management and Administration of the Old Post Office (OPO) Building Lease found that GSA's Office of General Counsel improperly ignored the Emoluments Clauses of the Constitution, even though the lease itself requires compliance with the laws of the United States, including the Constitution. In turn, this unwillingness to address the constitutional issues affected the agency's analysis of a key provision of the lease and its decision to certify lease compliance.

Our partnership with the Department of Justice secured a \$66 million dollar settlement of a qui tam investigation of a company that sold defective material for bullet proof vests used by law enforcement officers.

In FY 2018, our Office of Investigations opened 124 new investigations, closed 158 investigative cases, produced 88 criminal indictments, and had 61 successful prosecutions on criminal matters. Special agents also continued to respond to allegations of waste, fraud, abuse, and misconduct received through our hotline, which received 1,502 contacts in FY 2018. They aided in the prosecution of cases involving bribery, kickbacks, and extortion, as well as fraud related to construction and acquisition contracts. In one notable case, a contractor was sentenced to 24 months in prison after we found that he falsely claimed to have paid more than half a million dollars to a subcontractor but had, in fact, diverted the funds for his own personal gain.

We also developed cases using data analytics. In March, an investigation by our office allowed us to alert the Administrator to a vulnerability within the System for Award Management and to recommend notification of the affected parties. In another case, our investigators' skillful use of data analytics revealed that Alter Stesel, a contractor who had been debarred and was ineligible to receive government contracts, had formed new companies and created aliases in an attempt to circumvent his debarment. Stesel plead guilty in the Eastern District of Virginia and was sentenced for wire fraud. Data analytics continues to be a highly effective capability we plan to strengthen in our office.

FTE Level Increase for Program Initiatives: Our appropriated funding levels have not changed between FY 2014 and FY 2019. However, the OIG's mission expanded with GSA's creation of a new component to address technology transformation. The

Technology Transformation Services component currently is located within the Federal Acquisitions Service. The OIG has already issued several reports about this new component, and more work is needed as the component evolves.

The OIG has also been developing its capabilities to oversee GSA's cybersecurity. In FY 2016, the OIG established an Information Technology (IT) audit group to scan and analyze GSA IT systems for security vulnerabilities. The Cybersecurity Center of Expertise (Center) provides a secure environment to evaluate, test, and implement new and emerging technologies, audit tools, and techniques to enhance the GSA OIG's information technology (IT) audit processes and products. The Center's IT Specialists conduct audits of GSA's systems using commercially available tools to determine if technical vulnerabilities and operational weaknesses exist. To date, the Center has issued four limited scope technical control audits that identified security control weaknesses in the Agency's systems and infrastructure that could significantly impact the operations and mission of GSA. Our initial work in this area exposed vulnerabilities in GSA systems and highlighted the need for continued work of this type. To enhance this capability, the OIG needs to support highly skilled staff dedicated to this initiative with training as well as with computer hardware and software licenses.

Additionally, the OIG has begun to invest resources for a data analytics team to proactively identify indicators of fraud, systemic vulnerabilities, and program deficiencies for purposes of targeting audits, investigations, and inspections. The Office of Investigations' data analytics work has been particularly fruitful and embodies the principles set forth in the Fraud Reduction and Data Analytics Act of 2015. Our use of data analytics to analyze large volumes of procurement and transaction data has enabled us to proactively identify and more efficiently investigate complex procurement fraud schemes that target online procurement systems such as the System for Award Management, debarred individuals and companies that fraudulently obtain government contracts, and individuals who commit fraud involving GSA Fleet credit cards. Since its inception in 2017, our data analytics team has proactively identified 14 such investigations, and they have provided crucial assistance on several other cases that were generated through traditional means. Three investigations have already resulted in the convictions of seven individuals, six of whom were sentenced to prison. The OIG sees opportunities to expand our proactive applications of data analytics to identify conflicts of interest, fraud involving set-aside contracts, and online procurement fraud schemes, all of which cost the taxpayer millions.

We intend to use no-year funds to strengthen these important initiatives. Without the requested increase in our annual appropriation, however, we will not be able to achieve a FTE level of 320 needed to sustain these initiatives and the oversight we believe that GSA's programs, operations, and activities require. Particularly with GSA's increased focus on technology, we must continue to hire a highly skilled workforce in order to perform our mission; such experience comes with a price. The American taxpayer can only stand to benefit more when savings are achieved and funds are recovered through executing our

mission in audit, inspection, and investigative work. We are requesting an increase of \$1,503 thousand and 10 FTE.

Transition Costs in Support of the Anticipated Consolidation with OPM OIG: GSA and OPM are currently planning the transfer, beginning in FY 2019, of much of OPM's human resources operational functions to GSA. The transfer of the human resources operational functions would include personnel, program oversight, and IT data and infrastructure. In addition, the President's reorganization and reform plan calls for the transfer of OPM's retirement services and federal employee health care and life insurance programs to GSA. We are requesting an increase of \$1,000 thousand to support those costs associated with consolidating the resources and infrastructure of the GSA OIG and OPM OIG into a single OIG organization within the GSA Office of Inspector General.

GSA OIG Business Component Justifications

Our major operational components—the Office of Audits, Office of Investigations, and Office of Inspections—share primary responsibility for overseeing GSA programs and operations. Increasingly, coordinated and joint efforts by the OIG’s offices are producing results that lead to program correction, savings, and successful prosecutions, some of which are noted below. While each component’s own activities well justify its cost, we are finding that often the combined efforts of our professional staffs add an important dimension to the OIG’s arsenal against misconduct and inefficiency. The appropriations for the OIG reflect a prudent investment in oversight of GSA activities.

Office of Audits

Program Description

The Office of Audits is an organization charged with overseeing GSA’s use of taxpayer dollars as GSA administers its programs and operations. To that end, we balance our audit coverage between contract and internal audits to meet a number of needs and requirements as follows:

- Program audits provide GSA management with independent assessments and input on potential solutions to challenges, when appropriate.
- Information technology and systems audits evaluate whether GSA’s information systems are designed to enable efficient and effective operations, contain adequate systems controls, are properly secured, and meet user requirements.
- Regulatory audits evaluate whether GSA complies with applicable laws and regulations.
- Internal control audits test the controls built into GSA’s programs and systems to determine whether those controls are operating as intended and providing reasonable assurance of achieving effective and efficient operations, reliable financial and performance reporting, and compliance with applicable laws and regulations.
- Contract audits examine selected contractors’ records and develop the financial information necessary for GSA contracting officers to negotiate favorable pricing arrangements on contract awards and administer existing contracts. These engagements include preaward and postaward examinations of Multiple Award Schedule contracts, as well as audits of construction claims, requests for equitable adjustment, and close-out audits.
- Oversight of GSA’s contracts for the annual financial statements audit required under the 1990 Chief Financial Officer’s Act, and the independent evaluation of GSA’s information security program and practices required under the Federal Information Security Modernization Act of 2014.

The goal of our audits is to support GSA's primary business lines—acquisition services and real property—while ensuring their integrity, economy, and efficiency. As we strive to monitor GSA, we maintain a keen awareness of both the value and necessity of our audit products for the taxpayer, elected representatives, the Office of Management and Budget (OMB), GSA management, and other key stakeholders.

To ensure the most effective and efficient use of resources, we solicit information from internal and external stakeholders, including GSA management and OMB, as part of our annual audit planning process. We then discuss this information at our regional and headquarters offices to assess GSA's most significant challenges and risks, which are developed into audit assignments for our internal and contract audit staff. We provide our audit results to GSA officials, Congress, and other stakeholders through audit reports, memorandums, and the Semiannual Report to the Congress.

Our auditors provide extensive oversight of billions of dollars in contracts awarded by GSA for products, services, and real property. During Fiscal Year 2018, our audits recommended over \$426 million in cost avoidances and recoveries which includes over \$9 million from our construction contract audits. In addition, our examinations of 10 contractor self-disclosures resulted in almost \$5 million in recoveries to the government.²

Contract auditors also provide key assistance to the Department of Justice (DOJ) in False Claims Act investigations. For example, in 2017, DOJ settled False Claims Act issues with Computer Associates, Inc. for \$45 million based on our audit assistance. In March 2018, as a result of a joint investigation with DOJ, W.W. Grainger, Inc., agreed to pay \$14 million to settle billing errors raised by our postaward audit.

In addition to our contract audit workload, our internal audit work provides significant benefits to GSA and the taxpayer. For example, we performed an audit to determine whether GSA's Public Buildings Service (PBS) accurately reports the amount of vacant and unused leased space and whether controls for managing unused leased space are effective in preventing and reducing undue costs to the government. We identified 785,400 square feet of unused leased space representing \$21 million in annual rental payments that PBS is not reporting as required, and made recommendations to cure this deficiency.

Additionally, we issued an audit of GSA's Transactional Data Reporting (TDR) Pilot Program. TDR represents the most significant change to GSA's Multiple Award Schedules Program (Schedules Program) in over 20 years. Accordingly, we audited the TDR Pilot Evaluation Plan and determined that the metrics will not enable GSA to objectively measure or evaluate whether the TDR pilot is improving the value of the Schedules

² We monitor and process contractor self-disclosures as required by Federal Acquisition Regulation 3.1003(a)(2). The regulation requires government contractors to disclose credible evidence of violations of federal criminal law under Title 18 of the United States Code and the False Claims Act to agencies' Office of Inspector General.

Program. We found that the TDR Pilot objectives are not well-defined, some metrics lack performance targets, and a majority of the metrics rely on data that is not available for use in or evaluation of the pilot. Based on our audit findings, we recommended that GSA revise the TDR Pilot objectives to include specific statements of accomplishment; establish performance targets for each Pilot metric; and ensure that TDR data is available, accurate, and reliable for use in and evaluation of the Pilot.

In another significant internal audit, we found that the Federal Acquisition Service (FAS) has more opportunities to provide savings to the federal government for wireless services by addressing significant Wireless Federal Strategic Sourcing Initiative rate variances and blanket purchase agreement (BPA) rates that are equal to FAS's information technology multiple award schedule contract rates.³ Additionally, some of the wireless BPA deliverables were not provided in accordance with BPA terms and conditions, potentially impairing effective contract administration. Based on our audit findings, we recommended that FAS use BPA task order pricing to determine if the current BPAs represent the best value and to determine price reasonableness in the future, assess deliverable requirements, and implement billing and deliverable controls.

Our internal audits also highlighted areas for GSA to improve its handling of personally identifiable information (PII). In 2018, we completed an implementation review of the management actions taken in response to the recommendations contained in our September 2016 audit report, *Audit of GSA's Response to the Personally Identifiable Information Breach of September 18, 2015*. Our implementation review determined that the Office of GSA IT (GSA IT) did not successfully implement corrective actions for two audit recommendations. First, GSA IT did not finish notifying individuals whose PII was exposed by the September 18, 2015 breach until more than two years after the breach occurred. Second, although GSA IT assessed and revised its Breach Notification Policy in accordance with its corrective action plan, the revisions made hinder its ability to notify affected individuals without unreasonable delay in the future. As a result, GSA IT must submit a revised corrective action plan.

Office of Investigations

Program Description

The Office of Investigations is comprised of special agents with full statutory law enforcement authority; they make arrests, execute search warrants, serve subpoenas, and carry firearms. Allegations investigated by OIG special agents include bribery, kickbacks, extortion, public corruption, false claims, credit card fraud, theft, diversion of

³ FAS's Schedule 70 – General Purpose Commercial Information Technology Equipment, Software, and Services.

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excess government property, counterfeit products, product substitution, false statements, and a variety of other fraud-related crimes and offenses.

The Office of Investigations has developed and implemented an investigative action plan which contains the following elements:

- Investigations of alleged criminal violations and civil fraud by contractors, employees, and others relating to GSA acquisition programs;
- Criminal investigations relating to the integrity of GSA programs, operations, and personnel;
- The development and implementation of proactive investigations which address systemic investigative issues that cross GSA regional boundaries; and
- Investigations of allegations into serious misconduct by high-ranking GSA officials.

Highlights of the Office's work in FY 2018 include the following:

A GSA OIG investigation determined that from December 2008 to August 2012, the Chief Executive Officer and five other executives from Wellco Enterprises, Inc. conspired to import military-style boots that were made in China into the United States, and then deceptively marketed and sold those boots to federal agencies and the general public as "Made in the USA" and as compliant with the Berry Amendment and the Trade Agreements Act. In total, Wellco Enterprises, Inc. sold at least \$8.1 million of fraudulent boots. In recent months, all six executives were sentenced in the Eastern District of Tennessee on fraud charges stemming from their involvement in the conspiracy. GSA OIG investigated this case with Air Force Office of Special Investigations, Defense Criminal Investigative Service (DCIS), and Homeland Security Investigations.

On March 15, 2018, Toyobo Co., Ltd. (Toyobo) agreed to pay \$66 million to resolve allegations under the False Claims Act that Toyobo sold defective Zylon fiber used in bulletproof vests purchased by federal, state, local, and tribal law enforcement agencies. The settlement resolves allegations that between at least 2001 and 2005, Toyobo knew that Zylon degraded quickly in normal conditions, and that the degradation of the material made the ballistic vests unfit for use, placing the lives of law enforcement officers at risk. A 2005 study of Zylon-containing vests found that more than 50 percent of used vests could not stop bullets that they were certified to stop. GSA OIG investigated this case with the Department of Commerce (DOC) OIG, DCIS, U.S. Army Criminal Investigation Command (CID), and the Department of Energy OIG.

A GSA OIG investigation found that a contractor fraudulently used the name and status of a Service Disabled Veteran-Owned Small Business (SDVOSB) to obtain a \$45.7 million USACE SDVOSB set-aside construction contract that he was not eligible to receive. On

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May 8, 2018, Joseph David Dial, who allowed the use of his company's SDVOSB status, pleaded guilty to major program fraud and wire fraud. GSA OIG investigated this case with the DCIS, Army CID, and Small Business Administration OIG.

A GSA OIG investigation determined that several former contract security guards were involved in an extortion scheme, which involved payments in exchange for passing firearms qualification scores. The individuals involved formerly worked for North American Security, Inc., a company that provides security guard services under a GSA contract. On March 23, 2018, Chidinma Iлека pleaded guilty to one count of conspiracy and was sentenced. On May 11, 2018, Diamond Mabry pleaded guilty to one count of conspiracy and was sentenced. GSA OIG investigated this case with DOC OIG and Department of Health and Human Services OIG.

A GSA OIG investigation determined that Michelle Daniels, a GSA building manager, illegally created building ID cards for her dependent daughter in order to provide the daughter access to a federal building. Without an official purpose, Daniels instructed GSA contractors to create building access cards for her daughter in 2014 and 2015. On May 1, 2018, Daniels was sentenced in the Northern District of California for aiding and abetting entry by false pretense to real property of the United States.

A GSA OIG investigation determined that Stanley Raass, owner of Raass Brothers, Inc., devised a scheme to fraudulently obtain construction contracts set-aside for SDVOSBs. Raass falsely certified in GSA's System for Award Management (SAM) that RWT, LLC was a legitimate SDVOSB, knowing that RWT, LLC was controlled and operated by Raass Brothers, Inc. RWT, LLC was subsequently awarded over \$10 million in SDVOSB set-aside contracts it was not eligible to receive. On May 23, 2018, Raass was sentenced for wire fraud and money laundering. GSA OIG investigated this case with the FBI, DCIS, NCIS, Army CID, Veterans Administration OIG, SBA OIG, and Internal Revenue Service Criminal Investigations.

A GSA OIG investigation determined that Milton "Cleve" Collins, former Chief Operating Officer for Don Brady Construction, doing business as Apex 3, filed false subcontractor payment certifications in connection with a \$1.5 million GSA construction contract for the Ed Jones Federal Courthouse and Post Office in Jackson, Tennessee. Collins falsely certified to GSA that he had paid the subcontractor \$580,000 for their work on the contract, and then diverted the GSA monies for his personal gain. On September 5, 2018, Collins was sentenced in the Western District of Tennessee. GSA OIG investigated this case with the FBI.

The above examples illustrate the important work of the Office of Investigations, and the variety and complexity of the schemes that must be investigated to address fraud, waste and abuse in GSA's multi-billion dollar activities. Without the work of OIG special agents in all these areas, the integrity of GSA programs, operations, and staff would be undermined to the detriment of the Agency, the federal agencies who invest their

taxpayer dollars in GSA's building and acquisition services, and the public interest in good governance and justice.

Office of Inspections

Program Description

The Office of Inspections is responsible for independently and objectively analyzing and evaluating GSA's programs and operations through management and programmatic inspections that are intended to provide insight into issues of concern to GSA, Congress, and the American public. The office also formulates, directs, and coordinates quality assurance for the OIG.

Inspections are systematic and independent assessments of the design, implementation, and results of GSA's operations, programs, and policies. Inspections may include an assessment of efficiency, effectiveness, impact, and sustainability. Issues examined in 2018 included allegations regarding a new GSA nondisclosure policy concerning employee communications with Congress, and the management and administration of the Old Post Office Building ground lease.

An evaluation found that from 2015 through 2017, GSA implemented a series of published and unpublished policies governing responses to congressional inquiries. These policies should have contained, but did not contain, the whistleblower protection language that the Whistleblower Protection Enhancement Act of 2012 requires be included in nondisclosure policies. GSA's failure to include the required language increases the risk of confusion and may chill the willingness of potential whistleblowers to come forward. In addition, GSA's use of unpublished policies did not comply with internal directives and created opportunities for confusion, misinterpretation, and inconsistent application among its officials and employees.

An evaluation of GSA's management and administration of the Old Post Office (OPO) Building Lease found that it was necessary for GSA to consider whether the President-elect's business interests in the OPO might cause a breach of the lease under Section 37.19, Interested Parties provision, upon his becoming President. We found that although GSA recognized the President's business interests raised issues under the Constitution's Emoluments Clauses, they decided not to address those issues with the management of the lease. Furthermore, we found that GSA's Office of General Counsel improperly ignored the Emoluments Clauses even though the lease itself requires compliance with the laws of the United States, including the Constitution. In turn, this unwillingness to address the constitutional issues affected the agency's analysis of Section 37.19 of the lease and its decision to certify lease compliance.

An interim evaluation found that on September 24, 2012, GSA awarded a contract to a law firm to provide professional legal services to assist GSA in drafting and negotiating the lease agreement for the Old Post Office Building. Despite the conclusion of its contractual relationship with GSA, the law firm continued to receive documents pursuant to the lease agreement.

Executive Direction and Business Support Offices

Program Descriptions

Office of the Inspector General: The Inspector General (IG), Deputy Inspector General, Associate Inspector General, and their support staff supervise, coordinate, and provide policy and programmatic direction for all activities within the OIG, including audit, investigation, and inspection activities; Congressional affairs; and media relations. The IG recommends policies for and coordinates activities to promote economy and efficiency in the administration of and the prevention and detection of fraud and abuse in the programs and operations of GSA.

Office of Counsel: This office provides legal advice and assistance to all OIG components nationwide, represents the interests of the OIG in connection with audits and investigations and in litigation arising out of or affecting OIG operations, and advises on statutes and regulations and assists with legislative concerns. Counsel represents the OIG in personnel matters before administrative tribunals and provides support to U.S. Attorneys' Offices and the Department of Justice in False Claims Act and other litigation. The Office of Counsel also is responsible for the OIG's ethics, Freedom of Information Act, and Federal Acquisition Regulation mandatory disclosure programs.

Office of Administration: This office consists of a multidisciplinary staff that provides budgetary, human resources, information technology, facilities, contracting, and other administrative support and services to all OIG offices. The Office of Administration is responsible for providing the technical, financial, and administrative infrastructure to the OIG.

GSA OIG FY 2020 Performance Plan

The OIG's strategic plan aligns with our statutory reporting requirements in the Semiannual Report to the Congress (SAR). We provide our annual performance in the SAR that is published shortly after the end of each fiscal year.

Strategic Goal No. 1: Protect taxpayer dollars by promoting the economy, efficiency, and effectiveness of GSA programs and operations.

Discussion

Through its audits, inspections, and investigations, the OIG supports GSA operations by identifying control weaknesses; assisting contracting officers in achieving the best prices for goods and services; identifying non-compliance with statutes, regulations, and contract terms; suggesting ways to mitigate management control weaknesses and other systemic problems; and recommending or seeking recoveries of funds owed to the government. Audits and other reviews are performed both systematically and pursuant to indications of possible deficiencies, as well as in response to requests for assistance from GSA personnel and congressional officials. The OIG will advise GSA management of identified opportunities to increase the economy, efficiency, and effectiveness of GSA's programs and operations.

Performance Goals:

- *Identify potential savings in GSA contracts and programs.*
- *Seek recoveries of monies owed the United States.*
- *Provide audit, investigative, and other reports and memoranda that enable Agency management to make improvement in Agency operations.*

Performance Measures:

- *Dollar value of recommendations that funds be put to better use.*
- *Dollar value of questioned costs.*
- *Dollar value of civil, criminal, and administrative monetary accomplishments.*
- *Number of audit reports and memoranda issued.*
- *Number of other reports issued.*
- *Dollar value of management decisions that agree with recommendations.*

Strategic Goal No. 2: Prevent and detect fraud and abuse in GSA programs and operations.

Discussion

Based on audits, investigations, and inspections, as well as other information received, the OIG will suggest ways to mitigate problems that could allow fraud and or abuse to occur and will detect and refer potential fraud cases to the Department of Justice. The OIG will provide information to GSA relevant to administrative actions and potential debarments.

Performance Goals:

- *Investigate allegations and evidence indicating violations of statutes, regulations, and policies.*
- *Seek Department of Justice involvement in potential fraud cases.*
- *Refer contractors to GSA officials for potential suspension and debarment where their level of responsibility poses a risk to Federal Government customers.*
- *Provide Agency management with information necessary to take personnel and other administrative actions.*

Performance Measures:

- *Number of criminal referrals, acceptances, and convictions.*
- *Number of civil referrals, acceptances, and resolutions.*
- *Number of suspension and debarment referrals.*
- *Number of referrals for GSA employee management actions.*

OIG Strategic Goal No. 3: Focus on high-risk and high-impact areas.

Discussion

The OIG will focus its resources on issues with potentially significant impact on GSA programs and operations, in order to, for example, restore federal funds lost through non-compliance or criminal activity; assist GSA management in ensuring the integrity of high-dollar and high-priority programs and procurements; and recommend to GSA any necessary programmatic changes to ensure process efficiency and achievement of the Agency's mission and goals. By focusing on high-risk areas, the OIG should achieve greater monetary savings for GSA.

Performance Goals:

- *Perform audits of GSA contracts, programs, and systems that present the most significant management challenges, high-risk areas, and opportunities for improvement.*
- *Devote investigative resources to potentially significant government losses and serious breaches of the integrity of Agency programs and operations.*

Performance Measures:

- *Percent of audit resources focused on high-priority areas, including management challenges and support of FCA litigation.*
- *Percent of investigative resources focused on high-priority cases.*

(THE PRESIDENT'S BUDGET PROPOSES THE TRANSFER OF THE OFFICE OF PERSONNEL MANAGEMENT OFFICE OF INSPECTOR GENERAL (OPM OIG) TO THE GENERAL SERVICES ADMINISTRATION OFFICE OF INSPECTOR GENERAL (GSA OIG). WHILE AWAITING ENACTMENT OF SUCH AUTHORIZING LEGISLATION, WE HAVE INCLUDED OPM OIG'S PORTION OF THE FY 2020 BUDGET IN THE FOLLOWING PAGES.)

OPM OIG FY 2020 Request

Salaries & Expenses and Trust Fund

The Office of Personnel Management (OPM) Office of the Inspector General (OIG), is requesting **\$30,265,000** for its Fiscal Year (FY) 2020 budget. This request is composed of \$5,000,000 from the Salaries and Expenses General Fund and \$25,265,000 from the OPM Trust Funds. This budget request reflects the full merger of OPM and GSA and their respective OIGs, consistent with the Office of Management and Budget’s (OMB) *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations* (June 21, 2018).

Budgetary Resources	FY 2018 Enacted		FY 2019 CR		FY 2020 CBJ	
	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$5,000,000	20	\$5,000,000	20	\$5,000,000	20
Trust Fund Annual	\$25,000,000	132	\$25,000,000	132	\$25,265,000	134
Total Discretionary (dollars)	\$30,000,000	152	\$30,000,000	152	\$30,265,000	154

Revolving Fund

The OPM OIG continues to reduce its Revolving Fund expenditures consistent with the anticipated transition of the National Background Investigation Bureau (NBIB) to the Department of Defense (DoD) in accordance with the National Defense Authorization Act for Fiscal Year 2018 (Public Law or P.L. 115-91). For FY 2020, the OPM OIG estimates that \$1,200,000 and six full-time employees (FTEs) will be required for OPM Revolving Fund oversight activities. However, the OPM OIG is requesting \$2,959,000 from the Revolving Fund in FY 2020 to cover future-year criminal investigations to ensure the continuity of OPM OIG criminal investigative work after NBIB has transferred to DoD. This includes investigations into allegations of criminal misconduct involving the falsification of background investigations currently unknown but that occurred while NBIB was a bureau under OPM. The remaining resources will be reserved in OPM’s No Year Revolving Fund for use in FY 2021 through FY 2024 for the OPM OIG to conduct oversight of NBIB activities while it was a bureau under OPM. See the “Integrity and Improper Payments Related to Revolving Fund Investigations; Ensuring Continuity of Investigative Work” section below for additional information about the OPM OIG’s oversight responsibility over background investigation activity after NBIB is transferred to DoD.

Budgetary Resources	FY 2018 Enacted		FY 2019 CR		FY 2020 CBJ	
	\$	FTE	\$	FTE	\$	FTE
Revolving Fund (Estimated)	\$3,816,000	26	\$2,748,000	17	\$2,959,000	6
OIG Total (dollars)	\$3,816,000	26	\$2,748,000	17	\$2,959,000	6

OPM OIG Overview

The OPM OIG was established as a statutory entity on April 16, 1989. It operates under the authority of the Inspector General Act of 1978 (P.L. 95-452), as amended. The Inspector General Act requires that each OIG:

- Conduct and supervise independent and objective audits, investigations, and evaluations relating to agency programs and operations;
- Promote economy, effectiveness, and efficiency within its agency;
- Prevent and detect fraud, waste, and abuse in agency programs and operations;
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations; and,
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

The OPM OIG contains the following organizational components: the Office of Audits, the Office of Investigations, the Office of Evaluations, the Office of Management, and the Office of Legal and Legislative Affairs.

The OPM OIG offices provide comprehensive and cohesive oversight of OPM programs. Ongoing key initiatives include identifying and recommending recovery of improper payments related to the Federal Employees Health Benefits Program (FEHBP) and retirement annuities, ensuring that OPM and its contractors implement critical cybersecurity controls, and using proactive law enforcement methods to combat the effects of the opioid epidemic on the FEHBP and its enrollees.

The Office of Audits

The Office of Audits conducts comprehensive, independent, and risk-based audits of OPM programs, operations, and contractors. The Office of Audits assists the Director of OPM and the Congress by conducting audits that promote integrity and improve accountability of the information reported by OPM, and improve the efficiency and effectiveness of OPM programs. Audits issued by the Office of Audits annually lead to the recovery of tens of millions of dollars of improper payments to OPM trust funds.

The Office of Audits' core responsibility is auditing the activities of OPM contractors that underwrite and provide health and life insurance benefits to Federal employees and annuitants, and their dependents and survivors, through the FEHBP and the Federal Employees' Group Life Insurance Program. There are approximately 225 insurance

carriers participating in the FEHBP, which has over \$120 billion in assets and annual premium payments that exceed \$52 billion. In addition, the Office of Audits conducts audits of OPM's Retirement Program, which manages the Civil Service Retirement and Disability Fund (CSRDF). The CSRDF has over \$900 billion in assets, and it makes monthly payments that exceed \$82 billion annually to approximately 2.6 million annuitants and survivors.

The Office of Audits also conducts a wide range of audit activities covering other OPM programs and administrative operations, such as:

- financial statement audits required by the Chief Financial Officers Act;
- audits of OPM's compliance with laws and regulations;
- cybersecurity audits of OPM and its contractors, including all FEHBP health insurance carriers;
- audits of Pharmacy Benefit Managers;
- audits of the Federal Long Term Care Insurance Program;
- audits of the Federal Employee Dental and Vision Insurance Program carriers;
- audits of OPM programs that involve the range of OPM's responsibilities, including Revolving Fund activities such as background investigations and human resources services; and
- audits of the organization that administers the Combined Federal Campaign (CFC).

Information Technology Audits

A high-risk area of particular emphasis for the Office of Audits is the Information Technology (IT) security audits of both OPM's internal IT security program and of the FEHBP carriers. As discussed in previous submissions, the OPM OIG developed a strategic plan to increase audit activity in these areas. For audits of FEHBP health insurance carriers, the new approach is to supplement normal audits with a team of IT specialists conducting focused audits of high-risk areas. This approach allows for increased audit coverage while focusing efforts on identifying control weaknesses most likely to lead to a serious data breach. The Office of Audits has made progress by developing an audit program and conducting two pilot audits in FY 2018, despite not being able to fully staff this team. As a result of this modified approach, the OPM OIG IT audit cycle (the frequency with which the OIG audits each carrier) decreased from once every 13.0 years in FY 2017 to once every 10.4 years in FY 2018.

Regarding audits of OPM's internal IT security program, the Office of Audits' efforts have been focused on the annual Federal Information Security Modernization Act (FISMA) audit,

focused FISMA-related system audits, and on OPM's IT modernization program. The plan for improving oversight of this critical area is centered on conducting audits of significant, high-risk issues to supplement detailed audits of OPM's major IT systems. For example, in the last two fiscal years, the OPM OIG conducted audits of OPM's security assessment and authorization program, OPM's web application security assessment process, and OPM's compliance with the Federal Information Technology Acquisition Reform Act.

The Office of Investigations

The Office of Investigations conducts criminal, civil, and administrative investigations of fraud, waste, and abuse related to OPM programs and operations and investigates OPM employee and contractor misconduct or violations of criminal law. The Office of Investigations actively coordinates with the Department of Justice (DOJ) and other Federal, State, and local law enforcement authorities on investigations that often lead to criminal convictions, civil recoveries, administrative corrective actions, and/or exclusions from participation in Federal health care programs and/or contracts.

OPM OIG criminal investigators play a unique role in reducing waste within the Federal Government. OIG investigations identify improper payments and fraud, waste, and abuse primarily related to OPM's FEHBP and the Retirement Program, and recover millions of dollars for the Federal Government. OIG criminal investigators also directly contribute to public safety through the pursuit of program and contractor investigations, which may have no direct monetary impact but serve to enhance the integrity of OPM programs.

The Office of Investigations conveys to OPM and its stakeholders timely information about program performance and objectively assesses emerging concerns. The Office of Investigations works directly with OPM program managers and staff and the OPM Director to ensure the integrity of OPM programs and resources.

The Office of Investigations Executing the Administration's Priorities

In 2017, President Donald J. Trump declared the opioid crisis a nationwide public health emergency. Addressing the opioid epidemic is an ongoing fight, and OPM has several opportunities to combat the opioid epidemic in an impactful way as described below in "Impact of the Opioid Epidemic on the FEHBP."

In FY 2018, OMB made reducing improper payments and protecting taxpayers a top priority. The 2018 President's Management Agenda sets a long-term vision for effective and modern Government capabilities that work on behalf of the American people, including the stakeholders of OPM programs. Specifically, OPM FEHBP enrollees include Government employees entrusted with public safety in transportation, health care, national security, and those with the most sensitive positions in the United States, as well as their dependents and beneficiaries. In order to protect these stakeholders and keep Federal employees and the public safer, the Office of Investigations conducts investigations into FEHBP enrollees, doctors, marketers, providers, pharmacies, and drug manufacturers that contribute to the opioid crisis, improper payments, and fraud schemes.

OPM OIG investigations also support the Administration's priorities of addressing fraud, waste, and abuse. The Office of Investigations will use its FY 2020 resources to pursue the initiatives and goals of the above-stated guidance and priorities and to continue its ongoing investigative and enforcement actions, as summarized below.

Impact of the Opioid Epidemic on the FEHBP

In keeping with the President's directive on combatting the drug demand and opioid crisis in the United States, the OPM OIG Office of Investigations has increased its use of data analytics to proactively identify drug demand and opioid-related program weaknesses that could harm patients and financially affect the FEHBP. The Office of Investigations is currently reviewing information from calendar year 2018, but analysis of data from prior years shows:

- a 300-percent increase from 2012 to 2017 in the identification of enrollees and dependents potentially abusing prescription opioids and other medications;
- the number of prescriptions for drugs used to thwart opioid-related overdoses (e.g., naloxone) doubled from 2016 to 2017;
- the percentage of 2017 FEHBP members enrolled in employee-owned fee-for-service plans and taking opioid prescriptions ranged between 17.8 percent and 24.3 percent of total beneficiaries; and,
- the FEHBP spent over \$150 million on opioid-related prescription drugs in 2017.

According to the Centers for Disease Control and Prevention (CDC), 14.9 deaths per 100,000 people were related to opioids in 2017. The FEHBP is the largest employer-sponsored group health insurance program in the world, covering over 8 million people. Applying the CDC rate to the FEHBP enrollee population estimates that approximately

1,200 deaths annually may be attributable to opioid-related causes, notwithstanding unreported drug overdoses. The opioid and abused drugs epidemic has a financial and human capital toll that reverberates throughout communities, affecting health care providers and causing costs for health insurers to increase and premiums to rise. For FEHBP health insurance programs, higher premiums increase Government spending. The Office of Investigations will continue to work in partnership with the OPM Health and Insurance program office to follow the Administration's directives by providing information collected from the Office of Investigation's enforcement activities and partnerships with other law enforcement agencies to ensure the integrity of the FEHBP program.

Fraudulent and Improper Payments Related to Sober Homes and Substance Abuse Treatment Services

FEHBP enrollees victimized by opioid and drug abuse are being re-victimized by predatory owners of sober homes and substance abuse treatment centers who use unscrupulous business practices intended to collect false billings and improper payments. As a result, the Office of Investigations has made the identification of improper payments related to sober homes and substance abuse treatment services a high priority, and related investigations have recovered millions in FEHBP funds.

In 2017, in Florida alone, the Office of Investigations received more than 65 fraud allegations related to sober homes and substance abuse treatment facilities that provided non-medically necessary services, encompassing over \$34.9 million in potential improper payments of FEHBP benefits. The Office of Investigations is currently reviewing and/or has subsequently initiated investigations into sober homes in other States, including Georgia, California, Texas, Missouri, and South Carolina; these investigations total tens of millions of dollars in potential improper FEHBP payments.

Fraudulent and Improper Payments Related to Compounded Drugs

The Office of Investigations continues to adapt to new trends and evolving health care fraud schemes affecting the FEHBP. From initial analysis of calendar year 2018 data, emerging health care fraud schemes and conspiracies by telemedicine providers, marketers, and compounding pharmacies continue to threaten the safety of FEHBP enrollees and dependents, as well as the financial integrity of the FEHBP program. From 2009 to 2017, the FEHBP paid at least \$153 million in alleged improper payments for compounded drugs that were found to be ineffective, non-medically necessary, and/or no more effective than most over-the-counter products. The fraud schemes involved claims for non-medically necessary compounded medications such as pain creams, patches, and

scar reduction creams. The Office of Investigation also collaborates with the DOJ compounding pharmacy task force and other agency OIGs to stop waste, fraud, and abuse in Federal health care programs.

Since 2016, Office of Investigations' cases have resulted in 69 arrests and 31 convictions of physicians, pharmacists, and marketers and the return of \$1 million in FEHBP funds. There are 28 active investigations against compounding pharmacies for allegedly causing improper payments by submitting false claims for non-medically necessary compounded products. The Office of Investigations will continue to notify OPM of the program vulnerabilities that compounding pharmacies present, as well as partner with external stakeholders to strengthen the FEHBP.

Fraudulent and Improper Payments Related to Retirement Benefits

The Office of Investigations conducts investigations of potential fraud against the Civil Service Retirement System and the Federal Employees Retirement System. These proactive efforts to identify fraud within these programs include data matching initiatives and routine review of reclamation actions. According to the latest OPM OIG Office of Audits Improper Payment audit, OPM's retirement funds pay \$82 billion annually in retirement benefits. Although the estimated improper payment rate for 2017 was only .038 percent, that total still equates to nearly \$314 million in improper payments.

The Office of Investigations will continue to work with OPM's Retirement Services program office to proactively identify improper payments and make recoveries through criminal, civil, and administrative remedies. As part of its oversight work of OPM's Retirement Services, the Office of Investigations engages in proactive analysis to determine if the OPM Retirement Services program office is correctly paying Federal annuitants, and these initiatives lead to financial recoveries for OPM. In the first quarter of FY 2019, the Office of Investigations' proactive efforts identified \$2.1 million in improper payments related to OPM Retirement programs.

Integrity and Improper Payments Related to Revolving Fund Investigations; Ensuring Continuity of Investigative Work

Background investigations are foundational to the National security program. By allowing the employment of or granting security clearances to potentially unsuitable persons through fraudulent, falsified, incomplete, or incorrect background investigations, vulnerabilities are created within the Federal workforce that are detrimental to Government operations.

The Office of Investigations continues to receive NBIB-related complaints and allegations of falsification by background investigators, and it assesses and investigates these complaints in conjunction with the NBIB and DOJ. The Office of Investigations currently has 47 cases related to the NBIB program and allegations of background investigation falsifications that may result in criminal or administrative remedy or debarment from Federal employment. Given the NBIB transition to DoD, it is imperative to ensure the continuity of the OPM OIG's investigative work into alleged criminal misconduct by background investigators that occurs prior to the transfer of the NBIB.

Although NBIB functions will transition to DoD, the OPM OIG's Office of Investigations will continue to retain investigate responsibility of wrongdoing that has been reported or is yet to be reported but that occurred prior to the transfer of NBIB to DoD. Through the OPM OIG's partnership with DOJ, NBIB-related cases have historically shown to be active for an average of at least 5 years, which typically corresponds with the statute of limitations associated with these nationwide National security cases.

Integrity and Improper Payments Related to Combined Federal Campaign Investigations

The Office of Investigations also investigates potential instances of fraud against OPM's non-trust fund program activities, such as the CFC. The OPM OIG is mandated to provide oversight of the CFC program per Executive Order No. 12353, as amended by Executive Order No. 12404, when allegations of fraud, theft, embezzlement, or misconduct occur. Investigations of fraud, waste, abuse, or mismanagement within the CFC often focus on the loss of funds given altruistically by Federal employees to charities with special significance and that provide services and support to those in need. In 2018, the OPM OIG received 18 referrals from OPM's CFC Office for investigation.

The Office of Evaluations

The Office of Evaluations conducts nationwide studies of OPM programs from a broad, issues-based perspective. The Office of Evaluations provides the OPM OIG with a means to analyze OPM and contractor programs and operations quickly and to evaluate operational efficiency, effectiveness, and potential vulnerability. The work of this group includes conducting special reviews that may arise, such as Congressional requests for studies or information requiring immediate attention. This includes OPM management requests for independent assessments of specific areas of an operation or matters of

urgent concern. Evaluators in this group use a variety of methods and techniques to study, evaluate, and assess an operation in order to develop recommendations for their reports to OPM management, the Congress, and the public. The reviews offer practical recommendations to program heads and the Director to improve the efficiency and effectiveness of OPM programs, with a focus on the prevention of fraud, waste, and abuse.

The Office of Management

The Office of Management is responsible for supporting OPM OIG functions related to information technology, human capital, budget, procurement, and facilities. The Office of Management also has the operational responsibility for FEHBP Administrative Sanctions.

Administrative Sanctions

The OPM OIG debars and suspends health care providers that present a threat to the integrity of the FEHBP and potentially to the health and safety of enrollees and their family members. Administrative sanctions are accomplished through the Federal Employees Health Care Protection Act of 1998 (P.L. 105-266), and other related authorities, as well as by delegation from OPM. These authorities authorize the debarment, suspension, or imposition of financial assessments on health care providers who have committed any of 18 potentially sanctionable offenses.

Information Technology

The OPM OIG independently maintains its own internal IT infrastructure within the broader OPM technical environment. OPM OIG IT staff manage the system administration (hardware, software, and database), help desk, and information assurance functions of the OPM OIG IT environment. The OPM OIG's information systems facilitate efficient and effective oversight of OPM, and contain data from or about all of OPM's programs and its contractors. The primary systems include a law enforcement case management system, a comprehensive audit management software package, and the in-house developed FEHBP Data Warehouse.

The FEHBP Data Warehouse contains detailed records of health insurance claim payments made by FEHBP insurance carrier contractors on behalf of OPM. This centralized repository of information allows OPM OIG auditors and investigators to apply data mining techniques to efficiently identify fraud, waste, and abuse in the FEHBP, ultimately leading to criminal prosecutions and/or the recovery of tens of millions of dollars a year of improper payments to the FEHBP Trust Fund and the Federal Government.

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Considering the highly sensitive nature of this information, the OPM OIG dedicates significant resources to its internal cybersecurity program, including the security assessment and accreditations of OPM OIG systems.

The Office of Management is in the middle of a multiyear IT infrastructure modernization effort. Notable accomplishments include the enforcement of two-factor authentication to all OPM OIG applications and a reduction of its hardware footprint by transitioning the entire infrastructure into a virtualized private cloud environment. In FY 2018, the Office of Management initiated a comprehensive analysis of alternatives project to determine the best hosting solution for the OPM OIG data center, with the goal of migrating no later than FY 2020. Finally, in FY 2018 the Office of Management initiated a 2-year project to migrate the FEHBP Data Warehouse to a new database environment with advanced reporting tools that will greatly increase the data analytics capabilities available to OPM OIG auditors and investigators.

Spending Type	FY 2020 CBJ
Development, Modernization and Enhancement (DME)	\$2,806,401
Operation and Maintenance Govt. FTEs:	\$2,149,000
Total OPM OIG IT Costs	\$4,955,401
	FTE 15.0

The Office of Legal and Legislative Affairs

The Office of Legal and Legislative Affairs provides legal advice and representation to the Inspector General and the OPM OIG nationwide. The Office of Legal and Legislative Affairs also renders opinions on OPM programs and operations, as well as providing legal support for the OPM OIG’s internal operations, including personnel and administration. In addition, the Office of Legal and Legislative Affairs provides guidance to the OPM OIG in all criminal, civil, and administrative fraud and abuse cases involving OPM programs, including the False Claims Act, health care benefits, and retirement benefits. In all these matters, the Office of Legal and Legislative Affairs supports, as appropriate, the Department of Justice in its representation of the Government, and reviews relevant legislative and regulatory proposals.

More specifically, the Office of Legal and Legislative Affairs provides legal guidance to the other offices within the OPM OIG, including providing support on criminal law procedure, audits, investigations, and subpoenas. Significantly, the Assistant Inspector General for Legal and Legislative Affairs serves as the debarment official in conjunction with the Office

of Management, as noted previously regarding administrative sanctions. The Office of Legal and Legislative Affairs works with OPM on various health care, administrative litigation, and other matters.

The Office of Legal and Legislative Affairs also interacts with Congressional staff on behalf of the OPM OIG. In addition to the requirement that Federal Inspectors General submit Semiannual Reports to the Congress, the OPM OIG also has a responsibility to recommend policies that would reduce fraud, waste, abuse, and mismanagement, and to inform both the OPM Director and the Congress of serious problems or abuses within OPM's programs. In addition, the Office of Legal and Legislative Affairs assists the OPM OIG in performing these duties by working with the Congress and OPM to promote legislative proposals that will further efforts to combat fraud, waste, and abuse.

Finally, the Office of Legal and Legislative Affairs also serves as an intermediary between the OPM OIG and the general public. The Office of Legal and Legislative Affairs coordinates OPM OIG responses to press inquiries, oversees external publications, and releases and responds to Freedom of Information Act and Privacy Act requests.

OPM OIG Performance Metrics and Other Statistical Information
Performance Metrics

The following performance metrics demonstrate how the OPM OIG measures improvements in organizational effectiveness in the accomplishment of its mission and goals.

	FY 2017	FY 2018	FY 2019	FY 2020
	Result	Result	Goal	Goal
Percentage of Items Completed on Audit Agenda, in accordance with Yellow Book Standards	98%	100%	89%	89%
Percentage of Audit Reports issued that meet OIG timeliness and quality guidelines	96%	96%	89%	89%
Percentage of investigative cases closed during a fiscal year which resulted in a successful outcome (i.e., criminal action, civil action or administrative action).	90%	93%	90%	90%
Percentage of quality improvement recommendations (revisions to contracts, policies, carrier letters, etc.) accepted by OIG senior staff and referred to stakeholders to mitigate fraud, waste and abuse. ^A	na	90%	90%	90%
Number of debarments and suspensions	858	914	800	850

Other Statistical Information

The following statistical information demonstrates to the public the impact of the collective efforts of the OPM OIG, OPM, and its contractors in reducing fraud, waste, and abuse. The statistical information reported by the OPM OIG, while indicative of the effectiveness of its oversight, is not solely under the control of or based on the OPM OIG’s efforts.

For example, improper payments and questionable contract charges identified by the OPM OIG in its audits of FEHBP health insurance carriers are referred to OPM for resolution. Based on its review of the audit findings and the response from the audited entity, OPM determines whether the questioned costs will be disallowed. On occasion, OPM may allow a cost that the OPM OIG identified as a potential improper payment. This may be because of additional information provided by the audited entity that was not available at the time of the audit, legal or contractual constraints, or because OPM has a different perspective on controversial issues arising out of the occasional conflict between program managers and oversight officials. Whatever the reason, the effect is that questionable activities identified by the OPM OIG are sometimes dismissed by OPM as acceptable costs to the program.

Even when OPM disallows costs, there are additional factors that can limit the recovery of those costs. The health insurance carriers are only required to return funds that were originally paid to individuals, doctors, or hospitals if they can be recovered from those payees. Also, the insurance carriers sometimes contest disallowed costs and OPM determines that the best course is to settle for a fraction of the money owed to the program.

The net effect of all this is that identified improper payments and questionable charges are rarely, if ever, fully recovered. The table below graphically demonstrates this by representing two distinct financial metrics based on the initial questioned costs and the costs that OPM has committed to recover. Questioned costs are a direct measurement of the OPM OIG's performance, while the second benchmark is based on circumstances that are largely outside of the OPM OIG's control. The recovery rate is also intended to describe this discrepancy, and is calculated on a rolling five-year average to smooth out annual fluctuations. Recent large and controversial audit findings, where determination or recovery of improper payments is still outstanding, impacted this measurement significantly in FY 2017.

Another important statistic to communicate is the "audit cycle," which is a measure of the OPM OIG's ability to provide comprehensive oversight of the universe of audit entities, primarily FEHBP health insurance carriers. The targets represent the ideal frequency (in years) in which all entities are subject to an audit. The goal is based on a risk assessment, and is also influenced by contract terms stipulating how long financial and other records are subject to audit. This is not intended to be a performance metric, but rather a gap analysis between what could be achieved with full staffing and what can be done with current staff.

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	FY 2017 Result	FY 2018 Result
Positive Financial Impact Using Questioned Costs ^A	\$92,958,930	\$104,816,614
ROI Using Questioned Costs ^A	\$4	\$4
Positive Financial Impact Using Management Commitment to Recover Funds ^A	\$82,184,447	\$82,522,471
ROI Using Management Commitment to Recover Funds ^A	\$3	\$3
Questioned Costs ^{B,B1}	\$52,253,034	\$109,363,440
FEHBP Audit Cycles (in years) ^C	<u>Target</u>	
Experience-Rated Carrier Audits	7	13.1
Community-Rated Carrier Audits	4	15.5
Carrier IT Security Audits	3	13.0
Audit Recovery Rate ^D	0.56	0.50
Number of Debarment and Suspension Inquiries	4,769	4,607

^A The OPM OIG calculates positive financial impact and Return on Investment (ROI) in two different ways. The first method uses the total questioned costs from audit reports (fully under OPM OIG control), while the second uses the total of Management Commitments to Recover Funds (determinations made by OPM) in place of questioned costs. Both include the total of investigative recoveries OPM receives after an OPM OIG investigative case is closed, and both methods are presented using a five-year average.

^B Questioned cost means a cost that is questioned by the auditor because of an audit finding: (1) Which resulted from a violation or possible violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the use of Federal funds, including funds used to match Federal funds; (2) Where the costs, at the time of the audit, are not supported by adequate documentation; or (3) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

- ^{B1} In FY 2017 the questioned costs were \$52.3 million, while in FY 2018, they were \$109.4 million. These are single year totals of questioned costs from audit reports issued, and this is not an unusual variance from year to year. This is part of the reason a five-year average is used when reporting positive financial impact and ROI.

^C An audit cycle measures the frequency of completed audits of carriers or other auditees in an audit universe. For example, if there are 100 carriers and 10 audits are done each year, the audit cycle is 10 years. For FEHBP carriers, regulations require that they maintain documentation supporting rates and costs for six years. The target audit cycle for these carriers is based on this and the realization that the older the information is that the OPM OIG is trying to audit, the less efficient the audit will be. The average target cycle for Experience-Rated Carriers is seven years because there are a number of smaller carriers for which it does not make economic sense to audit more frequently than every 10 or 15 years. The Carrier IT target audit cycle is a function of the rapidly evolving IT environment.

^D The audit recovery rate represents the percentage of questioned costs from audit reports that are ultimately recovered and returned to the FEHBP Trust Fund (a small percentage of questioned costs may relate to other programs). The recovery rate presented is a five-year average, but because it is not unusual for the audit resolution process to take two or three years, or even more in some cases, the reported rate is based on incomplete information. To partially compensate for this, receivables are included in the calculation, some of which may not be recovered. The decrease in the recovery rate from FY 2017 (56%) to FY 2018 (50%) is partially due to the fact that there are approximately \$20 million of FY 2017 questioned costs for which OPM has not yet made a determination whether to allow or disallow the costs. The recovery rate for the most recent 5-year period for which all audit resolution activity is complete (FY 2010 – FY 2014) is 71%.

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OPM OIG Object Class Tables

Salaries and Expenses

Object Class	FY 2019 CR	FY 2020 CBJ	Increase/Decrease
Personnel compensation	\$3,057,000	\$3,057,000	\$0
Personnel benefits	\$922,000	\$922,000	\$0
Travel and transportation of persons	\$85,000	\$105,000	\$20,000
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$723,000	\$379,000	(\$344,000)
Printing and reproduction	\$0	\$2,000	\$2,000
Other services	\$213,000	\$359,000	\$146,000
Supplies and materials	\$0	\$19,000	\$19,000
Equipment	\$0	\$157,000	\$157,000
Land and structures	\$0	\$0	\$0
Total Object Class	\$5,000,000	\$5,000,000	\$0
FTE	20.0	20.0	0.0

Trust Fund

Object Class	FY 2019 CR	FY 2020 CBJ	Increase/Decrease
Personnel compensation	\$14,578,000	\$14,764,000	\$186,000
Personnel benefits	\$4,644,000	\$4,723,000	\$79,000
Travel and transportation of persons	\$807,000	\$807,000	\$0
Transportation of things	\$10,000	\$10,000	\$0
Communications, utilities, and rent	\$3,594,000	\$1,793,000	(\$1,801,000)
Printing and reproduction	\$20,000	\$20,000	\$0
Other services	\$774,000	\$2,575,000	\$1,801,000
Supplies and materials	\$76,000	\$76,000	\$0
Equipment	\$497,000	\$497,000	\$0
Land and structures	\$0	\$0	\$0
Total (dollars)	\$25,000,000	\$25,265,000	\$265,000
FTE	132.0	134.0	2.0

OPM OIG Additional Reporting Requirements

The following information is provided to adhere to the requirements of the Inspector General Reform Act of 2008 (P.L. 110-498):

Participation in CIGIE Resource Summary – includes all resources (dollars)

Budget Source	FY 2019 CR		FY 2020 CBJ		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries and Expenses	\$11,000	0.0	\$13,000	0.0	\$2,000	0.0
OIG Trust Funds	\$55,583	0.0	\$65,689	0.0	\$10,106	0.0
OIG Total (dollars)	\$66,583	0.0	\$78,689	0.0	\$12,106	0.0

Training Resource Summary – includes all resources (dollars)

Budget Source	FY 2019 CR		FY 2020 CBJ		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries and Expenses	\$35,000	0.0	\$35,000	0.0	\$0	0.0
OIG Trust Funds	\$403,768	0.0	\$403,768	0.0	\$0	0.0
Revolving Fund (Estimated)	\$12,000	0.0	\$0	0.0	(\$12,000)	0.0
OIG Total (dollars)	\$450,768	0.0	\$438,768	0.0	(\$12,000)	0.0

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Executive Summary

FY 2020 Budget Overview

Over 40 years ago, the U.S. Office of Personnel Management (OPM) was established to serve as the chief human resources (HR) and personnel policy manager for the Federal Government. The mission of the agency is to lead and serve the Federal Government in enterprise human resources management by delivering policies and services to achieve a trusted effective civilian workforce. OPM directs HR and employee management services, administers retirement benefits, manages healthcare and insurance programs, oversees merit-based and inclusive hiring into the civil service, and provides an appropriately vetted workforce to attain this mission.

The Administration released *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations* in June 2018. This plan presents recommendations for structural realignment of the Executive Branch to better serve the mission, service, and stewardship needs of the American people. To address workforce management issues, the Administration proposes to merge most of OPM's functions with the General Services Administration (GSA), to move the National Background Investigations Bureau (NBIB) to the Department of Defense (DOD), and to elevate elements of OPM's Government-wide enterprise strategic human capital policy role to the Executive Office of the President. The reorganization will begin in FY 2019 for some functions that can move via existing authorities. The remaining functions, including Retirement Services, Healthcare and Insurance, and Merit System Accountability and Compliance, will reorganize upon enactment of authorizing legislation during FY 2020. OPM's Fiscal Year (FY) 2020 budget request reflects the end state of this reorganization proposal.

OPM will continue to play a critical role in supporting the people management needs of Government agencies in a manner that furthers merit-based system principles used to improve the mission, service, and stewardship of every agency.

OPM requests **\$265,255,000** in discretionary resources for FY 2020 to support OPM's executive leadership, administrative operations, and services to the Federal Government, its employees, retirees, and the American public. The OPM OIG budget request is included in the FY 2020 GSA OIG budget request.

OPM Budget FY 2018 through FY 2020 – Discretionary Resources

OPM Budget Authority	FY 2018 Enacted	FY 2019 CR	FY 2020 CBJ
Salaries and Expenses Total	\$129,341,000	\$129,341,000	\$132,809,000
Salaries & Expenses	\$108,341,000	\$108,341,000	\$123,809,000
IT Modernization S&E	\$21,000,000	\$21,000,000	\$9,000,000
Trust Fund Total	\$131,414,000	\$131,414,000	\$132,446,000
Trust Fund Annual	\$131,414,000	\$131,414,000	\$132,446,000
Discretionary Appropriation	\$260,755,000	\$260,755,000	\$265,255,000
Salaries & Expenses - OIG	\$5,000,000	\$5,000,000	\$0

OPM Budget Authority	FY 2018 Enacted	FY 2019 CR	FY 2020 CBJ
Trust Fund Annual - OIG	\$25,000,000	\$25,000,000	\$0
OIG Discretionary Appropriation	\$30,000,000	\$30,000,000	\$0
OPM Total	\$290,755,000	\$290,755,000	\$265,255,000

Note: The amounts included for 2019 in all tables reflect the annualized level provided by the continuing resolution.

OPM’s FY 2020 budget request includes funding to sustain existing statutory responsibilities, address the goals set forth in the President’s Management Agenda (PMA), and advance the President’s Reform Plan. Included in OPM’s budget is funding for continued work to (1) strengthen our information technology and cybersecurity posture, and (2) modernize the financial system used to account for and manage Federal Earned Benefits Trust Funds.

President’s Management Agenda (PMA)

The President’s Management Agenda lays out a long-term vision for modernizing the Federal Government in key areas that will improve the ability of agencies to deliver mission outcomes, provide excellent service, and effectively steward taxpayer dollars on behalf of the American people. The PMA addresses critical challenges for the Government and focuses on improvements in three areas:

- IT modernization;
- a modern workforce; and
- data transparency and accountability.

Improvements in these areas will be made through transformational CAP goals. OPM supports the PMA and is a co-leader for two of the CAP goals. These two goals are CAP Goal 3, “Developing a Workforce for the 21st Century” and CAP Goal 13, “Security Clearance, Suitability, and Credentialing Reform.” OPM is a key contributor for nine more.

OPM initiatives that support the PMA include Civil Service Modernization, which aligns to CAP Goal 3 “Developing a Workforce for the 21st Century.”

OPM’s contributions to the PMA are more fully detailed in the “President’s Management Agenda” chapter of this submission.

Modernizing the Civil Service and Federal Retirement Benefits

OPM Strategic Goal: Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce

OPM aims to modernize the Federal personnel system to better enable agencies to acquire and leverage talent to meet critical mission objectives in a world where change is constant and increasing exponentially. The agency has designed legislative and administrative proposals to help meet agency needs for hiring and managing the Federal workforce. In addition, OPM has developed proposals to improve healthcare quality and affordability in the Federal Employees Health Benefits Program and to reduce the cost of future Federal employee retirement benefits. More information on the legislative proposals for modernizing the Civil Service and Federal retirement benefits is provided in the “Legislative Proposals” chapter of this submission.

Information Technology

In support of the PMA's focus to modernize information technology to prioritize stability and sustainability in the agency's IT systems, the Office of the Chief Information Officer (OCIO) has focused on reducing risks and enhancing customer benefits of OPM's IT systems, applications, and infrastructure through the migration of its systems to strategic data centers or other shared services. It is also modernizing the existing computing infrastructure with common security controls, current technology, and modern operations practices. Success in OCIO's modernization efforts has improved security, reduced risks to IT operations, and improved services to internal and external OPM customers. The budget for OCIO increases in FY 2020 in order to support the transition of the IT function to GSA while maintaining parallel capacities and providing additional Help Desk service to users.

OPM Strategic Priorities

In addition to the PMA priorities, OPM's Strategic Plan sets forth four goals: three strategic goals to transform the way OPM delivers on its core mission, and one operational excellence goal to improve operations and management functions. The strategic goals and related objectives are designed to advance our core mission, contribute to efficiency across Government in the area of human capital management, and more effectively serve customers – employees, beneficiaries and other Federal agencies. Our goals are as follows:

- Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce
- Lead the establishment and modernization of human capital information technology and data management systems and solutions
- Improve integration and communication of OPM services to Federal agencies to meet emerging needs
- Optimize agency performance

OPM also performs key functions required by law or Executive Order. These functions fall within three areas: *Human Capital Leadership*, which includes policy, service, and oversight; *Benefits*, which includes the policy shaping and the delivery of Federal benefits for employees and annuitants as well as retirement benefits, and related oversight and adjudicative functions; and *Vetting*, which includes policy, adjudications, and oversight functions related to suitability, and new responsibilities relating to fitness, and credentialing.

OPM's Strategic Plan supports the PMA and serves as a blueprint for allocating resources, guides leadership decision-making to attain goals and improve outcomes, and communicates its core values to customers and stakeholders. OPM's divisions, offices, and their employees implement the programs and deliver the services that enable the agency to achieve its mission. By focusing on the areas defined in the Strategic Plan and aligning resources to these areas, OPM will lead and serve Federal agencies in human capital management.

Trust Funds Modernization

One strategic priority that is vital to meeting the “optimize agency performance” goal and shifting the focus to high value work is the replacement of the financial system used to manage OPM’s Earned Benefits Trust Funds. The Federal Financial System (FFS), the core centralized accounting system deployed in 1998, supports accounting and financial management activities associated with \$1 trillion in combined assets for the Retirement, Health Benefits, and Life Insurance programs for Federal employees, with over 8 million participants in the Federal Employees Health Benefits program and more than 2.7 million monthly annuitant payments. Currently, FFS is unable to support many trust fund accounting activities and/or related business processes (to include steps required to comply with changes in governing law), leading to manual workarounds and inefficiencies across multiple areas within OPM. Trust Funds Modernization will provide stability, service, and sustainability through the automation of trust fund financial management, reduced manual work effort and time needed to complete financial management and accounting activities, elimination of human errors, and reduction of overall cost of operation and maintenance by optimizing and automating related business processes into other legacy systems.

In late FY 2017, OPM began the planning phase to implement a modernized financial platform to replace FFS. OPM focused on establishing the Trust Funds Modernization Program Office as well as program and project frameworks.

In FY 2018, OPM completed Trust Funds Modernization (TFM) pre-acquisition activities, which included completion of the TFM Business Needs Definition, development of the conceptual solution architecture -- a tailored implementation strategy based on the GSA USSM (SSPI) Modernization and Migration Management (M3) implementation framework, and an incremental business capability delivery strategy. The incremental delivery strategy mitigates transition risks, mitigates OPM’s security and operational risks from obsolete and unsustainable technology components, and allows additional time for the chosen service provider to fully analyze and implement unique OPM trust fund capabilities.

OPM requested resources in FY 2019 to continue the agency’s trust funds modernization effort. Planned activities include data management activities, development, and deployment of an integrated technical strategy and secured environment, and execution of organizational change management strategies internal and external to the agency. These efforts will begin the migration from the legacy environment.

OPM is following an incremental delivery strategy that has the following three increments: FFS replacement (FY 2021), investment management automation (FY 2022), and 2812 sub-ledger replacement (FY 2024). SF-2812 is used to record the amounts and details of withholdings and contributions that OPM receives from payroll providers for health benefits, life insurance, and retirement. The information in 2812 is essential to performing the transactions between the Government and our health insurance carriers. In FY 2020, OPM will begin the analysis and development to replace 2812. The FY 2020 budget will also fund a portion of the FFS replacement and investment management functionality. This replacement will provide OPM with the core Federal financial management trust fund accounting functionality, e.g., the general ledger and the investment management module and sub-ledger functionality.

The outcomes of this multi-year endeavor will include streamlined investment accounting, transaction processing, and debt collection. Streamlining OPM’s financial management and accounting systems improves efficiencies, and reduces errors while potentially realizing a costs savings to the agency due to automation. This will provide more information to customers and will enhance the quality of OPM’s financial management services.

FY 2020 Budget Request by Fund

OPM estimates that its total operating budget in FY 2020 will be **\$1,238,832,000**. OPM is funded by a variety of sources. One of its largest sources is the Revolving Fund, which was created by statute and is comprised of fees and reimbursements provided by agencies for various required activities and other services OPM provides. Revolving Fund activity reflected below includes background investigations ordered on or prior to September 30, 2019, human resources services, and the policy, adjudicative, and oversight work of the Suitability Executive Agent, as well as the administration of tools and technologies used to carry out such services, or statutory requirements, such as the posting requirement effectuated through USAJOBS. Another large funding source for OPM is the transfers from OPM’s Earned Benefits Trust Funds for administrative activities.

OPM Budget by Fund FY 2018 through FY 2020

OPM Budget Authority	FY 2018 Enacted	FY 2019 CR	FY 2020 CBJ
Discretionary Appropriation	\$260,755,000	\$260,755,000	\$265,255,000
Salaries and Expenses Total	\$129,341,000	\$129,341,000	\$132,809,000
Salaries & Expenses	\$108,341,000	\$108,341,000	\$123,809,000
IT Modernization S&E	\$21,000,000	\$21,000,000	\$9,000,000
Trust Fund Annual Total	\$131,414,000	\$131,414,000	\$132,446,000
Mandatory Administrative Authorities	\$63,850,684	\$59,186,688	\$65,966,000
Trust Fund Mandatory Authority	\$63,850,684	\$59,186,688	\$65,966,000
5 USC 8348 (a)(1)(B) - Retirement	\$53,140,880	\$49,179,613	\$55,593,000
5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) - Dental & Vision	\$6,420,146	\$5,989,086	\$7,184,000
5 USC 9004(f)(B) - Long-Term Care	\$2,120,065	\$1,977,626	\$1,015,000
FERCCA (P.L. 106-265) - Retirement	\$2,169,593	\$2,040,363	\$2,174,000
Revolving Fund¹	\$1,755,930,234	\$1,814,932,309	\$896,847,000
Advance and Reimbursements	\$8,600,000	\$10,492,562	\$10,764,000
OIG Discretionary Appropriation	\$30,000,000	\$30,000,000	\$0
Salaries & Expenses - OIG	\$5,000,000	\$5,000,000	\$0
Trust Fund Annual - OIG	\$25,000,000	\$25,000,000	\$0
OPM Total	\$2,119,135,918	\$2,175,366,559	\$1,238,832,000

1. Amounts above also reflect Revolving Fund resources used to conduct OIG oversight activities concerning this fund.

OPM’s FY 2020 discretionary request for general activities is **\$265,255,000**. OPM’s discretionary request consists of appropriations for OPM’s general activities. This request contains salaries and

expenses and limitations on transfers from the Earned Benefits Trust Funds under OPM management. OIG's FY 2020 request is included in GSA's OIG appropriations language for FY 2020.

OPM also manages the mandatory appropriations that provide for the transfer of resources from the Department of the Treasury's general fund to the Earned Benefits Trust Funds for Federal employees and annuitants' benefits. The Trust Funds and the associated mandatory appropriations are discussed in more detail in the Earned Benefit Trust Funds section of this budget. Each fund is described below.

Salaries and Expenses

OPM requests **\$132,809,000** in Salaries and Expenses (S&E) funds for personnel and non-personnel resources, to include **\$9,000,000** of No-Year funds for IT Modernizations. The IT Modernization efforts will be focused on continuing the Trust Fund Modernization initiated in FY 2017. The S&E appropriation funds the agency's various program offices as they implement OPM's strategic plan and perform OPM's traditional statutory roles, including providing direction and oversight to other Federal agencies.

Trust Fund Transfers

For the administration of the civil service retirement and insurance programs, OPM requests **\$132,446,000** in administrative transfers from the Earned Benefits Trust Funds. OPM is responsible for managing the Federal Government's health benefits and life insurance programs under the Federal Employees Health Benefits (FEHB) Program and the Federal Employees' Group Life Insurance (FEGLI) Program. In addition, OPM administers the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS), which are financed by the Civil Service Retirement and Disability Fund (CSRDF). The administrative Trust Fund transfers partially fund Retirement Services (RS), Healthcare and Insurance (HI), Office of the Chief Information Officer (OCIO), and Office of the Chief Financial Officer (OCFO) operations.

These transfers are described as Trust Fund Annual in this request and come from the following Trust Funds subject to Congressional limitation:

1. Civil Service Retirement and Disability Fund (CSRDF);
2. Federal Employees Health Benefits Fund (FEHBF); and
3. Federal Employees' Group Life Insurance Fund (FEGLI).

Mandatory Administrative Authorities

Several provisions under Title 5 of the United States Code (U.S.C.) and the Federal Erroneous Retirement Coverage Corrections Act (FERCCA) authorize OPM to administer specific retirement program and insurance activities, and to transfer funds for the administrative cost of these activities from the Trust Funds. These authorities provide additional administrative transfers from the Trust Funds. Per 5 U.S.C. §8348 (a)(1)(B), OPM incurs expenses from CSRDF for the following activities:

1. Administering survivor annuities and elections (§8339 and §8341) and other annuity alternatives (§8343a and §8420a);

2. Making discretionary allotments and assignments and withholding State income taxes on monthly annuities (§8345(k) or §8469) upon annuitant request; and,
3. Withholding taxes pursuant to section 3405 of Title 26 or section 8345(k) or 8469 of this Title.

Within the CSRDF, OPM may also incur expenses as deemed appropriate for the administration of FERCCA (P.L. 106-265, Title II, §2302). OPM may incur expenses to administer the Federal Long Term Care Insurance Program (FLTCIP) from FEGLI (Id. at Title I, §1002(a), codified at 5 U.S.C. §9004(f)(B)). Within FEHBP, OPM may defray reasonable expenses to administer the Federal Employees Dental and Vision Insurance Program (FEDVIP) (5 U.S.C. §8958 (f)(2)(A) and §8988 (f)(2)(A)). Resources used to administer the FLTCIP and FEDVIP are reimbursed to the funds by the participating insurance carriers.

Revolving Fund Activities

Business Line ⁴		FY 2019 Estimate	FY 2020 Estimate	Increase Decrease
USAJOBS ⁵	Revenue	\$15,293,618	\$0	(\$15,293,618)
	Obligations	\$14,770,284	\$0	(\$14,770,284)
Human Resources Tools & Technology	Revenue	\$56,000,000	\$63,258,000	\$7,258,000
	Obligations	\$54,926,853	\$66,141,000	\$11,214,147
Enterprise Human Resources Integration	Revenue	\$45,180,000	\$42,624,000	(\$2,556,000)
	Obligations	\$41,133,098	\$40,983,000	(\$150,098)
National Background Investigations Bureau ¹	Revenue	\$1,361,688,884	\$546,600,000	(\$815,088,884)
	Obligations	\$1,367,727,684	\$546,600,000	(\$821,127,684)
Suitability Executive Agent ³	Revenue	\$0	\$8,342,000	\$8,342,000
	Obligations	\$0	\$8,342,000	\$8,342,000
Human Resource Solutions ⁶	Revenue	\$317,705,746	\$235,677,000	(\$82,028,746)
	Obligations	\$333,224,390	\$231,631,000	(\$101,593,390)
HR Line of Business	Revenue	\$3,150,000	\$3,150,000	\$0
	Obligations	\$3,150,000	\$3,150,000	\$0
Total Revenue		\$1,799,018,248	\$899,651,000	(\$899,367,248)
Total Obligations²		\$1,814,932,309	\$896,847,000	(\$918,085,309)

Notes:

1. The FY 2020 NBIB amount of \$546,600,000 shown above represents the anticipated value of the existing background investigation inventory on September 30, 2019. This funding does not indicate new FY 2020 work to be received. Any new cases ordered on or after October 1, 2019 will be processed by DOD
2. When obligations exceed revenue it is because business lines use unobligated balances from prior years (i.e. carryover).
3. In FY 2019, Suitability Executive Agent was included in NBIB's budget authority.
4. The table excludes the Office of the Inspector General's planned use of approximately \$3M in Revolving Fund resources to audit background investigation activities.
5. USAJOBS has reorganized into the Human Resources Solutions program and will no longer be reported separately.
6. Based on the revised obligation budget estimates for FY 2019, HRS had unanticipated business activity with DOD which resulted in an increase of approximately \$101M.

OPM requests authority in FY 2020 to incur **\$896,847,000** of obligations in our Revolving Fund. Our Revolving Fund was established by the Congress as a means of financing those activities that OPM is required or authorized to perform on a reimbursable basis (such as OPM’s obligation to investigate and assess the suitability of applicants for the competitive service), and also allows us to extend critical HR services to other Federal agencies via several well-established programs. Federal agencies pay OPM based on customer transactions, orders, fixed fees, or proportional contribution to cost. Broadly classified into three groups -- the Office of the Suitability Executive Agent (SuitEA), Human Resources Solutions (HRS), and Enterprise Human Resources Integration (EHRI) -- these activities are performed by Federal staff and contractors qualified for the service throughout several OPM organizations.

NBIB is the primary provider of background investigations for the Federal Government, and currently performs approximately 95 percent of background investigations Government-wide. With the mission of delivering efficient and effective background investigations, NBIB plays a critical role in promoting the integrity and trustworthiness of the Federal workforce and employees of contractors who need to have access to classified information or require logical or physical access to Federal systems or facilities.

Section 925 of the National Defense Authorization Act (NDAA) for Fiscal Year 2018 establishes that the Secretary of Defense has the authority to conduct all types of background investigations for Department of Defense (DOD) personnel and mandates that, not later than October 1, 2020, the Secretary of Defense shall commence carrying out its implementation plan developed pursuant to section 951(a)(1) of the NDAA for Fiscal Year 2017. In June 2018, the Administration released *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations*, which identified its intent to keep the NBIB background investigation mission together, subsequently realigning the entire program from OPM to DOD. This budget request therefore, reflects the complete shift of NBIB to DOD in FY 2020.

FY 2019 & FY 2020 Comparison of FTE —All Resources

OPM Budget Authority	FY 2019 CR	FY 2020 CBJ
Salaries and Expenses	824.7	786.1
Trust Fund Annual	808.2	781.7
Trust Fund Mandatory Authority	446.4	489.0
5 USC 8348 (a)(1)(B) - Retirement	427.3	456.0
5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) - Dental & Vision	3.4	15.0
5 USC 9004(f)(B) - Long-Term Care	3.7	6.0
FERCCA (P.L. 106-265) - Retirement	12.0	12.0
Revolving Fund	4,003.2	682.0
Advances & Reimbursements	20.0	28.0
OIG Discretionary Total	152.0	0.0
Salaries & Expenses - OIG	20.0	0.0
Trust Fund Annual - OIG	132.0	0.0
OPM Total	6,254.5	2,766.8

In FY 2020, OPM expects funding will support approximately 2,767 full-time-equivalent (FTEs) employees. Of this total, the discretionary appropriation and Mandatory Trust Fund transfers will fund 2,057 FTEs (the sum of the Salaries and Expenses total, Trust Fund Annual total, and Mandatory Authority total). These employees deliver OPM’s Government-wide responsibilities relating to HR policy, retirement and insurance programs, and execute OPM’s day-to-day operations. The agency’s remaining allocation of 710 FTEs are funded by the Revolving Fund and Advances and Reimbursements. The FY 2020 FTE level is 3,488 FTEs lower than the FY 2019 CR level. This difference is primarily due to a decrease of 3,315 Revolving Fund FTEs resulting from the transfer of the NBIB background investigation mission from OPM to DOD, and a decrease of 152 OIG FTEs is now being reflected in GSA’s budget.

FY 2020 Budget Request by Object Class

The discretionary appropriation budget object class table shows how OPM intends to utilize our resources.

Discretionary Appropriation Budget by Object Class

Object Class	FY 2019 CR	FY 2020 CBJ	Increase/Decrease
Personnel Compensation	\$117,945,917	\$119,139,000	\$1,193,083
Personnel Benefits	\$39,262,033	\$41,479,000	\$2,216,967
Travel and transportation of person	\$1,187,184	\$1,259,000	\$71,816
Transportation of things	\$21,535	\$63,000	\$41,465
Communications, utilities and rent	\$27,821,398	\$28,766,000	\$944,602
Printing and Reproduction	\$607,436	\$749,000	\$141,564
Other Services	\$72,681,185	\$71,199,000	(\$1,482,185)
Supplies and Materials	\$685,771	\$913,000	\$227,229
Equipment	\$542,541	\$1,688,000	\$1,145,459
Total Object Class	\$260,755,000	\$265,255,000	\$4,500,000
FTE	1,632.9	1,567.8	(65.1)

Salaries and Expenses Budget by Object Class

Object Class	FY 2019 CR	FY 2020 CBJ	Increase/Decrease
Personnel Compensation	\$48,508,075	\$52,343,000	\$3,834,925
Personnel Benefits	\$16,122,397	\$18,014,000	\$1,891,603
Travel and transportation of person	\$742,156	\$720,000	(\$22,156)
Transportation of things	\$4,660	\$2,000	(\$2,660)
Communications, utilities and rent	\$14,297,292	\$13,209,000	(\$1,088,292)
Printing and Reproduction	\$196,813	\$211,000	\$14,187
Other Services	\$49,172,945	\$47,583,000	(\$1,589,945)
Supplies and Materials	\$192,215	\$215,000	\$22,785
Equipment	\$104,447	\$512,000	\$407,553
Total Object Class	\$129,341,000	\$132,809,000	\$3,468,000

FTE	824.7	786.1	(38.6)
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Trust Fund Limitations – Budget by Object Class

Object Class	FY 2019 CR	FY 2020 CBJ	Increase/Decrease
Personnel Compensation	\$69,437,842	\$66,796,000	(\$2,641,842)
Personnel Benefits	\$23,139,636	\$23,465,000	\$325,364
Travel and transportation of person	\$445,028	\$539,000	\$93,972
Transportation of things	\$16,875	\$61,000	\$44,125
Communications, utilities and rent	\$13,524,106	\$15,557,000	\$2,032,894
Printing and Reproduction	\$410,623	\$538,000	\$127,377
Other Services	\$23,508,240	\$23,616,000	\$107,760
Supplies and Materials	\$493,556	\$698,000	\$204,444
Equipment	\$438,094	\$1,176,000	\$737,906
Total Object Class	\$131,414,000	\$132,446,000	\$1,032,000
FTE	808.2	781.7	(26.5)

OPM’s FY 2020 discretionary budget is \$4.5 million more than the FY 2019 Annualized CR. This is due to increases in both the Salaries and Expenses (S&E) as well as in Trust Fund Limitation funds.

The FY 2020 S&E budget increased by \$3.5 million from the FY 2019 Annualized CR. This is partly attributable to the change of financing of the Office of the Director (OD), the Office of Congressional, Legislative and Intergovernmental Affairs (CLIA), and the Office of Communications (OC) from Common Services to S&E, totaling approximately \$8 million. The OCIO’s budget also increased by approximately \$9 million to increase staff, modernize OPM’s IT infrastructure and to align OPM’s infrastructure with that of GSA. These increases were offset by savings of roughly \$3 million from maintaining staffing at existing onboard levels in MSAC and ES and saving approximately \$4 million from contracting the Multi-State Plan (MSP) program in HI. Rent estimates in S&E decreased by approximately \$6 million due to new occupancy measurements within OPM’s headquarters. Considering the S&E budget by object class, the increase of personnel compensation and benefits of \$5.7 million reflects the OD, CLIA, OC realignment and OCIO staff increases. The decreases in the ‘Communications, utilities, rent’ and ‘Other Services’ object classes reflect the decline in rent estimates.

The requested FY 2020 Trust Fund Limitation is approximately \$1 million more than the 2019 Annualized CR. The largest cost increase is the portion of the cost of renting OPM’s headquarters that is attributed to programs that administer OPM’s earned benefits programs (the cost of renting OPM’s headquarters is proportionately shared by all activities based on occupancy, while the total cost of the facility has not significantly changed, updated occupancy measurements were recently incorporated in the cost distribution). The decrease in personnel compensation largely represents a shift of Retirement Services personnel financed from this limitation to workloads that are financed from other financing authorities available to Retirement Services. The overall number of staff within Retirement Services is not expected to significantly change.

OPM Budget FY 2019 CR & FY 2020 CBJ by Organization and Fund - Discretionary Resources

	FY 2019 Annualized CR				FY 2020 CBJ			
	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total
Office of the Chief Information Officer	\$29,584,972	\$9,190,642	\$44,383,333	\$83,158,947	\$38,300,000	\$8,272,000	\$52,151,000	\$98,723,000
Congressional, Legislative and Intergovernmental Affairs	\$0	\$0	\$2,421,816	\$2,421,816	\$1,969,000	\$0	\$0	\$1,969,000
Employee Services	\$33,038,047	\$0	\$0	\$33,038,047	\$29,841,000	\$0	\$0	\$29,841,000
Equal Employment Opportunity	\$0	\$0	\$1,013,124	\$1,013,124	\$0	\$0	\$1,026,000	\$1,026,000
Facilities, Security & Emergency Management	\$0	\$0	\$12,686,047	\$12,686,047	\$2,000,000	\$0	\$12,532,000	\$14,532,000
Federal Prevailing Rate Advisory Committee	\$205,845	\$0	\$0	\$205,845	\$167,000	\$0	\$0	\$167,000
Healthcare & Insurance	\$4,834,872	\$28,361,710	\$0	\$33,196,582	\$955,000	\$29,362,000	\$0	\$30,317,000
HR Solutions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Merit System Accountability & Compliance	\$13,025,812	\$0	\$1,346,777	\$14,372,589	\$12,781,000	\$0	\$1,200,000	\$13,981,000
Office of Communications	\$0	\$0	\$2,296,466	\$2,296,466	\$2,269,000	\$0	\$0	\$2,269,000
Office of Procurement Operations	\$584,000	\$0	\$4,604,876	\$5,188,876	\$1,068,000	\$0	\$4,631,000	\$5,699,000
Office of Small and Disadvantaged Business Utilization	\$0	\$0	\$530,850	\$530,850	\$0	\$0	\$431,000	\$431,000
Office of the Chief Financial Officer	\$10,830,000	\$9,894,242	\$24,439,477	\$45,163,719	\$11,425,000	\$8,370,000	\$23,155,000	\$42,950,000
Office of the Director	\$1,958,182	\$0	\$5,038,670	\$6,996,852	\$5,568,000	\$0	\$0	\$5,568,000
Office of the General Counsel	\$0	\$0	\$7,602,080	\$7,602,080	\$0	\$0	\$6,179,000	\$6,179,000
Planning and Policy Analysis	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent/Centrally Funded Items	\$16,572,621	\$9,156,499	\$0	\$25,729,120	\$10,340,000	\$12,786,000	\$0	\$23,126,000
Retirement Services	\$0	\$60,629,585	\$0	\$60,629,585	\$0	\$59,748,000	\$0	\$59,748,000
Security, Suitability and Credentialing Line of Business	\$0	\$0	\$0	\$0	\$500,000	\$0	\$0	\$500,000
White House Fellows	\$849,312	\$0	\$0	\$849,312	\$808,000	\$0	\$0	\$808,000
Office of Strategy and Innovation	\$7,067,968	\$0	\$0	\$7,067,968	\$5,754,000	\$0	\$0	\$5,754,000
OPM Human Resources	\$0	\$0	\$8,100,909	\$8,100,909	\$0	\$0	\$7,608,000	\$7,608,000
OPM Sub Total	\$118,551,631	\$117,232,678	\$114,464,425	\$350,248,734	\$123,745,000	\$118,538,000	\$108,913,000	\$351,196,000
Appropriated Contribution to Common Services	\$10,789,369	\$14,181,322			\$9,064,000	\$13,908,000		
Non-Appropriated Contribution to Common Services				(\$89,493,734)				(\$85,941,000)
	\$129,341,000	\$131,414,000	\$114,464,425	\$260,755,000	\$132,809,000	\$132,446,000	\$108,913,000	\$265,255,000

The most notable increases in discretionary resources by program are in OCIO and Facilities. OCIO will receive additional funding for transition and technical integration costs in FY 2020. This will help fund additional contractors on the current Help Desk support contract to address anticipated higher call volumes. In addition to Help Desk support, the hardware and software requirement for the transition of applications to a new environment will be supported. FSEM will receive additional funding to reconfigure and improve space efficiency for transition-related activities. The OPM's executive offices increases shown above are a result from changing the financing for the OD, CLIA and OC from Common Services in FY 2019 CR to S&E in FY 2020. OCIO and RS continue to be the programs with the largest discretionary funding in FY 2020.

FY 2020 Budget Request by Strategic Goals

OPM's FY 2018-2022 Strategic Plan contains four key goals that are focused on improving OPM systems and processes, which enable the agency to provide more efficient and effective services to the agency's customers. As required by the Government Performance and Results Modernization Act of 2010 (GPRAMA) (P.L. 111-352), OPM's budget request maps to its Strategic Plan.

OPM's FY 2020 performance budget reflects how the agency will fulfill its mission to *Lead and serve the Federal Government in enterprise human resources management by delivering policies and services to achieve a trusted, effective civilian workforce*. The agency's long-term vision is *Empowering Excellence in Government through Great People*.

The Performance Budget by Strategic Goal section of this document describes each strategic goal and the resources budgeted for each objective in FY 2020. The following table displays OPM's planned resource allocation against each strategic goal, excluding Revolving Fund program activities.

OPM Budget FY 2020 by Strategic Goal—Discretionary Resources

STRATEGIC_GOAL	FY 2020 CBJ	
	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	\$35,477,000	189.8
Lead the establishment and modernization of human capital information technology and data management systems and solutions	\$4,152,000	21.9
Improve integration and communication of OPM services to Federal agencies to meet emerging needs	\$13,245,000	90.0
Optimize Agency Performance	\$84,911,000	633.9
Additional Mission and Mission Support Activities	\$213,411,000	632.2
	\$351,196,000	1,567.8
Non-Appropriated Contribution to Common Services	(\$85,941,000)	
OPM Total	\$265,255,000	1,567.8

FY 2018-2019 Agency Priority Goals

Agency Priority Goals (APGs) reflect the top performance improvement priorities of agency leadership and the Administration. APGs reflect measurable results that leadership wants to accomplish over a two-year period, advancing progress toward longer-term strategic goals and objectives in the agency's strategic plan.

For the FY 2018-2019 cycle, OPM developed APGs in two areas where agency leadership will drive progress:

1. **Enable Federal employees to seamlessly transfer from one agency to another, with paperless processing.** By September 30, 2019, OPM will ensure implementation of Employee Digital Record (EDR) data standards and associated application program interfaces (APIs) that demonstrate an initial capability toward Federal employees being able to transfer between agencies using paperless processing. (*Related objective: 2.3*)
2. **Improve the hiring process.** Strengthen the capabilities of Federal HR professionals by relaunching a delegated examining (DE) certification program that creates a level standard for all HR delegated examiners. By September 30, 2019, at least 43 percent of delegated examiners will complete the updated certification program. (*Related objective: 1.1*)

The Federal Government uses a three-pronged approach to manage APGs: 1) public goal setting, 2) data-driven performance review meetings with agency leadership no less than quarterly, and 3) quarterly public updates on Performance.gov. For additional information on APGs, please refer to www.Performance.gov.

President's Management Agenda

Contributions to Cross-Agency Priority Goals

OPM supports the President's Management Agenda and is the co-leader for Cross-Agency Priority (CAP) Goal 3: Developing a Workforce for the 21st Century, and CAP Goal 13: Security Clearance, Suitability, and Credentialing Reform. Further, OPM contributes to nine other CAP goals.

Per the GPRA Modernization Act requirement to address CAP Goals in the agency strategic plan, the annual performance plan, and the annual performance report, please refer to www.Performance.gov for the agency's contributions to these goals and progress where applicable.

A brief description of OPM's contribution to CAP goals is provided below.

CAP Goal 3: Developing a Workforce for the 21st Century

OPM is a co-leader for CAP Goal 3: Developing a Workforce for the 21st Century. OPM is leading efforts to modernize the Federal civil service by:

- improving employee performance management and engagement;
- reskilling and redeploying human capital resources; and
- enabling simple and strategic hiring practices.

To improve employee performance management and engagement, and reward high-performing employees and those with mission-critical skill sets, OPM is implementing strategies to provide additional support to managers as they perform their supervisory duties, streamlining performance management and dismissal procedures, and strengthening the link between pay and performance. OPM is updating performance management policies and offering support to human resources staff on performance management. Using a proactive approach to performance management will help OPM assess the workforce needs of agencies and fill gaps in the critical skills needed to support the mission of agencies.

By reskilling and redeploying human capital resources, the Federal Government can better capitalize on opportunities to increase efficiency by adopting automation. To do this, OPM is championing ways to identify emerging and mission critical skills and invest in opportunities to develop these skillsets in the Federal workforce so employees can be reskilled and redeployed to higher-value work. Through the simple and strategic hiring sub goal, OPM is making it easier and faster to recruit and hire top talent by pursuing legislative and administrative changes; piloting new automation and upskilling HR professionals; improving the differentiation of applicants' qualifications, competencies, and experience; and developing the capacity of the HR workforce to serve managers and applicants. The Federal HR curriculum development and certification program is currently underway and expected to be completed in FY 2020.

In addition to these sub goals, human capital research findings are being integrated into Federal human capital practices through a continuous learning effort that complements the broader policy changes pursued by the Administration.

CAP Goal 13: Security Clearance, Suitability, and Credentialing Reform

OPM is also a co-leader of the CAP Goal on Security Clearance, Suitability, and Credentialing Reform. The agency will continue to direct significant resources to this goal in FY 2020 to continue mitigating risks posed by personnel with access to Government facilities, systems, and other personnel. To achieve this objective, agencies will work through the Performance Accountability Council to achieve the following:

- develop aligned and consistent policy for reporting potential security risks or observable behaviors of concern;
- establish an agile, data-driven, and transparent policy-making process that simplifies traditional policy development processes, as appropriate;
- review current end-to-end SSC processes and identify the most cost-effective and efficient methods to vet the Federal workforce;
- modernize the lifecycle through the use of agency federated systems and shared services; and
- expand the use of outcome-based performance metrics and measures.

The Performance Accountability Council's Program Management Office (PAC PMO) is administratively housed at OPM. The PAC PMO manages the Security, Suitability, and Credentialing Line of Business (SSCLoB) which is responsible for driving Government-wide implementation of these goals, and identifying recommended solutions to further safeguard personnel and protect the nation's most sensitive information.

Other CAP Goals

OPM also contributes to the following CAP goals:

CAP Goal 1: Modernize IT and Increase Productivity and Security. OPM continues to lead efforts to improve the way the Federal government recruits, retains, and reskills IT and cybersecurity talent.

CAP Goal 2: Leveraging Data as a Strategic Asset. By developing solutions to provide training and close competency gaps related to data management and data transformation skills, OPM plans to support strategies to improve the use of data, as appropriate, in decision-making and to improve accountability across Government.

CAP Goal 4: Improving Customer Experience with Federal Services. OPM is improving the customer experience with respect to Federal employment services and retirement services.

CAP Goal 5: Sharing Quality Services. Through the development of the automated hiring assistant, OPM is improving the use of centralized solutions to improve the efficiency and effectiveness of administrative processes.

CAP Goal 6: Shifting from Low-Value to High-Value Work. OPM, along with GSA and OMB, is exploring possible ways of reducing the burden of compliance with requirements for Federal agencies.

CAP Goal 7: Category Management. OPM leads the Human Capital Category to identify ways to help the Government improve the procurement of human capital services and manage spending under this

category.

CAP Goal 9: Getting Payments Right. OPM is a participating agency in efforts to prevent improper payments that result in a monetary loss to taxpayers.

CAP Goal 11: Improve Management of Major Acquisitions. OPM is strengthening the talent capabilities of program and project managers with respect to managing major acquisitions by issuing regulations and guidance on the program and project management job series, and developing program and project management competencies and career paths.

CAP Goal 12: Modernizing the Infrastructure Permitting Process. OPM is providing guidance on integrating permitting-related performance goals into appropriate agency personnel performance plans.

Legislative Proposals

The Office of Personnel Management (OPM) prepares various legislative proposals during the preparation of its annual budget submission, which align with the strategic goals and objectives of the agency. OPM designs these proposals to enhance and improve its programs, increase efficiency in executing these programs, and reduce overall costs for the Government.

The FY 2020 legislative proposals for OPM are divided into three groups: Civil Service modernization, Healthcare and Insurance, and modernizing Federal retirement benefits.

Civil Service Modernization Proposals

The following proposals are designed to help meet agency needs for hiring and managing the Federal workforce:

Noncompetitive term-limited appointment of Highly Qualified Experts

This proposal creates a new authority to allow agencies to appoint and compensate individuals with exceptional qualifications to positions that require specific education, experience, or competence beyond the usual level of expertise. These appointments would be term limited for up to 3 years, with option for two additional one-year extensions. No competition would be required, and appointees would serve at the pleasure of the agency (i.e., removals would not be subject to procedures for performance-based or adverse actions or grievance and arbitration). Pay could be set at any rate up to EX II without regard to classification and basic pay provisions, and the OPM Director would have authority to cap the number appointments that could be made under this authority.

Noncompetitive Term/Temporary hiring authority for critical needs

Acknowledging the 21st century “gig” economy, the trend toward “non-permanent” workers and project or skills-based work, this proposal would provide new flexibility including noncompetitive Term/Temporary appointment for up to 18 months to address any critical hiring need.

Industry Exchange Program for STEM occupations

This proposal would create a mechanism to provide for the exchange of ideas and expertise between the Federal Government and the private sector. Many agencies increasingly need specialized talent that is not commonly found in the Federal Government to work on specific projects or initiatives. This is particularly the case in science, technology, mathematics, and other fields where rapidly evolving skillsets present challenges. While programs exist that provide for the exchange of ideas and talent between the Federal Government, state and local governments, and academia, the programs do not include the private sector. This proposal is modeled after an expired statutory authority that allowed private industry exchange for information technology positions.

Improve the criteria for Direct Hire Authority

This proposal would modify the existing statute to enable Direct Hire Authority to be granted when there is a demonstrated shortage of “highly qualified” candidates (compared to the current threshold of “qualified” candidates).

Authority to establish minimum qualification requirements

This proposal would clarify that OPM has authority to prescribe minimum qualification requirements for any alternative pay/classification systems that may be established under the special occupational pay system authority in subchapter IX of 5 U.S.C. chapter 53. This is necessary because OPM's current authority to establish qualification requirements derives from chapter 51 (classification), and because chapter 51 would be waived under the new alternative pay/classification system, OPM would otherwise not have authority to define minimum standard qualification requirements that would be needed for such alternative systems.

Create a new Critical Skills Incentive

This proposal would allow the OPM Director to authorize agencies to pay a Critical Skills Incentive to employees (or subsets of employees) who possess high-demand or shortage skills that serve a critical need, up to 25 percent of basic pay. This new pay flexibility would assist agencies in closing mission-critical skills gaps and support employee reskilling efforts. The proposal would allow OPM to delegate authority to agency heads to identify high-demand or shortage skills. Agencies would be required to document such critical skills in their human capital strategy and review the skills designated for an incentive payment at least once a year. An agency would be required to recertify, revise, or eliminate the designated skills as a result of this review. Agencies would be able to pay a critical skill incentive to an employee who possesses the identified critical skills if related to the duties and responsibilities of the employee's position.

The proposal would also allow OPM to designate high-demand or shortage skills that serve a critical need across the Federal Government and to review such critical skills at least once each year for recertification, revision, or elimination. For example, OPM could identify certain cybersecurity skills as high-demand or in a shortage category for purposes of paying a critical skill incentive. Agencies would have discretion to pay a critical skill incentive to employees who possess the OPM-identified skills if they are related to the duties and responsibilities of the employee's position without the need for separate documentation. The proposal would require employees to sign a written agreement to complete a specified period of employment with the agency, and would bar collective bargaining and grievances related to critical skills incentive payments.

Streamline procedures for addressing unacceptable performance

This proposal would streamline the procedures for taking an adverse or performance-based action on the basis of unacceptable performance by shortening the length of certain notice and response periods, such as:

- Limiting the time period to demonstrate acceptable performance to generally not more than 30 days while providing agencies sole and exclusive discretion to extend this period if circumstances warrant.
- Reducing from 30 days to 20 days:
 - the amount of advance notice (notice period) that must be provided to employees when an agency is proposing to take an action for unacceptable performance under chapter 43 procedures.

- the amount of time an agency may extend the notice period provided to employees when an agency is proposing to take an action for unacceptable performance under chapter 43 procedures. An agency may extend the notice period beyond 20 days only for reasons provided in regulations by the Office of Personnel Management.
- the amount of time an agency has to make decisions on proposed actions for unacceptable performance.

Streamline and improve adverse action procedures covered by Chapter 75

The following proposals would improve adverse action procedures:

- Remove references to taking actions for discourteous conduct to the public confirmed by an immediate supervisor’s report of four such instances within any one-year period or any other pattern of discourteous conduct. With the removal of this language, agencies will no longer be limited concerning when they can suspend an employee for 14 days or less for discourteous conduct to the public as long as the action is for the efficiency of the service.
- Establish a maximum advance notice period of not more than 15 days for employees when an agency is proposing to suspend an employee for 14 days or less for the efficiency of the service. The law currently has no specified advance notice period so agencies have discretion on how much advance notice to provide.
- Establish a time limit of 5 days for an employee to respond to a proposed suspension of 14 days or less. The law currently has no time limit for how long an employee has to respond to a proposed suspension of 14 days or less.
- Establishes a time limit of 20 days after the employee answers or the expiration of the reply period, whichever occurs first, for agencies to make decisions on proposed suspensions of 14 days or less. The law currently only requires a written decision “at the earliest practicable date” which means agencies have discretion to take longer to make a decision.
- Modifies the definition of “employee” to provide greater flexibility for agencies to use longer probationary periods. OPM can provide for longer probationary periods under its current authority, but any practical benefit of this authority is constrained by the current statutory definition of employee, which defines when an individual becomes an employee for purposes of challenging a removal from the Federal service.
- Establishes a 20 day advance notice period (reduced from 30 days) provided to employees (including SES) when an agency is proposing to take an action for the efficiency of the service and limits this notice to not more than 20 days.
- Modifies adverse action procedural requirements (including SES) to clarify that the term “written notice” does not import any heightened pleading requirements and instead means providing sufficient information so that the employee may reasonably understand the action or failure to act that is the basis for the proposed action. This will simplify adverse action “written notice” requirements reducing the time burden in drafting notices and reduce technical reversals of actions taken for employee misconduct.

- Establishes a 10 day period for an employee (including SES) to respond to a proposed adverse action involving removals, suspensions for more than 14 days, reductions in grade, reductions in pay, or furloughs for 30 days or less. Current law provides “a reasonable time, but not less than 7 days” which means agencies have discretion to provide longer time periods.
- Establishes a time limit of 20 days after the employee (including SES) answers or the expiration of the reply period, whichever occurs first, for an agency to make decisions on proposed adverse actions for the efficiency of the service. Current law only requires agencies to make decisions at the earliest practicable date.

Clarify essential management prerogatives while preserving the important role and rights of unions in the Federal labor relations system

These proposals reflect the premise that while Federal unions retain core collective bargaining rights, they should be precluded from exercising those rights in a way that would unreasonably deter, divert, or delay managers from meeting their mission for the American people.

The following provisions would be reflected in Chapter 71 to clarify matters that are basic management prerogatives:

- Pay
 - Exclude from the negotiated grievance process management determinations regarding an employee’s pay involving the exercise of managerial discretion or judgment. Any claimed violation, misinterpretation, or misapplication of any nondiscretionary law, rule, or regulation involving management determinations on an employee’s pay could still be subject to a negotiated grievance process;
 - Exclude from the definition of conditions of employment matters related to any step increase under subchapter III or subchapter IV of 5 U.S.C. chapter 53; and
 - Excludes matters related to any alternative classification and pay system established under subchapter IX of U.S.C. chapter 53.
- Carrying out agency mission during emergencies
 - Adds a definition for the word “emergency,” which is currently undefined in chapter 71 but has been defined through case law by the Federal Labor Relations Authority (FLRA) and its reviewing courts with regard to management exercising its right at 5 U.S.C. 7106(a)(2)(D) to take whatever actions may be necessary to carry out the agency’s mission during emergencies. Providing a statutory definition will promote greater deference to agencies, rather than outside third-parties, to determine when an emergency occurs.
- Simplified process for resolution of bargaining disputes
 - Directs the Chairman of the FLRA to establish a single, integrated process to resolve all matters associated with a bargaining dispute. Collective bargaining on one issue could result in unfair labor practices being filed; negotiability appeals being filed; and negotiation impasses declared. Today, each situation is resolved through a different process and filed with a different part of the

FLRA. This proposal would streamline the processes with the goal of expediting the resolution of collective bargaining disputes. The proposal would also restrict the FLRA from imposing status quo ante remedies in certain collective bargaining disputes where such remedies would adversely affect the mission or budget of the agency involved in the dispute, the activity's mission or budget, or the public interest. Finally, it would provide the Director of the Office of Personnel Management the right at any time to intervene or otherwise participate in any proceeding before the FLRA where the Director believes that an erroneous decision will have a substantial impact on civil service law, including chapter 71, rule, or regulation. This is comparable to authority that the Director currently possesses regarding proceedings with the Merit Systems Protection Board under 5 U.S.C. chapter 77. While the FLRA may seek advisory opinions from OPM regarding OPM regulations that are connected to labor relations disputes before the FLRA, the FLRA isn't required to seek such opinions and does render decision interpreting OPM regulations without always seeking OPM's opinion. This provision simply confers on the OPM Director the same authority which exists with regard to MSPB cases.

- Discussions with employees on operational matters
 - The proposal more clearly defines the parameters of what constitutes a “formal discussion” for purposes of when an agency must invite a union representative to a meeting between bargaining unit employees and agency management officials. A meeting must have a purpose of discussing, announcing, or discussing and announcing, new, or substantially changed personnel policies, practices or working conditions to be considered a “formal” discussion. A “formal” discussion does not occur if the purpose of the meeting is to discuss operational matters where any discussion of personnel policies, practices, or working conditions simply reiterates existing policies; the discussion is incidental or otherwise peripheral to the announced purpose of the meeting; or the discussion does not result in an announcement of a change or a promise to change policies.
- Limiting collective bargaining obligations to changes that are foreseeable, substantial, and significant in terms of impact and duration
 - The proposal revises the criteria to determine when there is an obligation to bargain or consult on otherwise negotiable subjects. Current case law provides that a change must be more than “de minimis” to trigger a collective bargaining obligation. The proposal clarifies the threshold to ensure that collective bargaining is focused on changes which are foreseeable, substantial, and significant in terms of impact and duration.
- Protection from certain grievances that are frivolous, or regarding matters that already have established appeal provisions, such as:
 - A performance rating that does not constitute the basis for a performance-based or adverse action against the employee (e.g., grieving an “Exceeds” rating to get it raised to “Outstanding”), and
 - Any matters covered under sections 4303 and 7512 which are otherwise appealable to the Merit Systems Protection Board (MSPB), thus restoring unity of review in MSPB.

Restore the unity of review by the Merit Systems Protection Board

This proposal would remove the option for bargaining unit employees to file a negotiated grievance and seek binding arbitration on matters where established statutory appeals processes exist, such as agency actions taken for performance or misconduct and which otherwise are appealable to the Merit Systems Protection Board.

Healthcare and Insurance Proposals

Government Contribution Adjustment Based on Plan Performance Assessment

Effective with the plan year beginning no earlier than 18 months after enactment, this proposal would revise the calculation of the Government contribution to premium so that the contribution is adjusted based on a plan's score from the FEHB Plan Performance Assessment (PPA). All FEHB health plans are required to participate in the PPA, which includes measures of quality, customer service, and resource use pursuant to 48 CFR 1615.404-70.

Currently, the Government contribution that a health plan option receives for an annuitant or non-Postal employee is the lesser of 72 percent of the weighted average premium of all health plans or 75 percent of that plan option's individual premium. Under this proposal, FEHB plans will be divided into two groups representing higher performing plans and all other plans. The base Government contribution would be established as 71 percent of the weighted average of all plan premiums up to 75 percent of an individual plan's premium. For higher performing plans, the Government contribution would be raised by 5 percent, up to a maximum of 80 percent of the plan's premium. Health plans not categorized in the high-performing group would receive the base contribution amount. OPM would support informed decision-making by designating the plans receiving the additional Government contribution on plan informational material.

OPM estimates this proposal would result in a savings of 1 percent of the Government share of premium for annuitants and non-Postal employees, who represent nearly 90 percent of those enrolled in FEHB. This estimate was calculated using 2018 premium amounts and enrollment. The U.S. Postal Service's contribution toward premiums for Postal employees would continue to be subject to collective bargaining pursuant to the Postal Reorganization Act of 1970 (39 U.S.C. §1005(f)).

This proposal aligns with OPM's strategic goal 1.4 to improve healthcare quality and affordability in the FEHB Program with 75 percent of enrollees in quality, affordable plans.

OPM is currently drafting legislative language for this proposal.

Tax Preemption for the Federal Employees Dental and Vision Insurance Program

This proposal provides a technical change to align FEDVIP with other Federal benefit programs. This technical correction would ensure that all Federal insurance programs are treated equally and clarify that no tax, fee, or other monetary payment may be imposed on a FEDVIP carrier by any State, the District of Columbia, or the Commonwealth of Puerto Rico, or by any political subdivision or other Governmental authority thereof.

Medical Liability Reform

The Administration's medical liability reform proposal would:

- Cap awards for noneconomic damages at \$250,000 indexed to inflation;
- Allow evidence of a claimants' income from other sources such as workers compensation and auto insurance to be introduced at trial;
- Provide for a three-year statute of limitations;
- Establish a fair-share rule to replace the current rule of joint and several liability;
- Provide safe harbors for providers based on clinical standards;
- Authorize the Secretary of Health and Human Services to provide guidance to States to create expert panels and administrative health care tribunals;
- Allow courts to modify attorney's fee arrangements;
- Exclude provider expressions of regret or apology from evidence; and
- Require courts to honor a request by either party to pay damages in periodic payments for any award equaling or exceeding \$50,000.

If enacted, the Administration's medical liability reform proposal would affect the FEHB Program beginning in 2022. Capping awards and shortening the statute of limitations could potentially reduce costs for malpractice insurance carriers. Additional costs to carriers are reflected in malpractice insurance premiums. Therefore, this proposal has the potential to lower malpractice insurance premiums, which in turns lowers healthcare costs overall. In addition, these reforms have the potential to reduce unnecessary healthcare utilization, or 'defensive medicine,' also reducing healthcare costs.

Retirement Proposals

Change Retirement Calculation from High-3 to High-5 Years

This proposal would change the annuity benefit calculation of future retirees. Rather than using the current average of a Federal employee's three highest salary earning years (High-3), the calculation would use the highest five consecutive salary years.

The financial impact of utilizing the High 5 average salaries versus the High 3 for all new retirees would create a savings to the Government of approximately \$7.0 billion over ten years. Annual savings are projected to reach approximately \$1.1 billion in FY 2029, and are expected to continue to grow because of an increasing fraction of retirees would receive annuity benefits under this new calculation.

OPM included this proposal in its FY 2019 Congressional Budget Justification. It is currently under review in the Congress.

Elimination of the Cost-of-Living Adjustment (COLA) for current and future Federal Employee Retirement Systems (FERS) participants and Reduce the COLA for Civil Service Retirement System (CSRS) retirees by 0.5 percent

This proposal would eliminate the COLA for current and future FERS annuitants. Under current law, FERS retirees (starting at age 62) receive a full COLA if the Consumer Price Index (CPI) is up to 2

percent and up to 1 percent less than the change in the CPI if the change is more than 2 percent. This legislative proposal would change the policy by eliminating the FERS COLA and reducing the COLA for CSRS retirees by 0.5 percent. Approximately 75 percent of current retirees receiving benefits are from the CSRS population.

The financial impact of eliminating the COLA for FERS annuitants and reducing the COLA by 0.5 percent for CSRS retirees would create a savings to the Government of approximately \$15.0 billion over five years and \$56.0 billion over ten years.

OPM included this proposal in its FY 2019 Congressional Budget Justification. It is currently under review in Congress.

Eliminate the Annuity Supplement for all new Federal Employee Retirement Systems (FERS) retirees

This proposal would eliminate the annuity supplement FERS employees get until they reach age 62, the age when they become eligible for Social Security. It would apply to all new FERS retirees.

The financial impact of eliminating the Annuity Supplement for FERS retirees would create a savings to the Government of approximately \$18.6 billion over ten years.

OPM included this proposal in its FY 2019 Congressional Budget Justification. It is currently under review in the Congress.

Increase in employee contributions to 50 percent of cost, phased in at 1 percent per year

This proposal would increase employee contributions to the Federal Employees Retirement System (FERS) such that an employee and employer would each pay half the normal cost. Under current law, Federal employees contribute between 0.8 percent and 4.4 percent of their salary towards their Federal pension. Federal agencies contribute the remainder of the normal cost. To mitigate the impact on employees, this provision would be phased in over several years, with individuals contributing an additional 1 percent of their salary each year until equalized.

The financial impact of this proposal, agency contributions decreasing and employee contributions increasing, would create a savings to the Government of \$2.1 billion in the first phased-in year, approximately \$21.8 billion over five years, and approximately \$78.8 billion over ten years.

OPM included this proposal in its FY 2019 Congressional Budget Justification. It is currently under review in the Congress.

Federal Employees' Defined Contribution Plan for Term Employees

This proposal would provide new term employees with an enhanced defined contribution retirement plan during their appointment. Currently, certain term employees receive both a defined benefit through the Federal Employees Retirement System (FERS) as well as a defined contribution plan through the Thrift Savings Plan (TSP). Typically, private employers provide only one type of retirement plan, usually through a defined contribution plan. This proposal helps bring Federal retirement benefits more in line with the private sector, and more in line with the expectations of the next generation of civil servants, by

increasing the mobility of benefits for term employees. Increasing mobility of benefits is in line with the expectations of America's workforce.

Prospectively, new term employees would receive an agency automatic contribution to TSP increased to 5 percent of basic salary from the current 1 percent. The Government TSP matching contribution will increase to 5 percent of basic salary, dollar for dollar, on top of the automatic contribution. Term employee contributions above 5 percent would not be matched; however, employees would retain the right to contribute up to the \$18,500 of salary to their TSP.

Under the Federal Employees Retirement System Defined Contribution Plan for Term Employees, employees that maximize the matching contributions would aggregate a total of 15 percent of pay contributed to their TSP account.

For certain new term employees in the public safety field, the automatic Government contribution will be 7 percent of basic pay, with a Government match of up to 7 percent. Employees that maximize the matching contributions would aggregate a total of 21 percent of pay contributed to their TSP account.

By aligning Federal benefits with prospective term employee expectations, our Government will be better positioned to attract qualified talent. Additionally, the increased mobility of benefits will allow for a natural cycle where employees can enter the public sector, transition to the private sector, and re-enter the public sector – bringing with them the best practices of industry to foster continued revitalization of Government processes while never having to part with their hard-earned benefits.

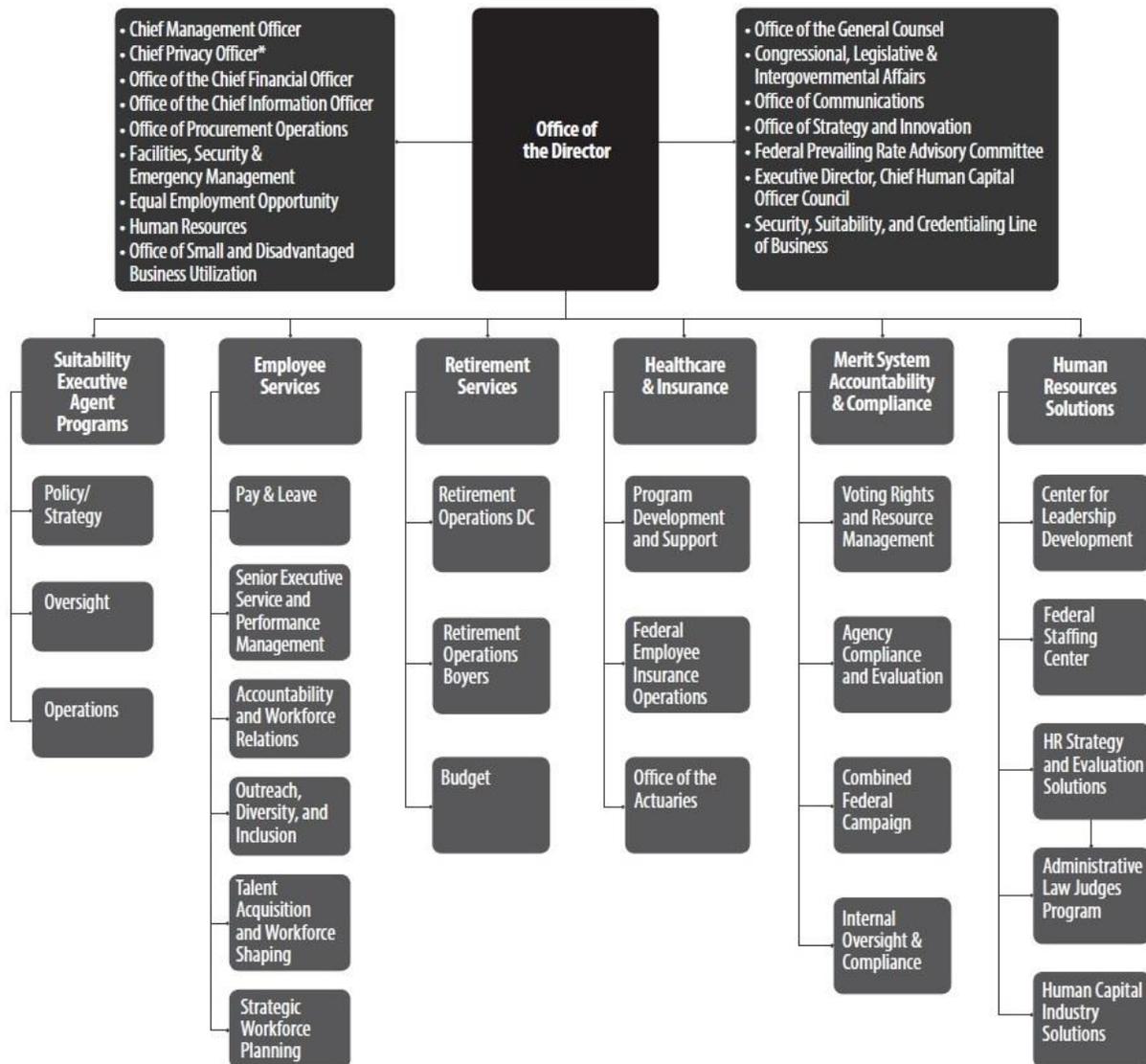
Appropriations Language

SALARIES AND EXPENSES (INCLUDING TRANSFER OF TRUST FUNDS)

Contingent upon enactment of authorizing legislation to reorganize the Office of Personnel Management (OPM) and transfer certain of its functions to the General Services Administration (GSA), for necessary expenses to carry out functions formerly vested in OPM pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed \$2,500 for official reception and representation expenses; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, \$132,809,000, of which \$1,068,000 may be used for strengthening the capacity and capabilities of the acquisition workforce (as defined by the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 4001 et seq.)), including the recruitment, hiring, training, and retention of such workforce and information technology in support of acquisition workforce effectiveness or for management solutions to improve acquisition management, and of which \$9,000,000 shall remain available until expended for Trust Fund Federal Financial System migration or modernization, and shall be in addition to funds otherwise made available for such purposes; and in addition \$132,446,000 for administrative expenses, to be transferred from the appropriate trust funds of OPM's successor division at GSA without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs: Provided, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), 8958(f)(2)(A), 8988(f)(2)(A), and 9004(f)(2)(A) of title 5, United States Code: Provided further, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of OPM's successor division at GSA established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: Provided further, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year 2020, accept donations of money, property, and personal services: Provided further, That such donations, including those from prior years, may be used for the development of publicity materials to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission.

Organizational Framework

OPM’s divisions and offices and their employees implement the programs and deliver the services that enable the agency to meet its strategic goals. The agency’s organizational framework consists of program divisions and offices that both directly and indirectly support the agency’s mission.



*The Office of Privacy and Information Management is currently being established.

OPM Budget FY 2019 & FY 2020 by Organization- All Resources

Organization	FY 2019 CR		FY 2020 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Chief Human Capital Officer Council	\$997,219	5.0	\$900,000	6.0	(\$97,219)	1.0
Congressional, Legislative and Intergovernmental Affairs	\$2,421,816	16.0	\$1,969,000	13.0	(\$452,816)	(3.0)
Employee Services	\$33,038,047	197.8	\$29,841,000	182.3	(\$3,197,047)	(15.5)
Equal Employment Opportunity	\$1,013,124	7.0	\$1,026,000	7.0	\$12,876	0.0
Facilities, Security & Emergency Management	\$12,686,047	73.0	\$14,532,000	67.0	\$1,845,953	(6.0)
Federal Prevailing Rate Advisory Committee	\$205,845	1.0	\$167,000	1.0	(\$38,845)	0.0
Healthcare & Insurance	\$41,071,227	157.4	\$38,424,000	166.0	(\$2,647,227)	8.6
HR Solutions	\$333,224,390	472.2	\$231,631,000	502.0	(\$101,593,390)	29.8
Merit System Accountability & Compliance	\$16,867,932	114.0	\$16,457,000	97.8	(\$410,932)	(16.2)
National Background Investigations Bureau	\$1,361,688,884	3,315.0	\$546,600,000	0.0	(\$815,088,884)	(3,315.0)
Office of Communications	\$2,296,466	19.0	\$2,269,000	14.0	(\$27,466)	(5.0)
Office of Procurement Operations	\$5,188,876	35.0	\$5,699,000	33.0	\$510,124	(2.0)
Office of Small and Disadvantaged Business Utilization	\$530,850	2.0	\$431,000	2.0	(\$99,850)	0.0
Office of the Chief Financial Officer	\$45,641,100	114.1	\$44,138,000	120.3	(\$1,503,100)	6.2
Office of the Chief Information Officer	\$197,258,982	296.0	\$209,334,000	302.9	\$12,075,018	6.9
Office of the Director	\$6,996,852	37.0	\$8,718,000	32.0	\$1,721,148	(5.0)
Office of the General Counsel	\$7,602,080	41.0	\$6,179,000	34.0	(\$1,423,080)	(7.0)
Office of the Inspector General	\$30,000,000	152.0	\$0	0.0	(\$30,000,000)	(152.0)
Planning and Policy Analysis	\$3,150,000	0.0	\$0	0.0	(\$3,150,000)	0.0
Rent/Centrally Funded Items	\$26,729,966	0.0	\$24,190,000	0.0	(\$2,539,966)	0.0
Retirement Services	\$99,671,403	1,040.3	\$104,734,000	1,038.0	\$5,062,597	(2.3)
Security, Suitability and Credentialing Line of Business	\$7,000,000	12.0	\$7,500,000	13.0	\$500,000	1.0
Suitability Executive Agent Programs	\$6,038,800	53.0	\$8,342,000	56.0	\$2,303,200	3.0
White House Fellows	\$849,312	5.0	\$808,000	5.0	(\$41,312)	0.0
Office of Strategy and Innovation	\$7,067,968	32.0	\$5,754,000	32.0	(\$1,313,968)	0.0
OPM Human Resources	\$8,100,909	57.7	\$7,608,000	42.5	(\$492,909)	(15.2)
OPM Total	\$2,257,338,095	6,254.5	\$1,317,251,000	2766.8	(\$940,087,095)	(3,487.7)

* This table includes revolving fund-financed organizations, common services funding, and Advances & Reimbursements.

Therefore, this table varies from the tables in the Executive Summary section.

OPM's gross budget decreased from FY 2019 Annualized CR by \$940 million, largely because of the move of NBIB investigations to DOD. This section describes each organization and the key roles and responsibilities it plays in contributing to the achievement of OPM's mission.

OPM's organizations are categorized into four different types of offices: Executive, Program, Mission Support, and Others, which are detailed below:

Executive Offices

The Office of the Director (OD) provides guidance, leadership and direction necessary to lead and serve the Federal Government by delivering policies and services to achieve a trusted effective civilian workforce. The Human Resources Line of Business (HRLOB) and the Suitability, and Security Clearance Reform Performance Accountability Council's Program Management Office (PAC PMO) are housed within the OD. Also included within OD is the Executive Secretariat (ExecSec) function, which is responsible for coordination and review of agency correspondence, policy and program proposals, regulations, and legislation. The ExecSec serves as the agency's regulatory interface with the Office of Management and Budget and the Federal Register. The office is also responsible for the administrative and resource management support for the OD and other executive offices. Additionally, the ExecSec coordinates OPM's international affairs activities and contacts.

Within OD, the Chief Privacy Officer/Senior Agency Official for Privacy serves as the principal privacy advisor to the OPM Director and is responsible for formulating and implementing OPM policies related to the collection, maintenance, and use of personally identifiable information. These responsibilities include compliance throughout OPM with the Privacy Act, the privacy provisions of the E-Government Act, and other privacy-related laws, regulations, and guidance.

Security, Suitability, and Credentialing Line of Business (SSCLoB) is an interagency organization that is administratively housed within OPM's Office of the Director. The SSCLoB was established by and supports the Security, Suitability, and Credentialing Performance Accountability Council (PAC) through its Program Management Office (PAC PMO). The PAC is chaired by the Deputy Director for Management of the Office of Management and Budget, and is accountable to the President for enterprise-wide personnel vetting reforms. Through the PAC PMO, the PAC establishes the overall direction for and oversees the SSCLoB's work to identify and assist with implementing solutions that optimize personnel vetting investments, simplify delivery of personnel vetting services, establish shared services, and promote reciprocity, efficiency, and effectiveness across the personnel vetting enterprise.

Office of the General Counsel (OGC) provides legal advice and representation to the Director and OPM managers and leaders so they can work to provide the Federal Government an effective and trusted civilian workforce. OGC does this by rendering opinions, reviewing proposed policies and other work products, and commenting on their legal efficacy, serving as agency representatives in administrative litigation, and supporting the Department of Justice in its representation of the Government on matters concerning the civilian workforce. OGC also carries out several programmatic, substantive functions that fulfill other statutory or regulatory mandates and, thus, benefit other OPM offices or the Executive Branch as a whole. For example, OGC is responsible for the Government-wide Hatch Act regulations, administers the internal agency Hatch Act and ethics programs, and serves in a policy and legal role in the Government-wide function of determining which Merit Systems Protection Board and arbitral decisions

are erroneous and have a substantial impact on civil service law, and, thus, merit judicial review.

Congressional, Legislative and Intergovernmental Affairs (CLIA) is the OPM office that fosters and maintains relationships with Members of the Congress and their staff. CLIA accomplishes its mission by keeping informed of issues related to programs and policies administered by OPM. CLIA staff attend meetings, briefings, markups, and hearings in order to interact, educate, and advise agency leadership and the Congress, as well as state and local governments. CLIA is also responsible for supporting congressional efforts through providing technical assistance and substantive responses to congressional inquiries.

Office of Communications (OC) coordinates a comprehensive effort to inform the public of the Administration's and OPM's goals, plans, and activities through various media outlets. The OC provides the American public, Federal agencies, and pertinent stakeholders with accurate information to aid in their planning and decision-making process. The OC coordinates the publication and production of all video products, printed materials, and websites generated by OPM offices. The office develops briefing materials for the Director and other OPM officials for various activities and events. The OC also plans events that amplify the Administration's and OPM's key initiatives within the agency as well as Government-wide.

Office of Strategy and Innovation (OSI) uses data and research to develop human capital strategy and leads human resources innovation throughout the Federal Government. OSI includes both the Data Analysis Group and the Survey Analysis Group.

Program Offices

Employee Services (ES) administers statutory and regulatory provisions related to recruitment, strategic workforce planning, pay, leave, performance management and recognition, leadership and employee development, reskilling, work/life/wellness programs, diversity and inclusion, and labor and employee relations efforts with tools, education, and direct support.

Retirement Services (RS) is responsible for administering, developing, and providing Federal employees, retirees, and their families with benefits programs and services that offer choice, value, and quality to help maintain the Government's position as a competitive employer. RS is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), serving nearly 2.6 million Federal retirees and survivors who receive monthly annuity payments. Even after a case is adjudicated and added to the annuity roll, OPM continues to serve annuitants by making address or tax status changes to annuitant accounts, sending out 1099-Rs, surveying certain annuitants to ensure their continued eligibility to receive benefits, and conducting other post adjudication activities.

Healthcare and Insurance (HI) consolidates OPM's healthcare and insurance responsibilities into a single organization. This includes contracting and program development and management functions the Federal Employees Health Benefits (FEHB) Program, Federal Employees' Group Life Insurance (FEGLI), the Federal Long Term Care Insurance Program (FLTCIP), the Federal Employees Dental and Vision Insurance Program (FEDVIP), the Federal Flexible Spending Account Program (FSAFEDS), and the Multi-State Plan Program.

Merit System Accountability & Compliance (MSAC) ensures through rigorous oversight that Federal agency human resources programs are effective and efficient, and comply with merit system principles and related civil service requirements. MSAC evaluates agencies' programs through a combination of OPM-led evaluations and as participants in agency-led reviews. The evaluations may focus on all or some of the four systems of OPM's Human Capital Framework: (1) strategic planning and alignment of human resources to mission, (2) performance culture, (3) talent management, and (4) evaluation systems. MSAC reports may identify required corrective actions, which agencies must show evidence of implementing, as well as recommendations for agencies to improve their systems and procedures. MSAC also conducts special cross-cutting studies to assess the use of HR authorities and flexibilities across the Government. Moreover, MSAC reviews and renders decisions on agencies' requests to appoint political appointees to competitive or non-political excepted service positions to verify that such appointments are free of political influence. MSAC also adjudicates classification appeals, job grading appeals, Fair Labor Standards Act claims, compensation and leave claims, and declination of reasonable appeals, all of which provides Federal employees with administrative procedural rights to challenge compensation and related agency decisions without having to resort to seeking redress in Federal courts. MSAC has Government-wide oversight of the Combined Federal Campaign (CFC) and the Voting Rights programs. The mission of the CFC is to promote and support philanthropy through a program that is employee focused, cost-efficient, and effective in providing all Federal employees the opportunity to improve the quality of life for all. The Voting Rights Program deploys Federal observers to monitor polling sites (as determined by the Attorney General) and provides written reports to the Department of Justice. Finally, MSAC manages OPM's Office of Internal Oversight and Compliance (IOC). IOC drives the resolution of audit recommendations, and conducts program evaluations to strengthen OPM's risk management and operational performance.

Human Resources Solutions (HRS) Human Resources Solutions (HRS), comprised of four practice areas, is a fee-based organization offering a complete range of tailored and standardized human resources products and services, on a reimbursable basis, designed to meet the unique and dynamic needs of the Federal Government, including operationalizing Government-wide HR policies and other key human capital initiatives. As such, HRS provides customer agencies with innovative, high quality Government-to-Government solutions to help them develop leaders, attract and build a high quality public sector workforce, and achieve long-lasting mission success. This includes recruiting and examining candidates for positions for employment by Federal agencies nationwide; managing the Leadership for a Democratic Society program and other leadership, management, and professional development programs; automating the full range of Federal rules and procedures for staffing, learning and performance management; operating the USAJOBS online recruitment site; developing specialized assessments and performance management strategies; providing comprehensive HR strategy; and offering Federal customers human capital management, organizational performance improvement, and training and development expertise procured through best-in-class contracts.

Suitability Executive Agent (SuitEA) was established as a distinct program office within OPM in December 2016 to strengthen the effectiveness of suitability, fitness, and credentialing vetting across the Government. SuitEA prescribes suitability standards and conducts oversight of functions delegated to the heads of agencies while retaining jurisdiction for certain suitability determinations and taking

Government-wide suitability actions when appropriate. SuitEA also issues guidelines and instructions to the heads of agencies to promote appropriate uniformity, centralization, efficiency, effectiveness, reciprocity, timeliness, and security in suitability/fitness/credentialing processes.

Mission Support Services

Human Resources (HR) is responsible for OPM's internal human resources management programs. OPM HR supports the human capital needs of program offices throughout the employment lifecycle, from recruiting and hiring candidates for employment opportunities at OPM, to coordinating career development opportunities, to processing retirement applications. The Chief Human Capital Officer leads HR, and is responsible for shaping corporate human resources strategy, policy, and solutions to workforce management challenges within the agency.

Office of the Chief Financial Officer (OCFO) provides leadership and coordination of OPM financial management services, accounting, financial systems, budget, performance, enterprise risk management, and internal controls programs which enable the agency to achieve strategic objectives and mission. Additionally, the OCFO ensures the completion of timely and accurate financial reports that support decision making, comply with Federal requirements, and demonstrate effective management of taxpayer dollars.

Office of the Chief Information Officer (OCIO) develops the Information Resource Management Plan and defines the information technology vision and strategy to include information technology policy and security for OPM. The OCIO manages the IT infrastructure that supports OPM business applications and operations. The OCIO shapes the application of technology in support of the agency's strategic plan, including information technology that outlines the long-term strategic architecture and systems plans for agency information technology capital planning. The OCIO supports and manages pre- and post-implementation reviews of major information technology programs and projects, as well as project tracking at critical review points. The OCIO provides review and oversight of major information technology acquisitions for consistency with the agency's architecture and the information technology budget, and is responsible for the development of the agency's information technology security policies. The OCIO leads the agency's information technology architecture engineering to further architecture integration, design consistency, and compliance with Federal standards. The OCIO also works with other agencies on Government-wide projects such as IT Modernization, Cloud Email Adoption, and developing long-term plans for human resource information technology strategies.

Facilities, Security & Emergency Management (FSEM) manages the agency's personal and real property, building operations, space design and layout, mail management, physical security and safety, and occupational health programs. FSEM provides personnel security, suitability, and national security adjudicative determinations for OPM personnel. FSEM oversees OPM's Personal Identification Verification program and provides shared service adjudicative services to other government agencies. FSEM directs the operations and oversees OPM's preparedness and emergency response programs. In addition, it oversees publishing and printing management for internal and external design and reproduction.

Office of Procurement Operations (OPO) awards and administers several thousand contract actions and interagency agreements annually, with an estimated value of \$1 billion. OPO provides acquisition support to OPM programs and provides assisted acquisition services in support of other Federal agencies that require support under OPM contracts. OPO supports the agency suspension and debarment program, as well as supports the small business utilization efforts for OPM in conjunction with public law, Federal regulations, and OPM contracting policies. The Acquisition Policy and Innovation function within OPO provides acquisition policy development and guidance agency-wide, as well as provides compliance and oversight over OPM's procurement program. OPO provides acquisition support and oversight for all Contracting Officers and Contracting Officer Representatives, and manages and provides oversight of the purchase card program. OPO serves as OPM's liaison to the Office of Federal Procurement Policy, Chief Acquisition Officers Council, and other key external agency partnerships.

Office of Small and Disadvantaged Business Utilization (OSDBU) manages the development and implementation of appropriate outreach programs aimed at heightening the awareness of the small business community to the contracting opportunities available within OPM. The office's responsibilities, programs, and activities are managed under three lines of business: advocacy, outreach, and unification of the business process.

Equal Employment Opportunity (EEO) provides a fair, legally-correct, and expeditious EEO complaints process (for example, EEO counseling, Alternative Dispute Resolution, and EEO Complaints Intake, Investigation, Adjudication, and Record-Keeping). EEO also designs and implements all required internal OPM diversity and inclusion efforts to promote diversity management.

Other Offices

Federal Prevailing Rate Advisory Committee (FPRAC) studies the prevailing rate system and other matters pertinent to the establishment of prevailing rates under Subchapter IV of Chapter 53 of Title V, United States Code, and advises the Director of OPM on the Government-wide administration of the pay system for blue-collar Federal employees.

Performance Budget by Strategic Goal

This section aligns OPM’s FY 2020 budget request to the agency’s strategic plan. Funding amounts, performance measures and targets, and next steps are detailed for each objective in the strategic plan. It is intended to meet the requirements of the Office of Management and Budget (OMB) Circular A-11, Part 6, Section 240 – *Annual Performance Planning*.

The OPM Strategic Plan includes three strategic goals as well as one operational excellence goal to improve both program operations and cross-cutting management functions. The agency’s goals and objectives will guide efforts to accomplish OPM’s mission to *lead and serve the Federal Government in enterprise human resources management by delivering policies and services to achieve a trusted effective civilian workforce* and achieve its vision for “*Empowering Excellence in Government through Great People.*”

Goals

Strategic Goal 1: Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce.

Strategic Goal 2: Lead the establishment and modernization of human capital information technology and data management systems and solutions.

Strategic Goal 3: Improve integration and communication of OPM services to Federal agencies to meet emerging needs.

Operational Excellence Goal 4: Optimize agency performance.

Additional Mission Activities Aligned to Key Functions

OPM performs certain functions as required by law or Executive Order that do not align directly with a specific strategic goal within the strategic plan. Such functions include, for example, the administration of the Combined Federal Campaign, providing voting rights observations for the Department of Justice (DOJ), and operating the President’s Commission on White House Fellowships.

Additional Mission Support Activities

OPM has also included in its budgetary request funds for information technology, contracting, facilities and security, financial management, and overhead functions. These administrative and executive leadership activities are grouped in the strategic plan as capacity-enabling functions.

The following table shows the resources budgeted against each of OPM’s goals. All resources are shown for each goal, including financing from:

- Advances and Reimbursements from other agencies for services performed on behalf of those agencies or to finance shared commitments such as the Chief Human Capital Officers Council;
- Common Services, which is an internal fund comprised of contributions from all of OPM’s funding sources to finance the administrative functions within the agency.

FY 2020 Budget Request by Goal and Fund—All Resources

Strategic Objectives	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	\$589,106,000	245.8
Salaries & Expenses	\$11,479,000	68.8
Trust Fund Annual	\$23,998,000	121.0
Revolving Fund	\$553,629,000	56.0
Lead the establishment and modernization of human capital information technology and data management systems and solutions	\$9,256,000	23.9
Common Services	\$0	0.0
Salaries & Expenses	\$4,152,000	21.9
Revolving Fund	\$5,104,000	2.0
IT Modernization S&E	\$0	0.0
Improve integration and communication of OPM services to Federal agencies to meet emerging needs	\$13,580,000	92.0
Salaries & Expenses	\$13,245,000	90.0
Revolving Fund	\$335,000	2.0
Optimize Agency Performance	\$133,384,000	1,100.9
Common Services	\$12,418,000	38.5
Salaries & Expenses	\$3,730,000	0.0
IT Modernization S&E	\$2,257,000	1.4
Trust Fund Annual	\$66,506,000	594.0
5 USC 8348 (a)(1)(B) - Retirement	\$46,522,000	455.0
FERCCA (P.L. 106-265) - Retirement	\$1,951,000	12.0
Additional Mission and Mission Support Activities	\$571,925,000	1,304.2
Common Services	\$96,495,000	330.0
Salaries & Expenses	\$82,139,000	230.3
IT Modernization S&E	\$6,743,000	5.2
Trust Fund Annual	\$28,034,000	66.7
Revolving Fund	\$337,779,000	622.0
Advances & Reimbursements Annual	\$8,288,000	22.0
Advances & Reimbursements No Year	\$2,476,000	6.0
5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) - Dental & Vision	\$7,060,000	15.0
5 USC 9004(f)(B) - Long-Term Care	\$934,000	6.0
5 USC 8348 (a)(1)(B) - Retirement	\$1,963,000	1.0
FERCCA (P.L. 106-265) - Retirement	\$14,000	0.0
Salaries & Expenses - OIG	\$0	0.0
Trust Fund Annual - OIG	\$0	0.0
OPM Total	\$1,317,251,000	2,766.8

Note: This table includes the budget of administrative activities funded by OPM's Common Services. Financing for Common Services from the Revolving Fund is also reflected.

The following table is a more granular view of the prior table. It shows the operating resources budgeted to each objective within the goals, and includes financing from:

- Advances and Reimbursements from other agencies for services performed on behalf of those agencies or to finance shared commitments such as the Chief Human Capital Officers Council (CHCOC) and the Security, Suitability, and Credentialing Line of Business;
- Resources spent as Common Services, which is an internal fund comprised of contributions from all of OPM’s funding sources to finance the administrative functions of the agency.

FY 2020 Budget Request by Goal and Objective—All Resources

STRATEGIC_GOAL	STR_NO	STRATEGY	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	1.1	Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner	\$15,691,000	112.6
	1.2	Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets	\$1,844,000	12.0
	1.3	Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform	\$1,573,000	10.2
	1.4	Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans	\$23,398,000	111.0
	1.5	Transform the background investigation process to improve investigation timeliness	\$546,600,000	0.0
	Strategic Goal Total			\$589,106,000
Lead the establishment and modernization of human capital information technology and data management systems and solutions	2.1	Improve collection and analysis of data to better inform human capital management decisions	\$2,678,000	14.9
	2.2	Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022	\$5,578,000	9.0
	2.3	Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements	\$1,000,000	0.0
	Strategic Goal Total			\$9,256,000
Improve integration and communication of OPM services to Federal agencies to meet emerging needs	3.1	Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies’ achievement of human capital objectives	\$13,156,000	88.8
	3.2	Achieve recognition as the trusted human capital management advisor	\$424,000	3.2
	Strategic Goal Total			\$13,580,000

STRATEGIC_GOAL	STR_NO	STRATEGY	Dollars	FTE
Optimize Agency Performance	4.1	Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM's collaborative management score by 4 percentage points	\$8,090,000	1.0
	4.2	Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM's score in dealing with poor performers by 4 percentage points	\$1,720,000	9.0
	4.3	Exceed the Government-wide average satisfaction score for each agency mission support service	\$8,147,000	27.9
	4.4	Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less	\$115,427,000	1,063.0
	Strategic Goal Total			\$133,384,000
Additional Mission and Mission Support Activities	5.1	Additional Mission Activities Aligned to Key Functions	\$316,987,000	702.0
	5.2	Additional Mission Support Activities	\$254,938,000	602.2
	Strategic Goal Total			\$571,925,000
OPM Total			\$1,317,251,000	2,766.8

FY 2020 Budget Request by Goal and Organization—All Resources

The following table shows FY 2020 operating resources for each strategic goal by organization. This includes:

- Advances and Reimbursements from other agencies for services performed on behalf of those agencies or to finance shared commitments such as the Chief Human Capital Officers Council; and
- resources spent as Common Services which is an internal fund comprised of contributions from all of OPM’s funding sources to finance the administrative functions within the agency.

	<u>Goal 1 Description</u>	<u>Goal 2 Description</u>	<u>Goal 3 Description</u>	<u>Goal 4 Description</u>	<u>Goal 5 Description</u>	
	Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	Lead the establishment and modernization of human capital information technology and data management systems and solutions	Improve integration and communication of OPM services to Federal agencies to meet emerging needs	Optimize Agency Performance	Additional Mission and Mission Support Activities	Total
<u>Organization Name</u>						
Chief Human Capital Officer Council	\$0	\$0	\$0	\$0	\$900,000	\$900,000
Congressional, Legislative and Intergovernmental Affairs	\$73,000	\$0	\$0	\$0	\$1,896,000	\$1,969,000
Employee Services	\$9,792,000	\$2,165,000	\$4,714,000	\$0	\$13,170,000	\$29,841,000
Equal Employment Opportunity	\$0	\$0	\$0	\$0	\$1,026,000	\$1,026,000
Facilities, Security & Emergency Management	\$0	\$0	\$0	\$125,000	\$14,407,000	\$14,532,000
Federal Prevailing Rate Advisory Committee	\$0	\$0	\$0	\$0	\$167,000	\$167,000
Healthcare & Insurance	\$22,498,000	\$0	\$0	\$0	\$15,926,000	\$38,424,000
HR Solutions	\$0	\$1,954,000	\$335,000	\$0	\$229,342,000	\$231,631,000

	<u>Goal 1 Description</u>	<u>Goal 2 Description</u>	<u>Goal 3 Description</u>	<u>Goal 4 Description</u>	<u>Goal 5 Description</u>	
	Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	Lead the establishment and modernization of human capital information technology and data management systems and solutions	Improve integration and communication of OPM services to Federal agencies to meet emerging needs	Optimize Agency Performance	Additional Mission and Mission Support Activities	Total
<u>Organization Name</u>						
Merit System Accountability & Compliance	\$714,000	\$358,000	\$8,401,000	\$0	\$6,984,000	\$16,457,000
National Background Investigations Bureau (NBIB)	\$546,600,000	\$0	\$0	\$0	\$0	\$546,600,000
Office of Communications	\$0	\$0	\$130,000	\$0	\$2,139,000	\$2,269,000
Office of Procurement Operations	\$0	\$0	\$0	\$1,072,000	\$4,627,000	\$5,699,000
Office of Small and Disadvantaged Business Utilization	\$0	\$0	\$0	\$0	\$431,000	\$431,000
Office of Strategy and Innovation	\$0	\$155,000	\$0	\$0	\$5,599,000	\$5,754,000
Office of the Chief Financial Officer	\$0	\$0	\$0	\$4,283,000	\$39,855,000	\$44,138,000
Office of the Chief Information Officer	\$900,000	\$0	\$0	\$20,229,000	\$188,205,000	\$209,334,000
Office of the Director	\$0	\$4,624,000	\$0	\$0	\$4,094,000	\$8,718,000
Office of the General Counsel	\$0	\$0	\$0	\$0	\$6,179,000	\$6,179,000
Office of the Inspector General	\$0	\$0	\$0	\$0	\$0	\$0
OPM Human Resources	\$0	\$0	\$0	\$4,441,000	\$3,167,000	\$7,608,000
Rent/Centrally Funded Items	\$0	\$0	\$0	\$0	\$24,190,000	\$24,190,000
Retirement Services	\$1,500,000	\$0	\$0	\$103,234,000	\$0	\$104,734,000

	<u>Goal 1 Description</u>	<u>Goal 2 Description</u>	<u>Goal 3 Description</u>	<u>Goal 4 Description</u>	<u>Goal 5 Description</u>	
	Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	Lead the establishment and modernization of human capital information technology and data management systems and solutions	Improve integration and communication of OPM services to Federal agencies to meet emerging needs	Optimize Agency Performance	Additional Mission and Mission Support Activities	Total
<u>Organization Name</u>						
Security, Suitability and Credentialing Line of Business(SSCLOB)	\$0	\$0	\$0	\$0	\$7,500,000	\$7,500,000
Suitability Executive Agent Programs	\$7,029,000	\$0	\$0	\$0	\$1,313,000	\$8,342,000
White House Fellows	\$0	\$0	\$0	\$0	\$808,000	\$808,000
OPM Total	\$589,106,000	\$9,256,000	\$13,580,000	\$133,384,000	\$571,925,000	\$1,317,251,000

*This table includes the budget administrative activities funded by OPM’s Common Services. Financing for Common Services from the Revolving Fund is also reflected

Additional Mission Activities Aligned to Key Functions

OPM performs certain functions as required by law or Executive Order that do not align directly with a specific strategic goal within the strategic plan. These mandated functions also include programs that benefit the Government at-large, including the administration of the Combined Federal Campaign, providing voting rights observations for the Department of Justice (DOJ), and operating the President's Commission on White House Fellows.

Key Functions

Human Capital Management Leadership

Policy

OPM supports policy implementation for Government-wide human resources systems and programs. In addition, OPM provides technical support and guidance to agencies regarding the full range of human resources (HR) management policies and practices. OPM responds to agency requests to exercise certain Government-wide personnel management authorities that are centrally administered or subject to OPM approval under the law/regulation. The agency also provides stewardship and supports the implementation of Administration priorities and goals concerning Government-wide human capital management matters.

Service

OPM provides HR products and services to meet the evolving human capital needs and mission requirements of the Federal Government. The products and services are designed to enable the execution of Government-wide HR strategy and policy as well as the human capital priorities of each Administration. To support this activity, OPM has a nationwide cadre of human capital specialists, psychologists, educators, IT specialists, and program managers along with numerous private sector allies that assist Federal agencies in developing leaders, attracting and building a high quality public sector workforce, deploying Human Resources Information Technology Transformation (HRITT) capabilities and strategies, and transforming these agencies into high performing organizations.

OPM provides agencies with access to pre-competeted private contractors through a unique partnership between OPM and the General Services Administration (GSA) as part of the Government-wide Category Management effort. The private contractors, comprised of large and small companies, complement OPM's internal capabilities in the areas of human capital management, organizational design, and learning and development. These companies observe Federal HR rules and policies in order to provide their products and services to Federal agencies under the oversight and guidance of OPM experts.

OPM provides a leadership development continuum that enables Federal executives, managers, and aspiring leaders to acquire knowledge and master skills so they can lead within a rapidly changing Government environment. Anchored by the Federal Executive Institute, OPM's leadership development infrastructure and programs also include the Eastern and Western Management Development Centers, the Presidential Management Fellows Program, and the Lab at OPM.

OPM generates Government-wide benefits through HRITT consolidation, standardization, and modernization. OPM offers Federal HRITT systems such as Enterprise Human Resource Integration, USA Learning, USA Staffing, USA Hire, and USA Performance. OPM is also developing the necessary information technology infrastructure to facilitate the exchange of human resources data and information Government-wide. Through its Human Resources Line of Business, OPM leads the Government-wide transformation of human resources information technology by focusing on modernization, integration, and performance assessment.

OPM maintains USAJOBS, the official job site of the Federal Government. It is the one-stop source for Federal jobs and employment information by which Federal agencies meet their legal obligations to provide public notice of Federal employment opportunities to Federal employees and American citizens. Many agencies use this platform even when it is not required. The USAJOBS website is the portal for Federal recruitment for most Government positions, whether competitively or non-competitively sourced.

Oversight

Through OPM's oversight evaluation work, special studies, and collaboration with agencies, OPM makes sure Federal human resources programs and human capital management systems are effective and meet merit system principles and related civil service requirements. OPM works directly with agencies to make improvements or changes to programs that are ineffective, inefficient, or not in compliance with Federal law to help them achieve mission objectives. OPM also adjudicates classification appeals, job grading appeals, Fair Labor Standards Act claims, compensation and leave claims, and declination of reasonable appeals, which provide Federal employees with procedural rights to challenge compensation and related agency decisions.

Benefits

Federal Benefits for Employees and Annuitants

OPM offers the availability of quality benefits for Federal employees and their families. The agency works to facilitate access to the high-caliber healthcare and insurance programs offered by the Federal Government, including health insurance, dental and vision insurance, flexible spending accounts, life insurance; and long-term care insurance programs. OPM manages insurance benefits for more than eight million Federal employees, retirees, and their families, and employees of tribes or tribal organizations. Effective in 2019, FEDVIP is available to approximately 5.86 million individuals that are eligible as: military retirees and their families, members of the Retired Reserve, non-active Medal of Honor recipients, or survivors and family members of active-duty service members. OPM also develops and administers programs that provide health insurance to uninsured Americans through Affordable Insurance Exchanges.

Retirement

OPM is responsible for the administration of the Federal Retirement Program covering more than 2.7 million active employees, including the United States Postal Service, and nearly 2.6 million annuitants, survivors, and family members. OPM also administers, develops, and provides Federal employees, retirees, and their families with benefits programs and services that offer choice, value, and quality to help

maintain the Government’s position as a competitive employer. Activities include record maintenance and service credit accounts prior to retirement, initial eligibility determinations at retirement, adjudicating annuity benefits based on age and service, disability or death based on a myriad of laws and regulations, post retirement changes due to numerous life events, health and life insurance enrollments, Federal and state tax deductions, as well as other payroll functions.

Vetting

OPM is responsible for prescribing suitability, fitness, and credentialing standards for Government employees and contractors. The agency issues guidelines and instructions to the heads of other agencies to promote uniformity and effectiveness when executing their delegated responsibilities, and OPM conducts oversight of agencies’ programs and processes in this area. OPM retains jurisdiction of suitability adjudications in circumstances where a Government-wide bar of an individual from Federal service is necessary to promote efficiency and protect the integrity of the service. The agency also provides Government-wide training for investigators and adjudicators that conforms to Government-wide training standards.

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Additional Mission and Mission Support Activities				
5.1-Additional Mission Activities Aligned to Key Functions			\$316,987,000	702.0
	Office of the Chief Information Officer	Revolving Fund	\$40,983,000	14.0
	Employee Services	Salaries & Expenses	\$9,373,000	59.8
	Healthcare & Insurance	Salaries & Expenses	\$955,000	6.0
		Trust Fund Annual	\$6,864,000	27.0
		5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) - Dental & Vision	\$7,019,000	15.0
		5 USC 9004(f)(B) - Long-Term Care	\$925,000	6.0
		5 USC 8348 (a)(1)(B) - Retirement	\$163,000	1.0
	HR Solutions	Revolving Fund	\$199,358,000	461.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$2,162,000	14.8
		Common Services	\$1,200,000	8.0
		Advances & Reimbursements No Year	\$2,396,000	6.0
	Rent/Centrally Funded Items	Salaries & Expenses	\$10,340,000	0.0
		Trust Fund Annual	\$12,786,000	0.0
		5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) - Dental & Vision	\$41,000	0.0
		5 USC 9004(f)(B) - Long-Term Care	\$9,000	0.0
		5 USC 8348 (a)(1)(B) - Retirement	\$1,000,000	0.0
		FERCCA (P.L. 106-265) - Retirement	\$14,000	0.0
	Suitability Executive Agent Programs	Revolving Fund	\$1,313,000	0.0

Strategic Objectives	Organization	Fund	Dollars	FTE
	Security, Suitability and Credentialing Line of Business(SSCLOB)	Salaries & Expenses	\$500,000	0.0
		Advances & Reimbursements Annual	\$7,000,000	13.0
	White House Fellows	Salaries & Expenses	\$808,000	5.0
	Office of Strategy and Innovation	Salaries & Expenses	\$5,599,000	31.4
	Office of the General Counsel	Common Services	\$6,179,000	34.0
OPM Total			\$316,987,000	702.0

Additional Mission Support Activities

OPM has also included in its budgetary request funds for information technology, contracting, facilities and security, financial management, and overhead functions that do not align directly with a specific strategic goal within the strategic plan.

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Additional Mission and Mission Support Activities				
5.2-Additional Mission Support Activities			\$254,938,000	602.2
	Chief Human Capital Officer Council	Advances & Reimbursements Annual	\$900,000	6.0
	Office of the Chief Information Officer	Salaries & Expenses	\$33,870,000	37.9
		Trust Fund Annual	\$14,000	0.0
		Common Services	\$47,197,000	106.0
		Revolving Fund	\$66,141,000	110.0
	Congressional, Legislative and Intergovernmental Affairs	Salaries & Expenses	\$1,896,000	12.8
	Employee Services	Salaries & Expenses	\$3,797,000	15.0
	Equal Employment Opportunity	Common Services	\$1,026,000	7.0
	Facilities, Security & Emergency Management	Salaries & Expenses	\$2,000,000	0.0
		Common Services	\$12,407,000	67.0
	Federal Prevailing Rate Advisory Committee	Salaries & Expenses	\$167,000	1.0
	HR Solutions	Revolving Fund	\$29,984,000	37.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$1,146,000	4.6
		Advances & Reimbursements No Year	\$80,000	0.0
	Office of Communications	Salaries & Expenses	\$2,139,000	13.0
	Office of Procurement Operations	Salaries & Expenses	\$1,068,000	4.0
		Common Services	\$3,559,000	22.0
	Office of Small and Disadvantaged Business Utilization	Common Services	\$431,000	2.0
	Office of the Chief Financial Officer	Salaries & Expenses	\$2,225,000	0.0
		IT Modernization S&E	\$6,743,000	5.2
		Trust Fund Annual	\$8,370,000	39.7
		Common Services	\$21,329,000	68.0
		Advances & Reimbursements Annual	\$388,000	3.0
		5 USC 8348 (a)(1)(B) - Retirement	\$800,000	0.0
	Office of the Director	Salaries & Expenses	\$4,094,000	25.0
	OPM Human Resources	Common Services	\$3,167,000	16.0
OPM Total			\$254,938,000	602.2

Strategic Goal 1: Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce

Performance Budget Request by Objective, Organization and Fund—All Resources

		FY 2020 CBJ	
Strategic Objectives	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce			
1.1-Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner		\$15,691,000	112.6
Employee Services	Salaries & Expenses	\$7,948,000	51.5
Merit System Accountability & Compliance	Salaries & Expenses	\$714,000	5.1
Suitability Executive Agent Programs	Revolving Fund	\$7,029,000	56.0
1.2-Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets		\$1,844,000	12.0
Employee Services	Salaries & Expenses	\$1,844,000	12.0
1.3-Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform		\$1,573,000	10.2
Congressional, Legislative and Intergovernmental Affairs	Salaries & Expenses	\$73,000	0.2
Retirement Services	Trust Fund Annual	\$1,500,000	10.0
1.4-Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans		\$23,398,000	111.0
Office of the Chief Information Officer	Salaries & Expenses	\$900,000	0.0
Healthcare & Insurance	Trust Fund Annual	\$22,498,000	111.0
1.5-Transform the background investigation process to improve investigation timeliness		\$546,600,000	0.0
National Background Investigations Bureau (NBIB)	Revolving Fund	\$546,600,000	0.0
OPM Total		\$589,106,000	245.8

Strategic Objective 1.1: Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner

Strategic Objective Owner: Kim Holden, Deputy Associate Director, Talent Acquisition and Workforce Shaping, ES

Deputy Strategic Objective Owners: Ana Mazzi, Deputy Associate Director, MSAC; Dianna Saxman, Deputy Associate Director, Federal Staffing Group, HRS

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, ES will develop a strategy and action plan to examine a variety of hiring mechanisms and processes. This will include amending the May 2010 Presidential Memorandum mandating the use of “category rating” for competitive examining. Experience has shown “numerical ranking” can lead to more meaningful distinctions among applicants in certain circumstances. ES will implement a provision in the recently passed National Defense Authorization Act that eliminates the “rule of three,” and by implementing regulation, gives agencies authority to define the number of candidates they will consider at a time, using a cut-off score or similar mechanism. The revision will not change the application of veterans’ preference – veterans will still receive preference points under this procedure. Agencies could also continue using “category rating” at their discretion. In addition, ES will develop implementing regulations to implement newly-enacted provisions intended to allow Federal agencies greater flexibility in hiring students and recent graduates.

In FY 2019, ES, MSAC, HRS and OCIO will develop a robust suite of educational options and technological tools to assist hiring managers in recruiting and selecting the best candidates for their positions. Launching the Federal Human Resources Institute, staffing curriculum, designed specifically for the Federal HR workforce, will provide the knowledge platform for effective human resource consultative services. OPM will also develop and manage a dedicated Customer Relationship Management tool, which will allow hiring managers to maintain nationwide outreach contacts. Further, OPM will summarize and post Hiring Manager Satisfaction Survey results on the OPM website to promote easier access and increased transparency.

Also in FY 2019, SuitEA will continue to execute its FY 2018-2020 suitability strategic plan. To form and foster an engaged suitability community, SuitEA will expand two-way communication platforms. SuitEA will host regular community meetings that promote networking; increase engagement, and encourage information exchange; revamp the SuitEA website to provide content that is more meaningful to the vetting community; issue a regular suitability newsletter; and, encourage greater use of the SuitEA mailbox and hotlines. SuitEA will continue to modernize the guidance it provides to agencies by transforming its Suitability Processing Handbook into a series of user-friendly and accessible volumes of updated policies. SuitEA will continue to work with the Office of the Director of National Intelligence and the Performance Accountability Council on the Trusted Workforce 2.0 initiative to transform the approach to vetting, and will produce preliminary findings and artifacts within the first quarter of FY 2019.

In FY 2020, ES, in collaboration with MSAC, will focus on bringing its legislative proposals to regulatory fruition by authoring and implementing regulations. ES will also launch an educational campaign to communicate the impacts of proposed changes to stakeholders.

SuitEA will work with ES to integrate information needed for vetting into hiring tools to eliminate “stove-piped” processes that increase the time to hire. In FY 2020, SuitEA will close existing gaps in vetting processes by issuing comprehensive standards for adjudication of fitness, and will provide expanded training offerings that meet the needs of agencies’ fitness adjudicators.

OPM will advance progress toward the related Agency Priority Goal to improve the hiring process (please refer to the Agency Priority Goal chapter), and contribute to the related Cross-Agency Priority Goal to develop a workforce for the 21st Century (please refer to the President’s Management Agenda chapter).

Implementation Organizations:

ES, MSAC, and SuitEA

Performance Measure

Performance Measure	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
	Result	Result	Result	Target	Target
Hiring manager satisfaction that applicants are referred in a timely manner and with the skills to perform the job	75.2	71.5	74.3	76.8	76.8

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce			
1.1-Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner		\$15,691,000	112.6
Employee Services	Salaries & Expenses	\$7,948,000	51.5
Merit System Accountability & Compliance	Salaries & Expenses	\$714,000	5.1
Suitability Executive Agent Programs	Revolving Fund	\$7,029,000	56.0
OPM Total		\$15,691,000	112.6

Strategic Objective 1.2: Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets

Strategic Objective Owner: Brenda Roberts, Deputy Associate Director, Pay & Leave, ES

Deputy Strategic Objective Owners: Kim Holden, Deputy Associate Director, Talent Acquisition and Workforce Shaping, ES; Tim Curry, Deputy Associate Director, Accountability and Workforce Relations, ES; Laura Lynch, Deputy Associate Director, SES & Performance Management, ES

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

By the end of FY 2019, ES will develop legislative, regulatory, and administrative options for reforming Federal employee compensation and leave benefits systems and provide support to the Administration during the remainder of the year to secure passage of such legislation through the Congress. ES conducted a literature review of available pay and leave reform research which included studies conducted by GAO, Congressional Budget Office, Bureau of Labor Statistics, and other non-governmental organizations and assessed them for common themes. This will inform the pay and leave options. ES will continue to collect data on the use of special pay authorities for analysis and future monitoring, and provide technical support, on behalf of the President's Pay Agent, to the Federal Salary Council as it considers improvements to the pay comparability methodology and criteria for General Schedule locality pay.

In FY 2020, ES will refine and enhance legislative, regulatory, and administrative options for reforming Federal compensation and leave benefit systems. ES will provide leadership and assist agencies in implementing and optimizing the use of any new or existing pay and leave authorities and flexibilities to address agency workforce needs.

Implementation Organizations:

ES

Milestones

Target Completion Date	Description	Status
FY 2018	Complete a study identifying potential areas of improvement in Federal employee compensation and leave benefits systems	Met

Target Completion Date	Description
FY 2019	Develop options for reforming Federal employee compensation and leave benefits systems (legislative)
FY 2020	Develop additional options for reforming Federal employee compensation and leave benefits systems (regulatory and administrative)

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce			
1.2-Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets		\$1,844,000	12.0
Employee Services	Salaries & Expenses	\$1,844,000	12.0
OPM Total		\$1,844,000	12.0

Strategic Objective 1.3: Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform

Strategic Objective Owner: Ken Zawodny, Associate Director, RS

Deputy Strategic Objective Owner: Janel Fitzhugh, Chief, Legislative Affairs, CLIA

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, RS and CLIA will develop and submit to OMB additional retirement-related draft bills for interagency clearance. These draft bills should reduce the complexity or cost of administering the Federal retirement program.

In FY 2020, RS and CLIA will continue to research retirement benefits. Based on the results of such research, RS and CLIA will develop additional proposals that can assist with reducing the complexity or cost of administering the Federal retirement program.

Implementation Organizations:

RS and CLIA

Milestones

Target Completion Date	Description	Status
FY 2018	Submit four legislative proposals for transmittal to Congress	Met

Target Completion Date	Description
FY 2019	Submit at least two retirement reform proposals to the Office of Management and Budget (OMB) for interagency clearance
FY 2020	Submit at least two retirement reform proposals to the Office of Management and Budget (OMB) for interagency clearance

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce			
1.3-Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform		\$1,573,000	10.2
	Congressional, Legislative and Intergovernmental Affairs	Salaries & Expenses	\$73,000 0.2
	Retirement Services	Trust Fund Annual	\$1,500,000 10.0
OPM Total		\$1,573,000	10.2

Strategic Objective 1.4: Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans

Strategic Objective Owner: Alan Spielman, Director, HI

Deputy Strategic Objective Owner: Laurie Bodenheimer, Deputy Director, HI

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, HI will provide technical assistance to FEHB carriers to foster their progress toward higher Clinical Quality, Customer Service, and Resource Use scores in the FEHB Plan Performance Assessment, through quarterly meetings of the Plan Performance Assessment best practices workgroup, the annual FEHB Call Letter (released in the second quarter of each fiscal year), educational sessions at the FEHB Carrier Conference each March, and carrier-specific performance feedback provided annually. To increase the affordability of FEHB plans, OPM will continue to review the agency's guidance on high deductible health plans with health savings accounts to determine the need for additional flexibility for carriers. In FY 2019, OPM will determine legislative or regulatory changes that would more strongly incentivize carriers to prioritize transparency, quality and affordability. HI will improve the Plan Comparison Tool to provide more information to promote informed decision-making.

In FY 2019, HI will also improve data collection from carriers and enhance OPM's analysis of existing data in order to provide benchmarking information to carriers on key trends, identify gaps in pharmaceutical drug coverage, and identify potential adverse selection due to formulary design. In addition, OPM will seek to improve the portfolio of available FEHB plans and enhance competition by identifying and recruiting high-performing carriers to participate in the FEHB by offering comprehensive medical plans.

Further, in FY 2019, HI will conduct a procurement to determine whether to contract with a carrier to offer coverage under the Indemnity Benefit Plan starting in plan year 2020. HI will also explore opportunities to obtain additional funding to support the creation of the FEHB Central Enrollment Program (CEP). HI will lay the groundwork for the Central Enrollment Program by working with OCIO in FY 2019 to implement daily transmissions, with enhanced data validations, for all incoming enrollment transactions from OPM's Macon Data Hub to FEHB carriers. In addition, HI will pursue required regulatory changes and sub-regulatory guidance needed for CEP implementation. Further, HI will conduct market research to include a Request for Information to further assess the capabilities of enrollment services and applications provided by current HI/FEHB partners as well as other entities in order to determine the feasibility of using these to implement the CEP.

In FY 2020, HI will continue to partner with OCIO toward CEP implementation by determining the technology solution and finalizing our procurement strategy. Depending on available funding, we hope to work towards implementing a CEP pilot. FY 2020 activities would include determining the agencies and populations that will participate in a pilot, establishing operational procedures for the pilot, and populating the data store with historical data. To promote robust decision support, in addition to further refinements to the Plan Comparison Tool, HI will consider other potential improvements to its consumer-

facing plan materials, including the FEHB plan brochure. HI will also engage in extensive outreach and education to agency benefits officers, FEHB carriers, and other stakeholders regarding CEP planning and implementation.

Also in FY 2020, HI will continue its ongoing work on Plan Performance Assessment, including analysis of specific FEHB Plan Performance Assessment measures, and will collaborate with measure stewards, endorsing bodies, and other government agencies to ensure that Plan Performance Assessment measures remain current and relevant. In addition, HI will implement updated Clinical Quality, Customer Service, and Resource Use measures and priority weights.

Provided HI receives at least one high-quality, responsive bid fulfilling HI requirements, the Indemnity Benefit Plan carrier will become effective January 1, 2020.

Implementation Organizations:

HI and OCIO

Performance Measure

Performance Measure	FY 2016 Result	FY 2017 Result	FY 2018 Result	FY 2019 Target	FY 2020 Target
Percent of FEHB enrollees in quality affordable plans	74.3%	74.2%	Expected Mar 2019	75%	75%

*No historical data available for this period.

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce			
1.4-Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans		\$23,398,000	111.0
Office of the Chief Information Officer	Salaries & Expenses	\$900,000	0.0
Healthcare & Insurance	Trust Fund Annual	\$22,498,000	111.0
OPM Total		\$23,398,000	111.0

Strategic Objective 1.5: Transform the background investigation process to improve investigation timeliness

Strategic Objective Owner: Charles Phalen, Jr., Director, NBIB

Deputy Strategic Objective Owners: Jorge Shimabukuro, Deputy Assistant Director, NBIB

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

This objective will be discontinued in 2020, as NBIB will move to the Department of Defense.

In FY 2019, NBIB will work with DOD to develop, test, and deploy the National Background Investigations System while maintaining legacy IT systems within OPM for current NBIB operations and to provide a smooth and seamless transition.

NBIB anticipates that the Trusted Workforce 2.0 Framework will greatly impact the work done by NBIB. The expected short-term objective of the Framework is a reduction in the background investigation inventory, and a long-term objective of the Framework is to fundamentally transform the approach for personnel vetting.

NBIB will continue to increase investigative workforce capacity by hiring more Federal investigators and motivate NBIB contractors to employ additional contract investigators, to more expeditiously decrease pending case inventory and improve the timely delivery of high-quality cases to NBIB's Federal agency customers.

NBIB will also enhance its Law Enforcement Liaison Office to increase centralization and outreach efforts, as well as educate the law enforcement community on the needs of the national background investigation program. NBIB will continue to identify law enforcement agencies that are unable to meet background investigation record requests as required under 5 U.S.C. § 9101. In concert with those agencies, NBIB will continue develop a strategy to include identifying resources such as staffing, funding, and automation to permit those agencies to become compliant.

NBIB will further implement a continuous evaluation approach pursuant to guidance prescribed by new Federal Investigative Standards, and Executive Order 13467, as amended. This continuous evaluation approach allows agencies to review background information of an individual at any time during the period of eligibility to determine whether that individual continues to meet the requirements for access to classified information.

Further, NBIB will introduce remote centralized capabilities for statewide law checks and other checks required by the Federal Investigative Standards that are capable of being done remotely from a central location. Creating a centralized law check reduces the average cost per check.

NBIB will also continue to publish investigation prices at a point in time that gives customer agencies sufficient advance notice and supports their budget submission cycle. This will allow Federal customers to better budget for price fluctuations.

The NBIB Counterintelligence Office will expand its ability to identify and evaluate background investigations and related suspicious indicator reporting to help identify potential counterintelligence, counterterrorism, and insider threats.

OPM will add enhanced analytical tools that support background investigations to better anticipate, detect, and counter malicious activities, as well as threats posed by trusted insiders who may seek to do harm to the Government’s personnel, property, and information systems.

Further, NBIB will continue to reduce supply order costs through negotiations, market research, and use of required sources.

Implementation Organizations:

NBIB

Performance Measures

Performance Measure	FY 2016 Result	FY 2017 Result	FY 2018 Result	FY 2019 Target	FY 2020 Target
Percent of investigations determined to be quality complete	99.9%	99.9%	99.9%	99%	Discontinued†
Number of cases in the inventory	573,000*	708,000*	650,000*	585,000	Discontinued‡

* Rounded.

† As of June 2018.

‡ This objective will be discontinued in 2020, as NBIB will move to the Department of Defense.

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce			
1.5-Transform the background investigation process to improve investigation timeliness		\$546,600,000	0.0
National Background Investigations Bureau (NBIB)	Revolving Fund	\$546,600,000	0.0
OPM Total		\$546,600,000	0.0

Strategic Goal 2: Lead the establishment and modernization of human capital information technology and data management systems and solutions

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Fund	Dollars	FTE
Lead the establishment and modernization of human capital information technology and data management systems and solutions			
2.1-Improve collection and analysis of data to better inform human capital management decisions		\$2,678,000	14.9
Employee Services	Salaries & Expenses	\$2,165,000	12.0
Merit System Accountability & Compliance	Salaries & Expenses	\$358,000	2.3
Office of Strategy and Innovation	Salaries & Expenses	\$155,000	0.6
2.2-Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022		\$5,578,000	9.0
HR Solutions	Revolving Fund	\$1,954,000	2.0
Office of the Director	Salaries & Expenses	\$1,474,000	7.0
	Revolving Fund	\$2,150,000	0.0
2.3-Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements		\$1,000,000	0.0
Office of the Director	Revolving Fund	\$1,000,000	0.0
OPM Total		\$9,256,000	23.9

Strategic Objective 2.1: Improve collection and analysis of data to better inform human capital management decisions

Strategy Objective Owner: Rebecca Thacker, Director, OSI

Deputy Strategic Objective Owners: Veronica Villalobos, Principal Deputy Associate Director, ES

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, ES will begin publishing white papers targeted to a human capital management audience about the agency's engagements on strategic forecasting and pilots, and continue to produce research publications. In addition, ES will host four webcasts that connect OPM's Community of Excellence, research professionals, CHCOs, and others across the Federal Government to participate in live discussions on critical human capital management topics. ES will also continue to establish and execute agreements for information sharing and research project collaborations to help advance OPM's human capital management policy initiatives.

In FY 2019 and 2020, OSI will focus on producing evidence-based results of human capital management practices through research utilizing predictive analytic methodology. The latest empirical academic research from top academic journals and scholars into strategic human capital management will be brought to bear on the question of "What do we need to be measuring?" Relationships will be forged with the academic sector and key Federal Government constituents to identify question of interest for modern human capital management practices.

In FY 2020, ES and MSAC will put into practice the concepts gleaned from the most current white papers, strategic documents, and emerging thought leader positions from the Federal Government, private industry and academia. These concepts will be implemented through demonstration and pilot projects.

Implementation Organizations:

ES, MSAC and OSI

Performance Measure

Performance Measure	FY 2016 Result	FY 2017 Result	FY 2018 Result	FY 2019 Target	FY 2020 Target
Percent of OPM policies that embed data analysis and research	-*	-*	72.7%	70%	75%

*No historical data available for this period.

Milestones

Target Completion Date	Description
2019	Finalize OPM's Research Agenda
2020	Develop pilot or demonstration projects based on OPM's Research Agenda

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Fund	Dollars	FTE
Lead the establishment and modernization of human capital information technology and data management systems and solutions			
2.1-Improve collection and analysis of data to better inform human capital management decisions		\$2,678,000	14.9
Employee Services	Salaries & Expenses	\$2,165,000	12.0
Merit System Accountability & Compliance	Salaries & Expenses	\$358,000	2.3
Office of Strategy and Innovation	Salaries & Expenses	\$155,000	0.6
OPM Total		\$2,678,000	14.9

Strategic Objective 2.2: Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022

Strategy Objective Owner: Reginald Brown, Principal Deputy Associate Director, HRS

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, the HRLOB (OD) will complete the Human Capital Federal Integrated Business Framework standards for Agency Human Capital Strategy, Policies, and Operation, and Workforce Analytics and Employee Records.

The HRLOB (OD) will continue to collaborate with GSA's Office of Shared Solutions and Performance Improvement and the payroll shared service provider on NewPay. In FY 2019, the Shared Service Providers will begin writing individual task orders against the blanket purchase agreement awarded by GSA in FY 2018. The Office of Shared Solutions and Performance Improvement will oversee that effort and confirm that the shared service providers are working within the constraints of the selected NewPay Software-as-a-Service providers, as well as Government policies. HRLOB will be supporting the development of standards for this effort. OPM and GSA will be one of the first agencies to join under the blanket purchase agreement in FY 2019, which will start the configuration phase of NewPay, followed by migrations scheduled for FY 2020.

In FY 2019, HRS will engage in initial Human Capital Federal Integrated Business Framework Management mapping and documentation, and complete USA Suite Data Model mapping across all USA Suite applications with aligned USA Suite data model(s).

In FY 2020, the HRLOB (OD) anticipates the completion, and OPM approval, of the Human Capital Federal Integrated Business Framework standards for Employee Relations and Continuous Vetting, Labor Relations, and Agency Human Capital Evaluation.

Also in FY 2020, the HRLOB (OD) will support GSA's Office of Shared Solutions and Performance Improvement, and the payroll shared service provider, to ensure the NewPay Software-as-a-Service solution is adopting the new standards developed by HRLOB. Implementing the business rules and other parts of the Federal Integrated Business Framework standards will be critical for the success of NewPay. OPM will play a role in promoting the correct implementation of Government policies. FY 2020 is the target for implementation of NewPay, with each payroll shared service provider migrating at least one agency (approximately 10,000 employees) to the new platform, and adoption of a Talent Management suite by four agencies.

In FY 2020, HRS will select a private sector provider to support the development of the End-to-End HR Service Delivery capability. It is envisioned this software-as-a-service capability will utilize current HRS best-in-breed HRIT assets (e.g., USA Staffing, Hire, Learning, and Performance), the NewPay application, and other private sector provider HRIT applications to create a fully interoperable talent

management capability. Additionally, it will seek to provide a unified user experience with multi-factor/single sign-on, adopt cloud characteristics and implement an initial set of advanced technologies such as talent analytics, robotics process automation, artificial intelligence/machine learning, or mobile capabilities. The capability is targeted for initial availability to Federal agencies in FY 2021 and full-scale availability in FY 2022.

Implementation Organizations:

HRLOB (OD) and HRS

Milestones

Target Completion Date	Description	Status
FY 2018	Complete Human Capital Federal Integrated Business Framework standards for all Talent Management Functions (Talent Acquisition, Talent Development, Employee Performance Management, Compensation and Benefits, and Separation and Retirement)	Met

Target Completion Date	Description
FY 2019	Make the USAService SaaS solutions available on a FedRamp "high" cloud available to agencies for the complete talent management lifecycle*
FY 2019	Make 1 to 2 additional SaaS solutions available on a FedRamp "high" cloud to agencies for the complete talent management lifecycle†
FY 2019	Complete and approve the Agency HC Strategy, Policies, and Operation Human Capital-Federal Integrated Business Framework
FY 2019	Complete and approve the Workforce Analytics and Employee Records Human Capital-Federal Integrated Business Framework
FY 2020	Complete and approve the Employee Relations and Continuous Vetting Human Capital-Federal Integrated Business Framework
FY 2020	Complete and approve the Labor Relations Human Capital-Federal Integrated Business Framework
FY 2020	Complete and approve the Agency Human Capital Evaluation Human Capital-Federal Integrated Business Framework

*The USA Service initiative was delayed due to transition related actions and is no longer a sole OPM initiative. As outlined in the Administration’s *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations*, GSA and HRS are expected to partner on the development of an End-to-End HR Service Delivery strategy (technology, data and service) that covers the entire Talent Management Lifecycle. The target date for finding a private sector partner is now FY 2020. A solution will more than likely be available in FY 2021.

†HRS is on track for USA Learning to be FedRamp High by the end of FY 2019. This is contingent on the application review process.

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Fund	Dollars	FTE
Lead the establishment and modernization of human capital information technology and data management systems and solutions			
2.2-Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022		\$5,578,000	9.0
HR Solutions	Revolving Fund	\$1,954,000	2.0
Office of the Director	Salaries & Expenses	\$1,474,000	7.0
	Revolving Fund	\$2,150,000	0.0
OPM Total		\$5,578,000	9.0

Objective: 2.3: Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements

Strategy Objective Owner: Jeffrey S. Pollack, Program Manager

Deputy Strategic Objective Owners: Veronica Villalobos, Principal Deputy Associate Director, ES

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, the HRLOB (OD) will use the Human Capital Information Model (a real time registry and repository of human capital data elements, definitions, and metadata that was built using global industry data standards, Federal Government data standards, and best practices) to align with the latest data standards and technology.

In FY 2020, the HRLOB (OD) will expand Federal Government and industry cooperation by releasing integrated data standards, in collaboration with a Multi-agency Executive Strategy Committee. The HRLOB (OD) will also assist OPM program offices with compliance with Federal privacy and data protection rules, and develop guidance and education aids, so that implementers can access a future centralized data repository.

Implementation Organization:

HRLOB (OD)

Milestones

Target Completion Date	Description	Status
FY 2018	Release alpha version of EDR data standard (Payroll and Time & Attendance)	Met
FY 2018	Release beta version of EDR data standard (Payroll and Time & Attendance)	Met
FY 2018	Release first version of EDR data standard so that the HR community can speak a common language	Met
FY 2018	Analyze privacy metadata and prioritize privacy integration	Not Met*
FY 2018	Establish Data Review Board so that OPM leadership demonstrates and executes on the importance of data	Met
FY 2018	Establish Executive Steering Committee so that executive leadership are aware, informed, and in sync with the future strategic and tactical vision of EDR	Met
FY 2018	Establish data feeds based on EDR data standards	Not Met†
FY 2018	Design and prototype state of the art data exchange protocol	Met‡

*Engaged Chief Privacy Officer to tailor the needs of NewPay to System of Record requirements

†OPM is prepared to establish data feeds when the IT solution is determined.

‡OPM, in conjunction with the National Technical Information Service, designed a prototype to prove the potential of the EDR. After the prototype release, however, the scope of the EDR project changed

Target Completion Date	Description
FY 2019	Build and provide a state of the art data exchange platform
FY 2019	Stand up initial data repository so that other agencies and industry can interoperate and use the data standard
FY 2019	Socialize initial data integration with providers
FY 2019	Integrate initial privacy content into HCIM so that data can be smartly designed and securely shared
FY 2020	Release Federal integrated data standards

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Fund	Dollars	FTE
Lead the establishment and modernization of human capital information technology and data management systems and solutions			
2.3-Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements		\$1,000,000	0.0
Office of the Director	Revolving Fund	\$1,000,000	0.0
OPM Total		\$1,000,000	0.0

Strategic Goal 3: Improve integration and communication of OPM services to Federal agencies to meet emerging needs

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Improve integration and communication of OPM services to Federal agencies to meet emerging needs				
3.1-Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies' achievement of human capital objectives			\$13,156,000	88.8
	Employee Services	Salaries & Expenses	\$4,714,000	32.0
	HR Solutions	Revolving Fund	\$335,000	2.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$8,107,000	54.8
3.2-Achieve recognition as the trusted human capital management advisor			\$424,000	3.2
	Merit System Accountability & Compliance	Salaries & Expenses	\$294,000	2.2
	Office of Communications	Salaries & Expenses	\$130,000	1.0
OPM Total			\$13,580,000	92.0

Strategic Objective 3.1: Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies' achievement of human capital objectives

Strategic Objective Owner: Ana Mazzi, Principal Deputy Associate Director, MSAC

Deputy Strategic Objective Owners: Veronica Villalobos, Principal Deputy Associate Director, ES; Reginald Brown, Principal Deputy Associate Director, HRS

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, ES, MSAC, and HRS will implement the collaboration framework and continue to collect data and measure results on internal and external satisfaction. ES, MSAC, and HRS will work with other key offices in OPM, such as OGC and OES, to streamline the way policies, guidance, decisions, reports and products are released for implementation, and be more timely and responsive. These FY 2019 next steps were based on an evaluation conducted by a third party facilitator (external to the agency) who evaluated OPM's evaluation, service, and policy organizations and identified opportunities for the three organizations to interact more effectively, and recommended ongoing steps for the organizations to institutionalize collaboration efforts.

In FY 2020, MSAC, ES and HRS will collaborate to produce Customer Personas – a unified knowledge profile of each cabinet agency. Personas will provide a customer-perspective approach for OPM to engage with agencies, using data developed by all three organizations to create a real-time representation of the agency's workforce, human capital needs, and interests.

Implementation Organizations:

ES, MSAC, and HRS

Performance Measure

Performance Measure	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
	Result	Result	Result	Target	Target
Percent of users who agree OPM human capital services are helpful in achieving human capital objectives	-*	-*	88.0%	89%	90%

* No historical data available for this period.

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Improve integration and communication of OPM services to Federal agencies to meet emerging needs				
3.1-Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies' achievement of human capital objectives			\$13,156,000	88.8
	Employee Services	Salaries & Expenses	\$4,714,000	32.0
	HR Solutions	Revolving Fund	\$335,000	2.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$8,107,000	54.8
OPM Total			\$13,156,000	88.8

Strategic Objective 3.2: Achieve recognition as the trusted human capital management advisor

Strategic Objective Owner: Anthony Marucci, Director, OC

Deputy Strategic Objective Owners: Sara Ratcliff, Executive Director, CHCOC

FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2020, OC will use new branding established in FY 2018 and FY 2019 to highlight the positive impact OPM has on the human capital community regarding policies, services, and oversight, and OPM's commitment to the President's Management Agenda (PMA) pillars of mission, service, and stewardship. OPM will continue to promote the focused efforts of the agency to reduce burden and enhance the ability of other agencies to deliver on their missions. Further, OC will use data gathered through feedback from customers regarding overall satisfaction with OPM services, to find opportunities to improve the agency's policies, services, and oversight of the human capital community.

In FY 2020, OC will demonstrate improvement in the level of customer satisfaction and build on its commitment to the PMA pillars of mission, service, and stewardship. Based on data gathered through feedback from customers regarding overall satisfaction with OPM services, OPM will continue to look for opportunities to improve its policies, services, and oversight of the human capital community, such as new ideas generated through ongoing collaboration with the Federal human capital community. MSAC will collaborate with the objective 3.2 team to promote coordination with objective 3.1.

Implementation Organizations:

OC and MSAC

Performance Measure

Performance Measure	FY 2016 Result	FY 2017 Result	FY 2018 Result	FY 2019 Target	FY 2020 Target
Percent of the Federal human capital management community satisfied with OPM's services and guidance	-*	-*	No Survey	Establish Baseline	Establish Baseline

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives		Dollars	FTE
Improve integration and communication of OPM services to Federal agencies to meet emerging needs			
3.2-Achieve recognition as the trusted human capital management advisor		\$424,000	3.2
Merit System Accountability & Compliance	Salaries & Expenses	\$294,000	2.2
Office of Communications	Salaries & Expenses	\$130,000	1.0
OPM Total		\$424,000	3.2

Strategic Goal 4: Optimize agency performance

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Fund	Dollars	FTE
Optimize Agency Performance			
4.1-Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM’s collaborative management score by 4 percentage points		\$8,090,000	1.0
Office of the Chief Information Officer	Salaries & Expenses	\$3,470,000	0.0
	Common Services	\$4,400,000	0.0
Office of the Chief Financial Officer	Common Services	\$220,000	1.0
4.2-Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM’s score in dealing with poor performers by 4 percentage points		\$1,720,000	9.0
OPM Human Resources	Common Services	\$1,720,000	9.0
4.3-Exceed the Government-wide average satisfaction score for each agency mission support service		\$8,147,000	27.9
Office of the Chief Information Officer	Salaries & Expenses	\$60,000	0.0
	Common Services	\$106,000	0.0
Facilities, Security & Emergency Management	Common Services	\$125,000	0.0
Office of Procurement Operations	Common Services	\$1,072,000	7.0
Office of the Chief Financial Officer	Salaries & Expenses	\$200,000	0.0
	IT Modernization S&E	\$2,257,000	1.4
	Common Services	\$1,606,000	2.0
OPM Human Resources	Common Services	\$2,721,000	17.5
4.4-Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less		\$115,427,000	1,063.0
Office of the Chief Information Officer	Trust Fund Annual	\$8,258,000	29.0
	Common Services	\$448,000	2.0
	5 USC 8348 (a)(1)(B) - Retirement	\$3,487,000	4.0
Retirement Services	Trust Fund Annual	\$58,248,000	565.0
	5 USC 8348 (a)(1)(B) - Retirement	\$43,035,000	451.0
	FERCCA (P.L. 106-265) - Retirement	\$1,951,000	12.0
OPM Total		\$133,384,000	1,100.9

Strategic Objective 4.1: Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM's collaborative management score by 4 percentage points

Strategic Objective Owner: Lisa Loss, Director, Suitability Executive Agent Programs

Deputy Strategic Objective Owners: Jeff Wagner, Supervisory IT Specialist, OCIO; Thomas Moschetto, Chief, Risk Management and Internal Control, OCFO

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, to foster greater understanding of each other's needs in meeting mission and to facilitate opportunities for shared problem-solving, OPM will continue the practice begun in FY 2018 of holding monthly all-senior executive meetings that include program spotlights for senior leaders to share their goals and challenges. Based upon input from senior leaders and others in FY 2018, OPM will identify additional mechanisms to facilitate improved communications across the SES and to improve opportunities for managing communications virtually. OPM will seek to implement these additional mechanisms in FY 2019.

In FY 2019, OPM will complete the assessment (networking or other similar evaluation) of senior leader collaboration that was initiated in FY 2018. The next step will be for the 4.1 objective owners to identify opportunities to enhance outcomes, as necessary. The objective owners anticipate working with the senior leadership team to develop implementation plans for identified improvements and beginning execution of these plans in FY 2019.

Based on the OCIO FY 2018 assessment of its current technology tools for enterprise communication, collaboration, and transparency, in FY 2019 OCIO will begin to deploy the schedule of collaboration tools it published to OPM's senior leaders in FY 2018.

In FY 2019, OCFO will continue to lead efforts to build out and deploy the Enterprise Risk Management program as a mechanism for enhanced communication, understanding and management of corporate risk. The OCFO will consult with the OPM Risk Management Council to create a prioritized schedule for deployment of the program across OPM programs. Deployment across OPM programs will begin in FY 2019. To support the deployment, OCFO will acquire an Enterprise Risk Management automated tool in FY 2019 dependent on funding availability. The Risk Management communications plan, developed in FY 2018, will continue to be executed throughout deployment of Enterprise Risk Management at the program.

OPM will continue to establish mechanisms to hold leaders accountable for corporate performance. In FY 2019, OPM's Executive Resources Board will assess the effectiveness of the corporate citizenship element of OPM senior leader's performance standards put in place in FY 2018. Results of the Executive Review Board's assessment will be shared with OPM senior leaders with an opportunity for comment. The Executive Review Board will identify the continued need for a corporate performance scoring

process to hold leaders accountable or whether to institute alternative methodologies to meet this objective.

To provide visibility and encourage like efforts, in FY 2019 OPM will take action to identify and execute mechanisms to make the workforce aware of efforts among OPM's senior leaders to improve communication, collaboration, and transparency.

In FY 2020, OPM will seek to institutionalize the initiatives begun in FY 2018 and FY 2019. These include formalizing the mechanisms for shared problem solving, and implementing the initial set of recommendations that surfaced as a result of the networking or similar assessment. OCIO will conclude its initial deployment of collaboration tools and deploy a training and maintenance schedule for these tools. OCFO will continue deployment of the Enterprise Risk Management across all OPM programs and assess the success of implementation efforts in order to target areas where additional guidance is needed. OPM will continue to implement measures that make progress toward the objective of holding leaders accountable.

Implementation Organizations:

OCIO and OCFO

Performance Measure

Performance Measure	FY 2016 Result	FY 2017 Result	FY 2018 Result	FY 2019 Target	FY 2020 Target
Collaborative Management Score	60.5%	61.5%	61.6%	62.5%	63.5%

*No historical data available for this period.

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Fund	Dollars	FTE
Optimize Agency Performance			
4.1-Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM’s collaborative management score by 4 percentage points		\$8,090,000	1.0
Office of the Chief Information Officer	Salaries & Expenses	\$3,470,000	0.0
	Common Services	\$4,400,000	0.0
Office of the Chief Financial Officer	Common Services	\$220,000	1.0
OPM Total		\$8,090,000	1.0

Strategic Objective 4.2: Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM’s score in dealing with poor performers by 4 percentage points

Strategic Objective Owner: Andrea Bright, Chief Human Capital Officer, OPM HR

Deputy Strategic Objective Owner: Suzanne Logan, Deputy Associate Director and Federal Executive Institute Director, Center for Leadership Development, HRS

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, OPM HR will enhance insight into the performance improvement plan process by providing supervisors with annual guidance, maintaining data, and providing an annual report to senior leadership on performance improvement plan issuances and completions. OPM HR will revise the agency’s supervisory performance appraisal standards to align with feedback provided by supervisory staff, and the strategies of objective 4.2. OPM HR will also continue to train supporting human resources staff. OPM HR will also maintain course completion tracking reports, including mandatory training course completions, to share with agency officials as appropriate. Further, OPM HR will issue quarterly notices to all supervisors providing employee relations points of contact for addressing performance/conduct issues. OPM HR will continue to communicate information on updated policies and procedures through emails, intranet postings, and other channels as needed. OPM HR will assist supervisors through communications regarding any policy changes based on external factors, such as Executive Orders or other regulatory changes.

In FY 2020, OPM HR will continue to review and update policies where needed, assist supervisors in understanding performance standards, provide reporting to agency leadership on performance improvement plan issuances and completions, and offer training to supporting human resources staff on performance management. Further, OPM HR will continue communications strategies established in FY 2018 and FY 2019, such as quarterly notices to supervisors regarding employee relations points of contact for addressing performance/conduct issues. OPM HR will also continue the employee relations accessibility and satisfaction survey biannually. The FY 2018 and FY 2019 Federal Employee Viewpoint Survey pilot items, such as the new results-based poor performers Federal Employee Viewpoint Survey item, may provide an alternative approach for OPM HR to measure employee perspectives on poor performance.

Implementation Organizations:

OPM HR

Performance Measure

Performance Measure	FY 2016 Result	FY 2017 Result	FY 2018 Result	FY 2019 Target	FY 2020 Target
Percent of employees satisfied with steps taken to address poor performance	43.8%	43.9%	45.4%	45.8%	45.8%

*No historical data available for this period.

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Fund	Dollars	FTE
Optimize Agency Performance			
4.2-Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM’s score in dealing with poor performers by 4 percentage points		\$1,720,000	9.0
	OPM Human Resources	Common Services	\$1,720,000 9.0
OPM Total		\$1,720,000	9.0

Strategic Objective 4.3: Exceed the Government-wide average satisfaction score for each agency mission support service

Strategic Objective Owner: Dennis Coleman, Chief Financial Officer, OCFO

Deputy Strategic Objective Owners: Andrea Bright, Chief Human Capital Officer, OPM HR; Juan Arratia, Senior Procurement Executive, OPO; James Onusko, Acting Director, FSEM

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019-2020, OPM mission support offices will implement strategies focused on improving service delivery in each area, incorporating successful practices identified through consultation with high performing agencies, industry partners, councils, and other applicable sources, and establishing a framework to guide OPM's actions in exceeding Government-wide satisfaction scores by FY 2022.

FSEM will develop a test environment with two Computer-Aided Facility Management modules: one to assist in centrally reserving building assembly spaces for maximum utilization and another for space management that will enable building occupancy level reporting in real time.

In FY 2019, OPM HR will provide managers with enhanced support for employee and labor relations issues.

Also in FY 2019, OCFO will begin efforts to migrate the agency's financial system to a Federal shared services provider, allowing for a reduction in total cost of ownership, access to more up-to-date technologies (for example, a procurement system upgrade), improved efficiencies and effectiveness through standardized business processes, and overall improvements in the customer experience.

In FY 2020, OCFO will complete the migration of OPM's financial system to a Federal shared services provider. Further, OCFO will continue to enhance the Budget Management System. Additionally, OCFO will make two full years of data available for Enterprise Cost Accounting System reporting, further enhancing the agency's use of cost reporting and analysis for decision making.

OCIO will operationalize additional collaboration capabilities from a variety of tools. OCIO will also align end user devices such as laptops and mobile phones to an appropriate refresh cycle.

OPO will continue to strengthen the acquisition planning process to support more timely submission of requirements for execution. OPO will also strengthen the agency acquisition strategy by providing increased training on purchase cards, contract oversight, and administration. Further, OPO will increase the alignment of agency requirements.

FSEM will fully deploy two Computer Aided Facility Management software modules that will increase the efficiency of space planning and reserved assembly spaces, and provide an inventory of agency personal property.

In FY 2020, OPM HR will focus agency customer service efforts around some of the program areas with which customers are less familiar, including benefits, work-life, and training.

Implementation Organizations:

OCFO, OCIO, OPO, OPM HR, and FSEM

Performance Measures

Performance Measure	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
	Result	Result	Result	Target	Target
Average satisfaction score for financial management quality from OPM senior supervisory employees	4.33	4.70	4.88	4.9	5.0
Average satisfaction score for human capital services quality from OPM senior supervisory employees	5.09	5.09	4.67	4.5	≥ Government-wide Average [^]
Average satisfaction score for information technology services quality from OPM employees	4.63	3.99	4.44	4.4	4.6
Average satisfaction score for contracting services quality from OPM senior supervisory employees	2.89	4.35	3.94	4.9	4.9
Percent of OPM employees satisfied with real property services at OPM's largest nine buildings	-*	49.6%	53.4%	52%	52%

* No historical data available for this period.

[^] Satisfaction with OPM HR currently exceeds the Government-wide average. OPM aims to exceed the Government-wide average for all mission support functions by FY 2022.

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Fund	Dollars	FTE
Optimize Agency Performance			
4.3-Exceed the Government-wide average satisfaction score for each agency mission support service		\$8,147,000	27.9
Office of the Chief Information Officer	Salaries & Expenses	\$60,000	0.0
	Common Services	\$106,000	0.0
Facilities, Security & Emergency Management	Common Services	\$125,000	0.0
Office of Procurement Operations	Common Services	\$1,072,000	7.0
Office of the Chief Financial Officer	Salaries & Expenses	\$200,000	0.0
	IT Modernization S&E	\$2,257,000	1.4
	Common Services	\$1,606,000	2.0
OPM Human Resources	Common Services	\$2,721,000	17.5
OPM Total		\$8,147,000	27.9

Strategic Objective 4.4: Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less

Strategic Objective Owner: Kenneth Zawodny, Jr., Associate Director, RS

Deputy Strategic Objective Owners:

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FYs 2019-2020, RS will continue to integrate process improvements for enhancing customer service and improving overall timeliness of survivor and claims processing. RS will also enhance reporting tools to monitor and forecast workloads. In addition, RS will continue to develop and update standard operating procedures across retirement operations based on newly implemented process improvements. RS will also effectively use overtime to achieve performance targets. RS will continue to cross train Retirement Information Office personnel to increase the number of customer requests resolved during the first call. Further, RS will work with OCIO to investigate technological capabilities to continue to improve processing time and reduce wait times. Through continued improvements in timeliness and customer service, RS expects to receive fewer congressional inquiries.

Also in FYs 2019-2020, RS will continue to provide Federal retirement policy technical assistance to all OPM offices and the Congress. RS will also perform ongoing audits of agency retirement application submissions, provide monthly feedback to agencies and payroll offices, and alert agencies of any trends and improvement opportunities. Further, RS will identify training needs for agencies, develop job aids and on-line training modules, and conduct workshops on the retirement application process.

Implementation Organizations:

RS and OCIO

Performance Measures

Performance Measure	FY 2016 Result	FY 2017 Result	FY 2018 Result	FY 2019 Target	FY 2020 Target
Average number of minutes to answer phone calls	24.2	17.7	8.60	5	5
Average number of days to process retirement cases	54.1	67.0	58.6	60	60

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Fund	Dollars	FTE
Optimize Agency Performance			
4.4-Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less		\$115,427,000	1,063.0
Office of the Chief Information Officer	Trust Fund Annual	\$8,258,000	29.0
	Common Services	\$448,000	2.0
	5 USC 8348 (a)(1)(B) - Retirement	\$3,487,000	4.0
Retirement Services	Trust Fund Annual	\$58,248,000	565.0
	5 USC 8348 (a)(1)(B) - Retirement	\$43,035,000	451.0
	FERCCA (P.L. 106-265) - Retirement	\$1,951,000	12.0
OPM Total		\$115,427,000	1,063.0

Earned Benefits Trust Funds

The Office of Personnel Management (OPM) administers the following Earned Benefits Trust Funds:

- FEHB – Federal Employees Health Benefits;
- FEGLI – Federal Employees’ Group Life Insurance;
- CSRDF – Civil Service Retirement and Disability Fund;
- PSRHB – Postal Service Retiree Health Benefits; and
- FSAFEDS – The Federal Flexible Spending Account Program.

These trust funds are among the largest held by the United States Government. For FY 2020, the net assets combined are estimated to total approximately \$1.1 trillion, receipts are estimated to total \$173 billion, and outlays are estimated to total \$157 billion. These trust funds finance the retirement program for approximately 2.1 million Federal civilian employees, currently provide retirement benefits for more than 2.7 million retirees and survivors, finance the health insurance for approximately 8 million employees, retirees, and their families, and provide life insurance coverage for an estimated 4.2 million employees and retirees.

FY 2020 All Earned Benefits Funds (millions)

	CSRDF	FEHB/REHB	FEGLI	PSRHF	FSA FEDS	TOTAL
FY 2020 Estimated Start of Year Fund Balance	\$949,852	\$27,503	\$47,603	\$42,478	\$68	\$1,067,501
FY 2020 Estimated Receipts	\$108,771	\$58,843	\$4,587	\$1,155	\$21	\$173,377
FY 2020 Estimated Outlays	\$91,381	\$58,596	\$3,323	\$3,661	\$16	\$156,977
FY 2020 Estimated End of Year Fund Balance	\$967,242	\$27,750	\$48,867	\$39,972	\$73	\$1,083,901
FY 2020 Estimated Participants:						
Actives (Millions)	2,415	2,144	2,444			
Annuitants (Millions)	2,754	1,965	1,661			

Trust Fund Financing

A key component of OPM’s mission is administering retirement, health benefits, long-term care insurance, life insurance, dental and vision benefits, and flexible spending account programs for Federal employees, retirees, and their beneficiaries and maintaining the integrity of these programs. The table below highlights the estimated receipts and outlays for the Federal health benefit fund.

**Employee Health Benefits Fund & Retired Employees Health Benefits Fund
(millions)**

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Start of Year Balance	\$26,021	\$27,316	\$27,503	\$187
Receipts from the Public	\$16,388	\$16,881	\$17,726	\$845
Receipts from Federal Sources	\$37,761	\$38,752	\$40,629	\$1,877
Interest Earnings	\$322	\$371	\$488	\$117
Change in Uncollected Customer Payments	\$0	\$0	\$0	\$0
Total Program Outlays	\$53,121	\$55,817	\$58,596	\$2,779
End of Year Balance	\$27,316	\$27,503	\$27,750	\$247

Federal Employees Health Benefits Fund

The Federal Employees Health Benefits (FEHB) Fund is a revolving Trust Fund created by the Federal Employees Health Benefits Act of 1959. It finances the largest employer-sponsored group health insurance program in the world. The fund exists to collect and disburse health insurance premiums to private insurers who participate in the Federal Employees Health Benefits Program, and to maintain program reserves. Federal employees can choose from among Consumer-Driven and High Deductible plans that offer catastrophic risk protection with higher deductibles, health savings/reimbursable accounts and lower premiums, Fee-for-Service (FFS) plans, or Health Maintenance Organizations.

The FEHB fund provides for the cost of health benefits for:

- active employees;
- employees who retired after June 1960, or their survivors;
- annuitants transferred from the Retired Employees Health Benefits (REHB) program as authorized by Public Law (P.L.) 93-246; and
- tribal organizations covered under the Indian Health Care Improvement Reauthorization Act (IHCIA).

Retired Employees Health Benefits Fund

The Retired Employees Health Benefits (REHB) Fund, created by the Retired Federal Employees Health Benefits Act of 1960, provides for the costs of:

- retired employees and survivors who were enrolled in a Government-sponsored uniform health benefits plan;
- Government contributions to retired employees and survivors who retain or purchase private health insurance; and
- OPM expenses to administer the program.

The REHB program is closed to new enrollees, and the enrolled population is dwindling. The projected population is approximately 111 for FY 2019 and approximately 91 for FY 2020.

The FEHB and REHB funds are financed by:

- premium withholdings from active employees and annuitants;
- agency contributions to premiums for active employees;
- Government contributions to premiums for annuitants;
- premium collections from tribal organizations and employees; and
- contributions made by the United States Postal Service in accordance with the provisions of Public Law 101-508.

OPM maintains a contingency reserve, funded by employee and Government contributions that may be used to defray future cost increases or provide increased benefits. OPM makes payments to carriers from this reserve whenever carrier-held reserves fall below levels prescribed by OPM regulations or when carriers can demonstrate good cause, such as unexpected claims experience or variations from expected community rates. In determining a biweekly subscription rate to cover program costs, one percent is added for administrative expenses and three percent is added for a contingency reserve held by OPM for each carrier. OPM is authorized to transfer unused administrative reserve funds to the contingency reserve.

Federal Employees Health Benefits Fund – Legislative Proposals

The FY 2020 Budget contains legislative proposals designed to enhance and improve the program, as well as reduce overall costs for the Government. These proposals are *Government Contribution Adjustment Based on Plan Performance Assessment* and *Medical Liability Reform*. The proposal to modify the Government contribution rate based on plan performance would improve healthcare quality and affordability in the FEHB Program. Please refer to the Legislative Proposal section for more details on all of the FEHB proposals.

Employees Life Insurance Fund (millions)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Start of Year Balance	\$45,538	\$46,459	\$47,603	\$1,144
Receipts from the Public	\$2,933	\$3,091	\$3,148	\$57
Receipts from Federal Sources	\$575	\$567	\$571	\$4
Interest Earnings	\$676	\$750	\$868	\$118
Change in Uncollected Customer Payments	\$0	\$0	\$0	\$0
Total Program Outlays	\$3,263	\$3,264	\$3,323	\$59
End of Year Balance	\$46,459	\$47,603	\$48,867	\$1,264

The FEGLI fund finances payments for Federal Employees' Group Life Insurance. FEGLI was established by passage of the Federal Employees' Group Life Insurance Act of 1954 (P.L. 83-598), on August 17, 1954. FEGLI is group term life insurance, meaning it does not build cash values or paid-up

insurance values. The cost of Basic Insurance coverage is shared by non-Postal employees (2/3), and the Federal Government (1/3). Optional and certain post-retirement Basic coverage are paid entirely by enrollees.

The FEGLI program is an employer-sponsored life insurance Trust Fund program. This program provides benefit payments to beneficiaries following the death of employees, retired employees, and eligible family members. Employees also have an additional accidental death and dismemberment benefit. It is the largest group life insurance program in the world, covering more than 4 million Federal employees and retirees, and many of their family members. The above table highlights the estimated receipts and outlays for the Federal life insurance fund.

Civil Service Retirement and Disability Fund (millions)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Start of Year Balance	\$915,326	\$933,374	\$949,852	\$16,478
Receipts from the Public	\$4,452	\$4,931	\$5,181	\$250
Receipts from Federal Sources	\$73,816	\$74,074	\$79,328	\$5,254
Interest Earnings	\$25,584	\$25,407	\$24,262	(\$1,145)
Total Program Outlays	\$85,804	\$87,934	\$91,381	\$3,447
End of Year Balance	\$933,374	\$949,852	\$967,242	\$17,390

The Civil Service Retirement and Disability Fund (CSRDF) is the oldest and largest of the four trust funds administered by OPM. The fund is financed and structured very differently from the other three trust funds. It is characterized by permanent indefinite budget authority. Budget authority is the authority to incur obligations and pay expenses which become available to an agency during any fiscal year. Once approved, permanent budget authority is permanently available for all future years. Indefinite budget authority is used when the precise amount of budget authority required cannot be forecast in advance and must be determined at some future point in time (e.g. when actual receipts and expenses become known). The above table highlights the estimated receipts and outlays for the Federal retirement and disability fund.

The CSRDF finances two Federal civilian retirement systems: the Civil Service Retirement System (CSRS) established on May 22, 1920, and the Federal Employees Retirement System (FERS) established on June 6, 1986. CSRS is largely a defined benefit plan, covering Federal employees hired prior to 1984. CSRS participants do not participate in the Social Security system. FERS is a three-tiered pension program that uses Social Security as a base, provides an additional basic benefit, and includes a Thrift Savings Plan. FERS covers employees hired after 1983 and formerly CSRS-covered employees who elected to join FERS. For FY 2020, it is estimated that employees will contribute approximately \$5.2 billion to finance FERS and CSRS retirement benefits. Those will come in the form of salary withholdings of 0.8 percent for those under FERS, slightly higher for those under FERS RAE/FRAE, and 7 percent for CSRS.

CSRS has been financed under a statutory funding method passed by the Congress in 1969. This funding method is based on the “static” economic assumptions of no future inflation, no future general schedule salary increases, and a 5 percent interest rate. Under CSRS, regular employees contribute 7 percent of pay. Law enforcement officers, firefighters, and congressional employees contribute an extra half percent of pay, and members of the Congress an extra one percent of pay. Also under the static funding method for CSRS, the Treasury pays interest on any static unfunded liabilities that are not being financed by the Postal Service. The Treasury also makes payments to amortize, over a 30-year period, any increases in the static unfunded liability due to salary increases for Non-Postal employees that occurred during the year, and pays for the cost of any benefits attributable to military service for both Postal and Non-Postal employees that were paid out during the year.

FERS is funded under a dynamic entry age normal funding method as prescribed in Chapter 84 of Title 5, United States Code. Employees and agencies together contribute the full amount of the dynamic normal cost rate. The normal cost rate is for the defined benefit plan only, and does not include the cost of Social Security or the thrift savings plan. FERS regular employees contribute a percentage of salary that is equal to the contribution rate for CSRS employees – 7.0 percent, less the 6.2 percent tax rate under the Old Age, Survivors and Disability Insurance portion of Social Security. Under FERS, the dynamic normal cost rates for FY 2018 and FY 2019, are as follows: For regular employees hired before 2013, the rate is 14.5 percent of pay (employees share, 0.8 percent, and employer’s share, 13.7 percent). For regular employees hired during 2013 (known as FERS RAE/Revised Annuity Employees), the rate is 15.0 percent of pay (employee’s share, 3.1 percent and employer’s share, 11.9 percent); the Bipartisan Budget Act of 2013 included a provision to increase the normal cost rate of employee’s contribution to FERS for individuals hired after 2013 and to maintain the employer’s contribution rate at its current normal cost rate. Any contributions in excess of the amount necessary to satisfy FERS normal cost percentage will be credited to the assets of the CSRDF, thereby reducing the unfunded liability of the CSRS. For regular employees hired after 2013 (known as FERS FRAE/Further Revised Annuity Employees), the rate is 15.1 percent of pay (employee’s share, 4.4 percent, employer’s share, 11.9 percent, and excess of 1.2 percent).

An extra 0.5 percent of pay is contributed by Law Enforcement Officers, Firefighters, Air Traffic Controllers, Congressional employees, and Members of the Congress because of earlier retirement eligibility provisions.

Effective FY 2020, there will be a change in the normal cost rates for Postal FERS Employee/Employer Contributions and Non-Postal FERS Employer Contributions. The Board of Actuaries met on June 1, 2017, and recommended subsequent changes to the actuarial economic assumptions for Non-Postal agencies. Due to revised regulation, the Board established separate demographic and economic assumptions for the United States Postal Service/USPS. For regular FERS Non-Postal employees (other than RAE and FRAE), the normal cost rate will be 16.8 percent of pay (employee’s share, 0.8 percent, and employer’s share, 16.0 percent). Regular FERS Postal employees will be 15.5 percent of pay (employee’s share, 0.8 percent, and employer’s share, 14.7 percent). For FERS RAE Non-Postal employees, the normal cost rate will be 17.3 percent of pay (employee’s share, 3.1 percent, and employer’s share, 14.2 percent). FERS RAE Postal employees will be 15.9 percent of pay (employee’s share, 3.1 percent, and employer’s share, 12.8 percent). For FERS FRAE Non-Postal employees, the

normal cost rate will be 17.5 percent of pay (employee's share, 4.4 percent, employer's share, 14.2 percent, and excess of 1.1 percent). FERS FRAE Postal employees will be 16.1 percent of pay (employee's share, 4.4 percent, and employer's share, 11.7 percent).

Civil Service Retirement and Disability Fund – Legislative Proposals

The FY 2020 Budget contains four separate legislative proposals that could have an impact on the financing and benefits payable under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). The first legislative proposal seeks to provide a source of savings to the Federal government by increasing the receipts to the Civil Service Retirement and Disability Fund (CSRDF) from Federal employees. The remaining legislative proposals seek to provide a source of savings to the Federal Government by reducing the outlays for annuity payments.

1. **INCREASE EMPLOYEE CONTRIBUTIONS TO 50 PERCENT OF COST, PHASED IN AT ONE PERCENT PER YEAR** - This proposal would increase Federal employee contributions to the Federal Employees Retirement System (FERS), such that an employee and employer would each pay half of the normal cost. Under current law, Federal employees contribute between 0.8 percent and 4.4 percent of their salary toward their Federal pension. Federal agencies contribute the remainder of the cost. To mitigate the impact on employees, this proposal will be phased in over several years, with individuals contributing an additional one percent of their salary each year until equalized.
2. **MODIFY FEDERAL RETIREMENT BENEFITS** – The remaining proposals implement changes to the Federal Employees Retirement System (FERS) and the Civil Service Retirement System (CSRS) to bring total compensation more in line with labor markets.
 - One proposal would eliminate cost of living adjustments (COLA) for FERS retirees, and would reduce CSRS retiree COLA by 0.5 percent.
 - The proposals would also eliminate the FERS Annuity Supplement for those employees who retire before Social Security eligibility age, and change annuity calculations using an employee's highest five consecutive salary years instead of the current average of an employee's three highest salary years.

The employee retirement landscape continues to evolve as private companies are providing less compensation in the form of retirement benefits. The shift away from defined benefit programs and cost of living adjustments for annuitants is part of that evolution. By comparison, the Federal Government continues to offer a very generous package of retirement benefits in the form of deferred compensation. Consistent with the goal of bringing Federal retirement benefits more in line with the labor market, adjustments to reduce the long-term costs associated with these benefits are included in this proposal. Please refer to the Legislative Proposal section for more details on all of the CSRDF proposals.

Postal Service Retiree Health Benefits Fund (millions)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Start of Year Balance	\$47,145	\$44,799	\$42,478	(\$2,321)
Receipts from the Public (Postal Service)	\$0	\$0	\$0	\$0
Receipts from Federal Sources	\$0	\$0	\$0	\$0
Interest Earnings	\$1,343	\$1,282	\$1,155	(\$127)
Total Program Outlays	\$3,689	\$3,603	\$3,661	\$58
End of Year Balance	\$44,799	\$42,478	\$39,972	(\$2,506)

This account receives from the Postal Service: 1) the pension savings provided to the Postal Service by the Postal Civil Service Retirement System Funding Reform Act of 2003 (P.L. 108–18) that were held in escrow during 2006; 2) payments defined within P.L. 109–435, and modified by P.L. 111–68, to begin the liquidation of the Postal Service's unfunded liability for post-retirement health benefits; and 3) beginning in 2017, payments for the actuarial cost of Postal Service contributions for the post-retirement health benefits for its current employees. This account also receives any surplus resources of the Civil Service Retirement and Disability Fund that are not needed to finance future retirement benefits under the Civil Service Retirement System to current or former employees of the Postal Service that are attributable to civilian employment with the Postal Service. The above table highlights the estimated receipts and outlays for the Postal retiree health benefit fund.

Under the current law, the Postal Service stopped paying annual premium costs to the Employees and Retired Employees Health Benefits Fund for its post-1971 current annuitants. Instead, these premium payments will be paid from amounts that the Postal Service remits to the Postal Service Retiree Health Benefits Fund. Payments for a proportion of the premium costs of Postal Service annuitants' pre-1971 service continues to be paid by the General Fund of the Treasury through the Government Payment for Annuitants, Employees Health Benefits account.

Federal Flexible Spending Risk Reserve Account (millions)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Start of Year Balance	\$49	\$63	\$68	\$5
Receipts from the Public	\$22	\$20	\$20	\$0
Receipts from Federal Sources	\$1	\$1	\$1	\$0
Program Obligations (Mandatory)	\$3	\$10	\$10	\$0
Agency Administrator Cost and Program	\$6	\$6	\$6	\$0
End of Year Balance	\$63	\$68	\$73	\$5

The Federal Flexible Spending Account Program (FSAFEDS) is a voluntary tax-advantaged benefit plan established under Section 125 of the Internal Revenue Code. These accounts allow Federal employees to pay for eligible out-of-pocket health care and dependent care expenses with pre-tax dollars. The average person will save about 30 percent on dependent care and health care expenses after taxes.

There are three types of accounts under the FSAFEDS program:

1. Health Care Flexible Spending Accounts (HCFSA);
2. Limited Expense Health Care Flexible Spending Account (LEX HCFSA); and
3. Dependent Care Flexible Spending Account (DCFSA).

The funds cannot be transferred between accounts. DCFSA currently have a minimum annual election of \$100 and \$5,000 maximum. HCFSA and LEX HCFSA currently have a minimum annual election of \$100 and \$2,700 maximum. There are currently over 450,000 unique participants in the FSAFEDS program with about 430,000 HCFSA, 10,000 LEX HCFSA and 80,000 DCFSA.

The Risk Reserve account contains the accumulated balance of fees, which are collected from reserve fees and forfeited funds. The reserve fees are from employing agencies whose employees participate in the FSAFEDS program, and forfeited balances of Flexible Spending Accounts. The agency fees are calculated based on the number of employees from each agency participating in the program. Resources are obligated to indemnify the FSAFEDS program administrator when claims against FSA accounts exceed resources contributed to the accounts from participating employees (early in the program year). Once account contributions exceed benefits, the FSAFEDS program administrator reimburses the reserve account. Account resources are also used for the agency’s administration of the program. The above table highlights the estimated receipts and obligations for the FSAFEDS program.

OPM’s actuaries have determined that the current value of the risk reserve account is more than sufficient to indemnify the program administrator. Since FY 2013, OPM has used risk reserves to offset agency fees paid to the program administrator in order to reduce the surplus balance and meet its target account level.

Payment Accounts

OPM receives “such sums as necessary” mandatory appropriations for payments from the General Fund to the Civil Service Retirement and Disability Fund, the Employees Health Benefits Fund, and the Employees Group Life Insurance Fund. The purposes and estimated amount of these payments are described in this section.

Government Payment for Annuitants, Employees Health Benefits (millions)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Budget Authority	\$12,904	\$13,264	\$14,136	\$872
Obligations	\$12,904	\$13,264	\$14,136	\$872
Outlays	\$12,849	\$13,264	\$14,136	\$872

This appropriation funds the Government’s share of health benefit costs for annuitants and survivors. OPM requests the appropriation necessary to pay this contribution to the Employees Health Benefits Fund and the Retired Employees Health Benefits Fund. This appropriation covers:

- the Government’s share of the cost of health insurance for annuitants as defined in sections 8901 and 8906 of Title 5, United States Code;

- the Government’s share of the cost of health insurance for annuitants (who were retired when the Federal employees health benefits law became effective), as defined in the Retired Federal Employees Health Benefits Act of 1960; and
- the Government’s contribution for payment of administrative expenses incurred by OPM in administration of the Retired Federal Employees Health Benefits Act.

For FY 2020, budget authority and obligations will increase by \$872 million due to projected growth in the cost of health insurance, and in the number of annuitants with FEHB coverage.

Funds appropriated to this account remain available until expended for the purpose of funding the Government’s share of health benefits costs for annuitants and survivors who no longer have an agency to contribute the employer’s share. OPM has the authority to notify the Secretary of the Treasury of “such sums as may be necessary” to carry out these provisions.

Government Payment for Annuitants, Employees Life Insurance (millions)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Budget Authority	\$42	\$43	\$44	\$1
Obligations	\$42	\$43	\$44	\$1
Outlays	\$42	\$43	\$44	\$1

P.L. 96-427, Federal Employees’ Group Life Insurance Act of 1980, enacted October 10, 1980, requires that all employees under age 65 who retired on or after January 1, 1990, continue to make contributions toward their basic life insurance coverage (currently \$0.33 per month for each \$1,000 of coverage). As with active Federal employees, the Government is required to contribute one-third of the cost of the premium (currently \$0.17 per month for each \$1,000 of coverage) for basic coverage for annuitants. OPM, acting as the payroll office on behalf of Federal retirees, is requesting the funds necessary to make the required Government contribution for annuitants’ post-retirement basic life coverage.

For FY 2020, budget authority and obligations will increase \$1.0 million due to the number of annuitants under age 65 with FEGLI coverage.

Funds appropriated to this account remain available until expended for the sole purpose of financing post-retirement life insurance benefits. OPM notifies the Secretary of the Treasury of “such sums as may be necessary” to carry out these provisions each fiscal year.

Payment to the Civil Service Retirement and Disability Fund (millions)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Budget Authority	\$42,856	\$43,049	\$43,449	\$400
Obligations	\$42,856	\$43,049	\$43,449	\$400
Outlays	\$42,856	\$43,049	\$43,449	\$400

The Payment to the Civil Service Retirement and Disability Fund (CSRDF) consists of an appropriation and a permanent indefinite authorization to pay the Government’s share of retirement costs as defined in the Civil Service Retirement Amendments of 1969 (P.L. 91-93), the Federal Employees Retirement Act of 1986 (P.L. 99-335), and the Civil Service Retirement Spouse Equity Act of 1985 (P.L. 98-615). The payment is made directly from the General Fund of the U.S. Treasury into the Civil Service Retirement and Disability Fund and is in addition to appropriated funds that will be contributed from agency budgets.

Detail of Payment Account (millions)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Current Appropriation	\$16,913	\$16,600	\$16,400	(\$200)
Permanent Indefinite Authorization	\$25,894	\$26,400	\$27,000	\$600
Payment for Spouse Equity	\$49	\$49	\$49	\$0
Total	\$42,856	\$43,049	\$43,449	\$400

Current Appropriation: Payment of Government Share of Retirement Costs

P.L. 91-93 provides for an annual appropriation to amortize, over a 30-year period, all increases in Civil Service Retirement System costs resulting from acts of Congress granting new or liberalized benefits, extensions of coverage, or pay raises, exclusive of the effects of cost-of-living adjustments (COLAs). OPM notifies the Secretary of the Treasury each year of “such sums as may be necessary” to carry out these provisions.

Permanent Indefinite Authorization: Transfers for Interest on Static Unfunded Liability and Payment of Military Service Annuities

P.L. 91-93 also provides permanent indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to 5 percent interest on the Civil Service Retirement System’s current static unfunded liability, calculated based on static economic assumptions, and annuity disbursements attributable to credit for military service. These values reflect the additional liability for military service credit of former United States Postal Service employees. This provision was enacted by the Postal Accountability and Enhancement Act (P.L.109-435).

For FY 2020, the Permanent Indefinite Authorization will increase \$700 million due to an increase in the amount of interest to be transferred from Treasury.

Payment for Spouse Equity

P.L. 98-615 provides the Secretary of the Treasury to transfer an amount equal to the annuities granted to eligible former spouses of annuitants who died between September 1978 and May 1985 who did not elect survivor coverage.

Revolving Fund Activities

Pursuant to Title 5, U.S.C. §1304 (e) (1), OPM is authorized to use Revolving Funds without fiscal year limitations to conduct background investigations, training, personnel management services, and other functions that OPM is authorized or required to perform on a reimbursable basis. Under this guidance, OPM operates several programs, which are funded by fees or reimbursement payments collected from other agencies and other payments. These currently include the National Background Investigations Bureau (NBIB), which operates OPM’s background investigations program, and the Human Resources Solutions (HRS), under which OPM provides services, either directly or through private sector partners, on various human resources issues. OPM also operates revolving fund activities for USAJOBS, the U.S. Government’s official system/program for Federal jobs and employment information, through which individuals may locate and apply for jobs at Federal agencies.

The following programs are authorized to use Revolving Funds:

- National Background Investigations Bureau
- Suitability Executive Agent
- Human Resources Solutions, including USAJOBS
- Enterprise Human Resources Data Warehouse
- Human Resources Line of Business
- Human Resources Tools & Technology

The following table discusses the business lines followed by a detailed description of the activities supported by OPM’s Revolving Fund, which is aligned with OPM’s statutory authority.

OPM Budget Authority	FY 2020 CBJ
USAJOBS*	\$0
Human Resources Tools & Technology	\$66,141,000
Enterprise Human Resources Integration	\$40,983,000
National Background Investigations Bureau	\$546,600,000
Suitability Executive Agent	\$8,342,000
Human Resource Solutions	\$231,631,000
HR Line of Business	\$3,150,000
OPM Total	\$896,847,000

*USAJOBS was reorganized into Human Resources Solutions and will no longer be separately reported.

National Background Investigations Bureau

NBIB provides personnel background investigative services on a fee-for-service basis to assist its Federal agency customers in determining individuals’ suitability and fitness for Federal civilian, military, and contract employment, eligibility for logical and physical access to agency systems and facilities, and eligibility for access to classified national security information or to hold a national security sensitive position.

Effective FY 2020, NBIB will move from OPM to the Department of Defense (DOD). The National Defense Authorization Act (NDAA) for Fiscal Year 2018 (P.L. 115-91), Section 925, stated that the Secretary of Defense has the authority to conduct all types of background investigations for DOD personnel and mandated that, not later than October 1, 2020, the Secretary of Defense shall commence carrying out its background investigations implementation plan developed pursuant to § 951(a)(1) of the FY 2017 NDAA (P.L. 114-328). In June 2018, the Administration released *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations*, which identified its intent to keep the NBIB background investigation mission together subsequently realigning the entire program from OPM to DOD. OPM, DOD, and NBIB, among other stakeholders, are working collaboratively to ensure continued efficient and effective delivery of high quality background investigation products and services to the Federal Government during the transition.

The NBIB funding amount of \$546,600,000 shown in the budget tables under FY 2020 represents the financial activity required to complete investigation requests received prior to October 1, 2019. This funding does not reflect new cases to be received in FY 2020.

Suitability Executive Agent

Suitability Executive Agent (SuitEA) was established as a distinct program office within OPM in December 2016 to strengthen the effectiveness of suitability vetting across the Government by providing a focal point within OPM for leadership, process improvement, and modernization while continuing to perform adjudicative operations benefitting federal agencies. Pursuant to Executive Order 13467, as amended, the OPM Director is the Suitability & Credentialing Executive Agent, with specific Government-wide responsibilities.

In FY 2020, SuitEA will continue implementation of the transformed Government-wide approach to vetting developed with the Office of the Director of National Intelligence and the Performance Accountability Council as part of the FY 2018 and FY 2019 Trusted Workforce 2.0 initiative. This will include implementation of outcome-based investigative and adjudicative standards. SuitEA will continue to work with ES and HRS to integrate information needed for vetting into hiring tools to eliminate “stove-piped” processes that increase the time to hire.

SuitEA carries out its responsibilities through a policy office responsible for business transformation and modernization of the Government-wide suitability program, supported by an adjudicative operations staff that takes Government-wide action to promote the efficiency and protect the integrity of federal agencies’ operations, and an oversight team that conducts assessments of Federal agencies’ performance and makes recommendations for improvement. SuitEA will continue to work with the Performance Accountability Council and the Office of the Director of National Intelligence as the Security Executive Agent to enhance standards for suitability, fitness, and credentialing (SSC) vetting.

When an applicant or appointee seeking employment with a federal agency perpetrates qualifications fraud or corruption of the examination process or has evidence of egregious conduct in his or her background, SuitEA may take a Government-wide action to debar the individual from holding any covered position throughout Government for up to three years. Covered positions are those in the

competitive service, the excepted service that can non-competitively convert to the competitive service, or a career appointment to the Senior Executive Service. This action promotes the efficiency and integrity of the agency with whom the individuals sought employment as well as all other agencies employing competitive service employees as it prevents or removes an unsuitable individual from placement in a position. SuitEA's adjudicative operations staff reviews investigations submitted by federal agencies to identify those potentially warranting an action by OPM and gathers evidence needed to take an action and defend it in the event of an appeal to the Merit Systems Protection Board. There is a regulatory time limitation for taking suitability actions which makes it imperative that the cases are identified quickly upon completion. SuitEA conducts supplemental inquiries needed for issue resolution and must gather evidence that meets the requirements established through precedential case law. If, after issue resolution the case does not warrant OPM adjudication, SuitEA will send the additional information obtained to the agency for adjudication, if appropriate.

Similarly, SuitEA reviews OPM-conducted background investigations for positions under OPM's jurisdiction that involve major issues such as material intentional falsification or fraud or deception in examination of appointment. This may include the applicant or appointee who has committed a serious criminal offense or who has altered or submitted altered documents, misrepresented college degrees, or lied about a material fact on application paperwork. Although agencies should and do make referrals, they rely primarily on SuitEA to review investigations for this purpose. Upon receipt, SuitEA staff will review the case; conduct issue resolution; issue written notification about the issues of concern to the subject of the investigation; process subject requests for the materials relied upon; take suitability actions which may include canceling eligibilities or reinstatement rights, imposing debarment from Federal employment; and/or directing removal; and support the Office of General Counsel when OPM suitability actions are appealed.

SuitEA also develops and offers reimbursable, suitability training programs that are compliant with the National Training Standards for Suitability Adjudicators. Delivery of this training to federal agencies' adjudicators promotes uniform decision making across Government, professional development of the suitability and fitness workforce, and reciprocal recognition of favorable determinations.

SuitEA operates a suitability hotline and email box to provide customer support on technical and interpretative matters related to suitability. SuitEA also maintains a distribution of list of agency contacts for regular two-way communication to support Federal agency suitability programs.

SuitEA acts on behalf of agencies by providing requirements for the systems used to support position designation, adjudication, and reciprocity management. The National Background Investigations Bureau (NBIB) systems, or its successors, house much of the information technology that supports OPM's suitability functions. As the background investigation systems are rebuilt or built new by the Department of Defense and OPM enhances or builds out Human Resource systems, SuitEA will provide requirements to meet the needs of SSC programs, promote accessibility to shared service offerings and improve information flow to meet the needs of federal agencies.

SuitEA does not anticipate that any of the above activities will cease due to the move of NBIB-related work to the Department of Defense. These activities and functions will continue to be necessary in FY 2020 to carry out the responsibilities of the Suitability Executive Agent.

In FY 2020, SuitEA will continue implementation of the transformed Government-wide approach to vetting developed with the Office of the Director of National Intelligence and the Performance Accountability Council as part of the FY 2018 and FY 2019 Trusted Workforce 2.0 initiative. This will include implementation of outcome-based investigative and adjudicative standards. SuitEA will continue to work with ES and HRS to integrate information needed for vetting into hiring tools to eliminate “stove-piped” processes that increase the time to hire.

Human Resource Solutions

In accordance with 5 U.S.C. § 1304(e)(1), HRS directly supports OPM's charge of ensuring the Federal Government has an effective civilian workforce via "by Government, for Government" human capital solutions. HRS is proud to team with organizations across OPM in support of the aforementioned high-priority goals. To address workforce management issues and support the improvement of the mission, service, and stewardship of every agency, the Administration proposes to move most of OPM's functions with GSA. The reorganization will begin in FY 2019 for some functions that can move via existing authorities.

FY 2018 has been a year of remarkable accomplishments for HRS. Efforts were focused on evaluating product and service offerings, and determining opportunities to streamline, or expand to meet the evolving needs of Federal agencies.

- Partnered with the Office of Management and Budget to complete a 90-day project to build the prototype for the Hiring Manager Advisor tool, an intuitive digital service to engage, educate, and support managers in the hiring process.
- Provided consultation, staffing, and support for the Chief Information Officer Council Federal Tech/Cyber Hiring and Recruitment Fair, designed to recruit and select IT/cyber professionals across Government using a consolidated marketing and outreach approach.
- Assisted the U.S. Marshals Service in filling 400 seats for its mission critical Deputy U.S. Marshal classes.
- Supported the Department of Justice's Executive Office for Immigration Review hiring effort by completing over 1,500 applicant reviews for Immigration Judge Positions, resulting in 56 selections to date.
- Provided leadership assessments to 2,700 individuals through the OPM Leadership Profiler, Leadership Potential Assessment, and Leadership 360 assessments.
- Supported 29 agencies using USA Performance to automate their performance appraisal process, and grew the user base to over 50,000.
- Fully operationalized the Human Capital and Training Solutions Community of Practice, including presenting informational webinars.

- Developed a partnership between the Federal Human Resource Institute and the University of Virginia to support instructional system design needs for the Federal human resources curriculum. Together they will create a comprehensive, career-spanning, professional learning ecosystem to grow high-performing leaders for the Federal human resources enterprise.
- Signed a one-year agreement between the Design Lab and the Centers for Disease Control and Prevention to aid in the development of a multi-agency, design-based, inter-disciplinary collaboration focused on understanding and addressing specific mental health concerns among young veterans who are not using Veterans Health Administration services.

Moving forward, HRS plans to:

- Expand the functionality in USA Performance to include multiple rating cycles and multiple plans, mass user upload, enhanced electronic signatures, and eOPF interconnection, and update the user interface.
- Complete the USA Staffing upgrade transition. With 99 percent of all job announcements being posted to the new system, only a handful of unique hiring processes operate under the legacy system, and plans are underway to migrate those processes to the new system by the end of FY 2018.

HRS will continue to explore and implement flexible solutions to further improve product and service offerings, including employing the use of emergent technology options, in an effort to appeal to an even broader customer base. To date, these efforts have enabled HRS to remain a leader in Government to Government human capital solutions, and HRS looks forward to building on this success in the future.

Administrative Law Judges Program (SG 5.1)

In accordance with operative law and Executive Orders, including provisions of the Administrative Procedure Act, now codified at various locations in Title 5, OPM has certain oversight authorities for administering the program under which Federal agencies recruit, select Administrative Law Judges (ALJs) and promote administrative law judges. Under this authority, the ALJ Program office has responsibility for planning, operating, and directing the elements of the ALJ Program. The ALJ Program office reviews and approves agency requests for certain ALJ personnel actions, and manages the ALJ Loan, Senior ALJ, and ALJ Priority Referral Programs.

ALJ Program services are provided to Federal agencies on a reimbursable, pro-rata basis, using annual estimates for program costs. Costs include direct labor for the ALJ Program office staff and non-ALJ staff; also includes non-labor expenses such as travel expenses, incumbent ALJ assistance, facilities, training, etc., and OPM agency overhead.

The Center for Leadership Development (CLD) (SG 5.1)

Federal Executive Institute (FEI) - offers open-enrollment (interagency) and custom (single-agency) programs, distance and blended-learning approaches, internal programs and academic partnerships to provide training flexibility for customer agencies while offering a complete range of leadership development courses and programs, including the premier Leadership for a Democratic Society (LDS) and SES Leading EDGE programs.

Eastern Management Development Center (EMDC) - provides interagency and single agency open enrollment courses for agency and professional leadership development. Programing and courses are designed to provide leadership development to government employees at various stages of their Federal careers, including the Leadership Education and Development (LEAD) certificate program and the regionally delivered Federal leadership development certificate program. Several EMDC courses meet American Council on Education standards for college credit. EMDC is managing and refining throughout the U.S.

Western Management Development Center (WMDC) - develops and delivers custom leadership solutions. These programs are defined as single agency or community of practice solutions located at WMDC, client location or a neutral location. WMDC has a number of long-standing programs at the Asia-Pacific Center for Security Studies in Hawaii, the Aberdeen Proving Ground Senior Leadership Cohort programs, and the National Security Agency leadership development programs.

USA Learning®- provides clients with reimbursable customized Learning Management Systems, Online Forums such as Communities of Practice and Social Media integration, Executive Coaching, access to online course libraries, custom course development, hosting and helpdesk support, technical support services, online assessments, virtual conferencing, and various online technical support tools. In addition, USA Learning® supports training platforms within agencies that may include Diversity Training, Ethics, The Learning Connection, HR University, Hiring Reform, the Presidential Management Fellows online assessments, cybersecurity courses, and specialized training. External to the Office of Personnel Management, USA Learning® supports 18 Cabinet level agencies and over 40 small agencies and the Department of Defense.

The Presidential Fellows Programs (PFP) - currently provides two Presidential Fellows programs - one designed to bring high fliers into government within two years of completing an advanced degree and presenting opportunities for conversion to career positions and the other bringing in seasoned executives after at least 25 years of public leadership who desire to "give back" to our government. Through either program, outstanding American citizens are provided opportunities to serve their country in challenging ways by using their unique strengths and exceptional talent and Federal agencies are provided with the highest quality talent prepared to tackle government's hardest challenges.

Design Lab - assists agencies in translating the creativity of their employees into innovative problem-solvers, builds human center design capabilities in individuals for use as a problem-solving choice, and works with U.S. Government agencies or foreign governments to solve persistent problems with a focus on the people being affected. Results are new solutions that are tailor made to meet their individual needs.

Federal HR Institute - provides open enrollment human resource skills courses for the professional development of the Federal HR community. Federal HR Institute establishes a single, standard learning framework that Federal HR practitioners are expected to use for professional development. It will be the only comprehensive Federal HR development program of its kind. Federal HR Institute is developing courseware across all major HR functions--Staffing & Classification, Employee Relations/Labor Relations, Performance, Benefits, Compensation, HR Development, HR Systems and HR Business Partner.

Process & Performance Improvement Program (PPIP) - identifies, assesses, analyzes and improves team effectiveness, efficiency and work products; measures education and training program impact on effectiveness; selects and applies appropriate problem solving methods and techniques and assists the team in identifying the parameters of a viable solution for customers; develops project-based learning initiatives, and process and performance improvement training project plans, timelines and resource recommendations.

The Center for Leadership Development's (CLD) pricing structure covers all applicable direct expenses, indirect CLD costs, and OPM overhead while maintaining competitive prices. Before the beginning of each fiscal year, CLD analyzes the planned delivery schedule for the year, based on past and projected customer needs, and uses prescribed costing tools to determine tuitions for all deliverables. For USA Learning, the costing model is the cost of the services requested plus administrative and indirect costs assessed at 10 percent overhead for services through the Learning Management Service and 15 percent for the Knowledge Portal.

The Federal Staffing Center (FSC) (SG 5.1 & 2.2)

Automated Systems Management Group (USA Staffing Program Office) (SG 5.1 & 2.2) - fully automates the staff acquisition life cycle by recruiting, assessing, evaluating, certifying, selecting, and onboarding quality candidates for Federal positions. USA Staffing allows agencies to develop and post job opportunity announcements via USAJOBS, create competency-based assessment tools and position descriptions, review application documents online, rate and rank applications, send applicant notifications, electronically refer candidates to hiring officials for review and selection, audit certificates online, create an online recruitment case file with annotations, select and onboard new hires, and perform advanced analytics on all aspects of the hiring process.

Staff Acquisition Group (SG 5.1) - provides expert staffing and assessment solutions, automated entrance-on-duty support, coaching and consulting services, technical HR training,

technical training in HRIT systems including USA Staffing and USA Hire, candidate development program support, and recruitment strategy development and evaluation.

USA Hire Group (SG 5.1) - OPM's online assessment platform that provides Federal agencies with high quality, cutting-edge assessments designed to identify top talent. USA Hire helps agencies hire the best by incorporating better assessments in the hiring process in an efficient and effective manner. USA Hire assessments are easy to implement and applicant friendly. Standard assessments are available “off-the-shelf” and ready to go for 120 common job series. Agencies can also use USA Hire to automate existing assessment content or to develop new online assessments.

USAJOBS (SG 5.1) - OPM's Federal Career Portal provides access to career content (opportunities, career sites, career events and email marketing campaigns) delivered through a personalized experience. USAJOBS' mission is to connect the right talent to the right opportunities at the right time. The USAJOBS program oversees the development of the seeker portal that promotes job opportunities and aids applicants through the early stages of the application process; manages the Open Opportunities platform which offers a light-weight interface to create new and/or apply to developmental task assignments designed to break down government silos and build communities/networks to tackle hard problems; and, operates the Agency Talent Portal designed to assist agency users in building and executing strategic recruitment strategies that proactively engage with the talent to build and nurture relationships.

FSC uses three main fee structures: user fees, fixed rate and FTE assessment. User fees are paid annually, based on the number of licensed HR users in their organization. Agencies are able to increase or decrease their number of licenses in proportion to their annual hiring trends. FSC offers volume discounts as the number of system users increases. The fixed price rates are based on actual trends over time and the cost to provide services, including consulting.

USAJOBS assesses its fee based upon a pro-rata share of the total projected budget allocated to each customer based upon the organization's FTE population. The FTE information is updated every three years to provide consistency in pricing year over year.

HR Strategy and Evaluation Solutions (HRSES) (SG 5.1 & SG 3.1)

Assessment and Evaluation Group:

Leadership and Workforce Development Assessment (LWDA) - develops, validates, and administers leadership and workforce planning assessments to assess leader and employee effectiveness. Assessments target competencies, personality, and leadership potential. Also, conducts competency modeling and gap assessments for workforce training and development.

Selection and Promotion Assessment (SPA) - develops, validates, and administers cognitive and non-cognitive competency assessments for selection, promotion, and diagnostic purposes. This includes job analysis, written and non-written tests, job knowledge tests, performance tests, and computer simulations. Also provides assessment training and support, as well as the USA Hire online assessment platform.

Organizational Assessment (OA) - surveys, including employee climate, customer satisfaction, exit, and custom surveys; the USA Survey automated survey administration and reporting system; OPM Leadership 360™; action planning and organizational development; and program evaluation.

HR Strategy Group:

Position Management & Classification (PMC) - position management reviews; desk audits; position description and evaluation statement development; classification process reviews; and related consulting and training services.

Performance Management (PM) - employee and labor relations consulting and training; performance management strategy and program development; performance appraisal program development; performance plan reviews; supervisor, manager, and executive performance management training; and telework services.

USA Performance - software as a service solution to assist Federal agencies in implementing their Senior Executive Service (SES) and Non-SES performance management programs and systems. USA Performance enables agencies to automate their performance appraisal process throughout the entire performance rating cycle.

Workforce Planning & Reshaping (WPR) - strategic alignment environmental scanning; organization analysis and design; workload and work process analysis; workforce analysis; organization structure and staffing model recommendations; restructuring/reduction in force; competency and staffing gap analysis against current and future requirements; succession management; and related consulting and training services.

Pricing for HRSES products and services are based on one of three models: (1) fixed price for off the shelf products and services, (2) customized solutions that typically build upon existing products and services, and (3) services and consultation available in retainer. HRSES pricing is typically scalable, based on quantities of specific products or services (for example, the number of participants being assessed) and the selection of optional services. Pricing for products and services are based primarily on labor costs for each product or service.

Human Capital Industry Solutions (HCIS) (SG 5.1)

In partnership with the General Services Administration, delivers private sector human capital and training services, along with the associated assisted acquisition and program management services to Federal agencies. The program provides Federal agencies an expedited procurement process using two Multiple Award, Indefinite Delivery/Indefinite Quantity (MA/IDIQ) contract vehicles (Human Capital and Training Solutions (HCaTS) and HCaTS Small Business) in the areas of 1. Training and Development, 2. Human Capital Strategy and 3. Organizational Performance Improvement. HCIS plays a vital role in fulfilling OPM's mandate to provide these services to agencies under 5 U.S.C. §§ 1104, 1304, and 4116, as well as Executive Order 11348.

Pricing: HCIS uses a tiered pricing structure for assisted services. For FY 2018, a 2 percent access fee is assessed on every project whether through HCaTS Assisted or Direct. The tiers consist of the following (as of FY 2017):

- \$20M+: 3%
- \$10M to \$19.999M: 5%
- \$2.5M to \$9.999M: 7%
- \$500K to \$2.499M: 10%
- \$0 - \$499K: HCaTS SB, HCaTS Direct or alternative (GSA Schedule, OPM Service, Shared Service, etc.)

The Center for Management Services (HRS Support Programs) (SG 5.2)

Marketing and Business Development - develops, manages, and deploys customer-facing programs and projects that support HRS enterprise-wide outreach and communications goals; manages the HRS internal research and development program; and interfaces with other branches to plan and deploy effective internal communications programs.

Resource Management Services - provides budgetary, financial, human resources, strategic planning, and operations support, including budget development, monitoring, and execution; financial reporting, including forecasting, and trend analysis; interagency agreement support; HRS-wide annual strategic planning and implementation; facilities, equipment, travel, contracting, and purchase card management support; coordinating audits and reviews, reviewing internal controls, employee training and development, internal senior executive and management recruitment consultations, strategic workforce planning, personnel actions, performance management and awards, classification and re-classification of employee position descriptions, and employee and labor relations support.

Financials

Value of Anticipated Agreements

- FY2020 = \$246.076M
- FY2021 = \$254.924M
- FY2022 = \$258.747M

New Business Justification

- Develop the Federal Supervisor Assessment (FSA). This high quality assessment will measure competencies needed for frontline supervisory positions, and will be available as a Government-wide off-the-shelf assessment.
- Assume a greater role in ensuring the deliverables and outcomes of the task orders under the two HCaTS contracts meet the requirements of the ordering agencies.

- Grow USA Performance to 125,000 users, and build out data exchanges with personnel systems to drive record updates in an end-to-end environment.
- Expand the Workforce Reshaping business line to include employee matching and placement support.
- Increase HRS' onboarding business to include providing tentative offers, pay setting, coordinating with security, collecting new hire paperwork, and making final offers.
- End the existing CLD instructor contract for approximately 35 internal faculty and a small surge capacity contract. While there will be an increase in FTE, this process improvement will save HRS an estimated \$5M in expenses annually.

Enterprise Human Resource Data Warehouse

The Data Warehouse Program comprises two programs, the electronic Official Personnel Folder (eOPF) and Enterprise Human Resources Integration Data Warehouse (EHRIDW), supporting the e-Government initiative designed to leverage the benefits of information technology, as required by the E-Government Act of 2002. The goal of these two programs is to streamline and automate the collection, aggregation, and sharing of Federal employee HR, payroll, and training information Government-wide. The investment broadly supports the OPM mission by enabling the agency to provide the Federal HR community with access to employee data to improve workforce planning for hiring, skills development, retention strategies and Government-wide policy.

The eOPF system is a web-based application that is capable of storing, processing, and displaying career lifecycle documents of all current, separated, and retired Federal Employees. The system has replaced several manual HR processes by automating much of the Federal Government's HR processes and creating a streamlined Federal HR document system for all Federal employees. The eOPF covers Title 5 Executive Branch departments and agencies, with some exceptions, as well as some components of the Legislative, Judiciary, and other independent agencies and organizations, with a total user population of more than 2.4 million. The Data Warehouse Program provides the eOPF application through a fee-for-service arrangement with participating agencies.

Planned FY 2020 Activities

In FY 2020, the Data Warehouse Program will redesign the eOPF and EHRIDW into a single application providing access to a broader scope of data for employees, agencies, OPM data scientists, and other stakeholders. For Federal employees, the DWP will continue to leverage new tools and technologies to provide access to additional data through "My eOPF", implement a single XML data interface, and develop additional opportunities to share data across platforms when appropriate, and support a data centric approach for collecting, maintaining, and enabling HR data.

In FY 2017, OPM configured and migrated to new infrastructure supporting Data Warehouse Program applications and consolidated the infrastructure from the Department of the Interior data center in Colorado to OPM's data center in Georgia. OPM will continue to leverage the modernized infrastructure to improve and enhance the environments that support all Data Warehouse and Data Management Program applications.

The success of the Data Warehouse Program's fee-for-service component depends on the continuation of incoming funds through existing and new partner agencies subscribing to eOPF services. These services include support for agencies' online personnel folders as well as maintenance and support for infrastructure, applications, software maintenance, program management, system security, helpdesk support, and various tools.

Planned FY 2020 Accomplishments

In FY 2020, eOPF will continue requiring operations and maintenance as well as Back-file and Day Forward Conversion services. The pricing structure for eOPF maintenance is a fixed price per license (that is, electronic folder) and is based on the number of active users at the customer agency. The eOPF license maintenance, paid annually by the customer, covers the following services: (1) Program Management Office support, (2) licenses, (3) record storage and transfer services provided by the National Personnel Records Center; (4) license maintenance, (5) scanning services, (6) IT security, (7) OPM Common Services, and (8) IT hosting and maintenance services.

Human Resources Line of Business

In Fiscal Year (FY) 2004, the U.S. Office of Management and Budget (OMB) and Office of Personnel Management (OPM) launched the Human Resources Line of Business (HRLOB) Initiative, for which OPM is the managing partner. Between FY 2005 and 2015, the HRLOB led the consolidation of agency personnel action processing, benefits management, and payroll systems into HRLOB Shared Service Centers (SSCs), which resulted in over \$1 billion in cost avoidance Government-wide.

In 2015, at the request of the Chief Human Capital Officers Council (CHCOC) and the Chief Information Officer at OPM, the OPM Director tasked the HRLOB with creating and implementing a Strategic Framework to enable the CHCOC Future State Vision for Human Resources Information Technology (HRIT) aimed at developing a single, integrated federal HRIT environment to support the 21st century federal workforce. The Framework builds on the HRLOB's previous success, and when fully implemented, will result in the modernization of HRIT service delivery, improvement of HR data management and standardization, and the effective use of strategic sourcing, resulting in an additional \$1B in cost avoidance over the next 10 years.

The HRLOB is a strategic and transformational initiative that directly supports OPM's mission. The HRLOB actively supports Strategic Objective 2.2: Advance human capital management through the strategic use of interoperable HR IT and Strategic Objective 2.3: Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements. The HRLOB also actively supports OPM and Government-wide IT objectives outlined in the OPM Strategic Information Technology Plan (February 2014).

The HRLOB will continue to execute the opportunities outlined in the HRLOB Strategic Framework which supports the CHCO Council Future State Vision by enabling the development of an integrated, Government-wide HRIT environment over the next 10 years. The HRLOB activities include:

- Human Capital Community Engagement & Communication - Unify the voice of the HC community in defining HC priorities, and objectives, pinpointing common challenges, and identifying Federal solutions.
- Human Capital Policy, Performance & Operations - Support the issuance and implementation of HC policy, align established HCM frameworks to Federal acquisition strategies, and identify opportunities to enhance HC performance Government-wide.
- Human Capital Standards Management & Modernization - Define modern operational model for Federal HCM; and promote functional standards for HC service delivery, performance, data exchange, and security.

The following HRLOB activities for FY 2019/2020 will advance the achievement of the program's goals:

- Drive Human Capital Advancement - Create a modern, standardized human capital environment that meets the need of the Federal workforce and enables the continuous improvement of HC management and service delivery.
- Enhance Service Value - Increase efficiencies in the acquisition, development, and delivery of HC services and supporting systems to improve service quality and reduce duplicative spend.
- Unify the Human Capital Community - Enable collaboration between HC customers, providers, executive stakeholders, and supporting partners to leverage the Government's collective expertise in establishing common HC principles.
- Improve the Employee Experience - Support the complete, secure, and timely sharing of information across an employee's career to improve confidence in Federal HC management.

Human Resources Tools & Technology

The HRS Information Technology Program Management Office (HRS IT PMO or PMO) provides technology support in the form of IT systems development and hosting, supplying both internal and external customers a wide variety of information technology services in the human resources arena. The PMO expects \$68,000,000 in total agreements in FY 2020 and expects program income of \$63,258,903, with revenue exceeding expenses by \$805,104. Earned revenue over cost is used to reinvest in products and services for the PMO and/or to hold the revolving fund harmless in the event of liquidation.

Planned FY 2020 Activities

FY 2020 activities prioritize the maintenance and sustainment of various existing systems, the largest of which are OPM's Talent Acquisition System – USA Staffing; OPM's Federal Government job board - USAJOBS; Enterprise Human Resources Integration – Data Warehouse hosting; and a wide variety of other web-based applications used by dozens of Federal agencies.

The PMO delivers leading-edge, innovative, high quality human resource information technology products and services that contribute to organizational effectiveness. The PMO is comprised of four lines of business (LOBs): (1) OPM's Human Resources Solutions Line of Business, (2) Other OPM Line of Business, (3) Employee Self Service Systems Line of Business, and (4) Other HRIT and Hosting Support Line of Business. HRS IT PMO has answered a growing demand for hosting services over the course of

the last several years. From FY 2019 to FY 2020, revenue from hosting is expected to increase 38 percent. All of its lines of business contain IT systems that span the HR life cycle and allow the program to sustain itself financially.

- ***Human Resources Solutions Line of Business***

The OPM Human Resources Solutions (HRS) LOB is the HRS IT PMO's largest. Accounting for 42 percent of its annual revenue, the PMO provides OPM's HRS organization with technical support, web-based applications, hosting, and programming support. The primary system the PMO supports is USAStaffing, OPM's Talent Acquisition System, which enables Federal agencies to effectively recruit, assess, certify, and onboard qualified candidates for Federal positions. The PMO ensures system compliance with Federal hiring regulations, flexibilities, authorities, and NIST IT Security Guidelines. In addition, the HRS IT PMO provides smaller-scale information technology services for other organizations within HRS. These services enable HRS to fulfill customer demand for automation in the areas of talent acquisition, onboarding, employment, and performance management.

- ***Other OPM Line of Business***

This LOB is comprised of products and services provided to other non-HRS organizations within OPM. Among the OPM offices our PMO supports are the USAJOBS Program Office and Retirement Services. HRS IT PMO is responsible for the design, development and hosting of USAJOBS.gov. The system completely complies with Federal security requirements and integrates with USAStaffing and several commercial staffing systems. For Retirement Services, the PMO hosts the Services Online application -- a secure web-based self-service delivery system for civil service retirees and survivor annuitants who receive regular annuity payments and Federal tax information. These systems support the recruitment and retirement aspects of the HR life cycle.

- ***Employee Self Service Systems Line of Business***

Two primary products offered within the Employee Self Service Systems LOB serve more than six million people worldwide. The first, Employee Express, is accessible by touch-tone phone and via the Web, and provides automated information that empowers Federal employees to initiate the processing of their discretionary personnel-payroll transactions electronically. The second, myPay, provides the same service to Department of Defense Federal employees, military members, and military retirees.

- ***Other HRIT Line and Hosting Line of Business***

The HRS IT PMO provides technical support and hosting for a series of other projects that are not otherwise classified within the other three lines of business. The majority of these projects involve system hosting. With the growth of its hosting services, this line of business now represents 26 percent of the program's revenue overall. The largest hosting project is for the EHRI/eOPF systems and includes supporting all applications across all environments, deployment of application releases, supporting data providers and data submissions, and account creation.

The HRS IT PMO will continue to deliver products and services to our customers as outlined above, allowing agencies it services to become high-performing organizations and supporting their HR life

cycle needs through affordable information technology solutions. HRS IT PMO will recover costs of operations by managing dozens of individual reimbursable agreements with its customers. Costs and associated pricing models are determined through a rigorous assessment of direct costs of service delivery, indirect costs of program administration, and the OPM common services assessment. For years, the PMO has had a strong base of repeat customers who choose our products and services for quality, innovation, value, and proven performance. This will continue in FY 2020.

Other Requirements

Major Management Priorities and Challenges

OPM’s major management priorities and challenges are:

- Objective 4.1: Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM’s collaborative management score by 4 percentage points.
- Objective 4.2: Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM’s score in dealing with poor performers by 4 percentage points.
- Objective 4.3: Exceed Government-wide average satisfaction for each agency mission support service.
- Objective 4.4: Improve retirement services by reducing the average time to answer calls to 5 minutes or less and average case processing times to 60 days or less.

Please refer to the “Performance Budget by Strategic Goal” section of this document for the planned actions, performance measures and targets, and responsible agency officials for each management priority and challenge.

Evidence Building

OPM has integrated its discussion of evidence building into the “Performance Budget by Strategic Goal” section of this document. OPM’s objective 2.1 is to “Improve collection and analysis of data to better inform human capital management decisions.” Additionally, strategic objectives 1.1, 1.2, and 3.1 describe OPM’s use of evidence to support its performance goals and strategies.

Data Validation and Verification

An assessment by the Director of OPM of the reliability and completeness of performance data is included in the agency’s Annual Performance Report, released concurrently with this Budget. The report also includes a “Data Validation and Verification” section that includes the steps OPM has taken to promote the accuracy and reliability of the data used to measure progress towards its performance goals, including an identification of the means used to verify and validate measured values, the sources of the data, and any limitations to the data.

GAO-IG Act

OPM is working to meet the new reporting requirement of the GAO-IG Act enacted on January 3, 2019. The agency plans to file the report on open or unimplemented audit recommendations with Appropriations Committee staff as soon as it is completed.

Table of Acronyms

ALJ	Administrative Law Judges
CEP	Central Enrollment Program
CFC	Combined Federal Campaign
CFR	Code of Federal Regulations
CHCO	Chief Human Capital Officer
CHCOC	Chief Human Capital Officers Council
CLIA	Congressional, Legislative and Inter-Governmental Affairs
COLA	Cost of Living Adjustment
CSRDF	Civil Services Retirement and Disability Fund
CSRS	Civil Service Retirement System
DCFSA	Dependent Care Flexible Spending Account
DOD	Department of Defense
DOJ	Department of Justice
EDR	Employee Digital Record
EEO	Equal Employment Opportunity
EHRI	Enterprise Human Resources Integration
EMDC	Eastern Management Development Center
eOPF	Electronic Official Personnel Folders
ES	Employee Services
FEDVIP	Federal Employees Dental and Vision Insurance Program
FEGLI	Federal Employees' Group Life Insurance
FEHB	Federal Employees Health Benefits Program
FEI	Federal Executive Institute
FERCCA	Federal Erroneous Retirement Coverage Correction Act
FERS	Federal Employees Retirement System
FLTCIP	Federal Long-Term Care Insurance Program
FPRAC	Federal Prevailing Rate Advisory Committee

FRAE	Further Revised Annuity Employees
FSAFEDS	Flexible Spending Accounts for Federal Employees
FSC	Federal Staffing Center
FSEM	Facilities, Security, and Emergency Management
FTE	Full-time Equivalent
FY	Fiscal Year
GAO	Government Accountability Office
GPRA	Government Performance and Results Act
GSA	General Services Administration
HC	Human Capital
HCaTS	Human Capital and Training Solutions
HCFSA	Health Care Flexible Spending Accounts
HI	Healthcare and Insurance
HRITT	Human Resources Information Technology Transformation
HRLOB	Human Resources Line of Business
HRS	Human Resources Solutions
HRSES	Human Resources Strategy and Evaluation Solutions
IOC	Office of Internal Oversight & Compliance
IT	Information Technology
MSAC	Merit System Accountability & Compliance
MSPB	Merit Systems Protection Board
NBIB	National Background Investigations Bureau
NDAA	National Defense Authorization Act
OC	Office of Communications
OCIO	Office of the Chief Information Officer
OCFO	Office of the Chief Financial Officer
OD	Office of the Director
OES/ExecSec	Office of the Executive Secretariat
OGC	Office of the General Counsel

OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OPO	Office of Procurement Operations
OSDBU	Office of Small and Disadvantaged Business Utilization
OSI	Office of Strategy and Innovation
P.L.	Public Law
PAC PMO	Performance Accountability Council, Program Management Office
PMO	Program Management Office
PPA	Plan Performance Assessment
RAE	Revised Annuity Employees
REHB	Retired Employees Health Benefits
RS	Retirement Services
S&E	Salaries & Expenses
SES	Senior Executive Service
SSCLOB	Security, Suitability, and Credentialing Line of Business
SuitEA	Suitability Executive Agent
U.S.C.	United States Code
WMDC	Western Management Development Center
WPR	Workforce Planning and Reshaping

U.S. General Services Administration

ACQUISITION SERVICES FUND

Fiscal Year 2020 Budget Estimate

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Program Financing

The Acquisition Services Fund (ASF) is a full-cost recovery-revolving fund financing nearly all operations of the Federal Acquisition Service (FAS). FAS also includes organizations that are funded out of the Operating Expense appropriation, the Transportation Audits warrant, and the Federal Citizen Services Fund (FCSF). The ASF provides for the acquisition of information technology (IT) solutions, telecommunications, motor vehicles, supplies, and a wide range of goods and services for Federal agencies. This fund recovers costs through fees charged to Federal agencies for services rendered and commodities provided.

The ASF is authorized by section 321 of title 40, United States Code, which requires the Administrator to establish rates to be charged to agencies receiving services that: (1) recover costs; and (2) provide for the cost and capital requirements of the ASF. The ASF is authorized to retain earnings to cover the cost of replacing fleet vehicles (Replacement Cost Pricing), maintain supply inventories adequate for customer needs, and fund anticipated operating needs specified by the Cost and Capital Plan.

The ASF now consists of seven business portfolios:

Assisted Acquisition Services (AAS) — assists agencies in making informed procurement decisions and serves as a center of acquisition excellence for the Federal community. AAS provides acquisition, technical, and project management services related to IT and professional services at best value.

Office of General Supplies and Services Categories (GS&S) — provides partner agencies with general products such as furniture, office supplies, and hardware products. GS&S centralizes acquisitions on behalf of the Government to strategically procure goods and services at reduced costs, while ensuring regulatory compliance for partner agency procurements. The portfolio also provides personal property disposal services to partner agencies, which are partially funded by the Operating Expenses appropriation.

Information Technology Category (ITC) — makes available IT and telecommunications products and services to Federal, state, and local agencies. ITC provides access to IT services, hardware, software, telecommunications, and IT security services.

Office of Systems Management (OSM) — standardizes, integrates, and streamlines the Federal contract award process through electronic systems, while increasing transparency and ensuring compliance with all applicable Federal acquisition regulations. OSM works across the Federal Government with four governance committees and other external stakeholders in a multi-year effort to modernize 10 award systems essential for doing business with the Federal Government, moving these systems into a single website. OSM also partners with FAS business portfolios and GSA IT to coordinate FAS systems development efforts.

Professional Services & Human Capital Categories (PSHC) — provides Federal agencies with professional and human capital services contract solutions, including payment solutions through the GSA SmartPay[®] program.

Technology Transformation Services (TTS) — aims to transform the way Government agencies build, buy, and share technology. They use modern methodologies and technologies to help Federal agencies improve the public's experience with the Government. TTS helps agencies make their services more accessible, efficient, and effective by building, providing, and sharing technology applications, platforms, processes, personnel, and software solutions to Federal agencies.

Travel, Transportation and Logistics Categories (TTL) — provides partner agencies with a broad scope of services, which includes travel, transportation and relocation services; motor vehicle acquisition; and motor vehicle fleet leasing services.

Summary of Budget Estimate

The FY 2020 budget estimate provides a total of \$18.1 billion and 3,443 FTE. This is an increase of \$244 million and an increase of 88 FTE from the FY 2019 plan. The FY 2019 operating plan and FY 2020 budget reflect FAS's concerted effort to increase savings Government-wide by increasing the utilization of current offerings and achieving internal operation efficiencies.

The FY 2020 estimate includes an additional \$244 million from the FY 2019 Plan:

- \$267 million for inflation on goods and services sold.
- \$27.6 million in additional business volume through FAS Offerings.
- \$20.9 million in FTE costs to support business volume growth.
- \$4.1 million in increases to the ASF's Working Capital Fund Bill.
- -\$3.3 million in decreases to operational contractual services.
- -\$1.8 million in reductions to travel, supplies, equipment, and other miscellaneous costs.
- -\$70.7 million in reductions to Reserve Investments.

Explanation of Changes

(Dollars in Thousands)

	<u>FTE</u>	<u>Obligations</u>
2019 Plan.....	3,355	\$ 17,858,224
2020 Estimate.....	3,443	\$ 18,102,110
Net Change.....	88	\$ 243,885

	<u>FTE</u>	<u>Obligations</u>
Maintaining Current Levels:		
Inflation on Goods and Services Sold		\$ 266,973
Subtotal, Maintaining Current Levels.....	-	\$ 266,973
Program Changes		
Increased Business Volume through FAS Offerings		\$ 27,659
Increased FTE to Support Business Volume Growth	88	\$ 20,929
Increased WCF Bill		\$ 4,124
Decreased Operational Contractual Services		\$ (3,309)
Decreased Travel, Supplies, Equipment & Other Misc.		\$ (1,781)
Decreased Reserve Investment Spending		\$ (70,710)
Subtotal, Program Changes.....	88	\$ (23,088)
Net Change.....	88	\$ 243,885

Summary of Results of Operations

The ASF's authorizing legislation requires the Administrator to establish rates to be charged to agencies receiving services that: (1) recover costs; and (2) provide for the cost and capital requirements of the ASF. In order to fulfill this requirement, GSA projects estimated income and expenses as part of the budget process. Below are highlights of this process as they relate to growth in revenue and utilization of reserves.

In FY 2019 and FY 2020, total ASF revenue is projected to be \$13.9 billion and \$14.2 billion respectively. This revenue is generated across FAS's seven business portfolios. Revenue for all programs, except Information Technology Category (ITC) is projected to increase in FY 2020 plans from FY 2019 due to increased utilization of current offerings as well as several new offerings. Below is a breakdown of the \$290 million in anticipated revenue increases from FY 2018 to FY 2019.

- \$677 million is associated with expected growth of customer orders in the Assisted Acquisition Services Portfolio. Most of this growth is associated with increased business volume related to U.S. Department of Defense (DoD) and Government National Mortgage Association orders.
- \$85 million associated with increases to the TTL portfolio. Agency motor vehicle consolidations are planned to increase growth in FY 2020.
- \$27 million associated with volume increases associated with the expansion and growth of store operations within the GS&S Portfolio.
- \$17 million associated with anticipated increases to business activity for TTS initiatives.
- \$3 million associated with volume increases from the growth of the Human Capital and Training Solutions (HCaTS) and the continued implementation of the *One Acquisition Solution for Integrated Services* (OASIS) within the Professional Services and Human Capital Categories Portfolio.
- -\$519 million associated with customer transition from ITC's Networx contract to the lower rates on the Enterprise Infrastructure Solutions (EIS) contract.

In FY 2019 and FY 2020, reserve expenses include funding for business system and offering modernization, enhancements to Integrated Award Environment (IAE), contract transition for the Network Services Program and support of the Agency Reform Plan initiatives such as improving the Federal marketplace, schedules consolidation, and piloting commercial platforms.

Results of Operations by Program
(Dollars in Thousands)

Income and Expense Statement	FY 2018 Actual	FY 2019 Plan	FY 2020 Estimate
1. Assisted Acquisition Services (AAS)			
Revenue	\$ 7,186,601	\$ 7,791,519	\$ 8,468,145
Acquisition Training Fund	\$ -	\$ -	\$ -
Cost of Goods Sold	\$ 6,974,684	\$ 7,546,738	\$ 8,204,284
Gross Margin	\$ 211,917	\$ 244,781	\$ 263,861
<i>Cost of Operations</i>			
Program Expenses	\$ 129,874	\$ 150,232	\$ 156,865
Corporate Overhead	\$ 39,515	\$ 48,810	\$ 53,216
Other Cost of Operations	\$ 2,208	\$ 2,484	\$ 2,571
Total Cost of Operations	\$ 171,598	\$ 201,526	\$ 212,652
Net Operating Results	\$ 40,319	\$ 43,255	\$ 51,209
Reserve Expenses	\$ 11,383	\$ 14,127	\$ 13,470
Net Financial Impact	\$ 28,936	\$ 29,129	\$ 37,739
2. General Supplies and Services (GSS)			
Revenue	\$ 1,305,124	\$ 1,305,125	\$ 1,332,734
Acquisition Training Fund	\$ (2,496)	\$ (2,417)	\$ (2,419)
Cost of Goods Sold	\$ 1,073,774	\$ 1,077,803	\$ 1,102,244
Gross Margin	\$ 228,854	\$ 224,905	\$ 228,071
<i>Cost of Operations</i>			
Program Expenses	\$ 149,308	\$ 164,557	\$ 163,652
Corporate Overhead	\$ 46,584	\$ 48,304	\$ 50,837
Other Cost of Operations	\$ 5,602	\$ 2,130	\$ 2,194
Total Cost of Operations	\$ 201,494	\$ 214,992	\$ 216,683
Net Operating Results	\$ 27,359	\$ 9,913	\$ 11,388
Reserve Expenses	\$ 12,922	\$ 13,478	\$ 9,888
Net Financial Impact	\$ 14,437	\$ (3,565)	\$ 1,500
3. Information Technology Category (ITC)			
Revenue	\$ 1,791,129	\$ 1,763,237	\$ 1,243,854
Acquisition Training Fund	\$ (7,106)	\$ (7,324)	\$ (7,531)
Cost of Goods Sold	\$ 1,467,134	\$ 1,421,705	\$ 909,951
Gross Margin	\$ 316,889	\$ 334,208	\$ 326,372
<i>Cost of Operations</i>			
Program Expenses	\$ 211,103	\$ 232,673	\$ 227,298
Corporate Overhead	\$ 64,074	\$ 64,641	\$ 64,488
Other Cost of Operations	\$ 4,169	\$ 2,796	\$ 2,880
Total Cost of Operations	\$ 279,346	\$ 300,111	\$ 294,666
Net Operating Results	\$ 37,543	\$ 34,097	\$ 31,706
Reserve Expenses	\$ 58,485	\$ 47,088	\$ 21,558
Net Financial Impact	\$ (20,942)	\$ (12,991)	\$ 10,148

U.S. General Services Administration
Acquisition Services Fund

Income and Expense Statement	FY 2018 Actual	FY 2019 Plan	FY 2020 Estimate
4. Professional Services & Human Capital (PSHC)			
Revenue	\$ 91,514	\$ 103,830	\$ 107,433
Acquisition Training Fund	\$ (4,410)	\$ (4,738)	\$ (4,809)
Cost of Goods Sold	\$ 21	\$ -	\$ -
Gross Margin	\$ 87,084	\$ 99,093	\$ 102,624
<i>Cost of Operations</i>			
Program Expenses	\$ 58,712	\$ 68,627	\$ 69,485
Corporate Overhead	\$ 18,734	\$ 19,506	\$ 20,847
Other Cost of Operations	\$ 860	\$ 996	\$ 1,026
Total Cost of Operations	\$ 78,305	\$ 89,129	\$ 91,358
Net Operating Results	0	\$ 9,963	\$ 11,266
Reserve Expenses	\$ 5,197	\$ 9,856	\$ 3,718
Net Financial Impact	\$ (5,197)	\$ 107	\$ 7,549
5. Travel, Transportation, and Logistics (TTL)			
Revenue ¹	\$ 2,811,670	\$ 2,842,941	\$ 2,928,269
Acquisition Training Fund	\$ (632)	\$ (369)	\$ (388)
Cost of Goods Sold ¹	\$ 1,525,673	\$ 1,515,792	\$ 1,564,253
Gross Margin	\$ 1,285,364	\$ 1,326,781	\$ 1,363,628
<i>Cost of Operations</i>			
Program Expenses	\$ 490,871	\$ 524,542	\$ 544,763
Corporate Overhead	\$ 48,712	\$ 48,446	\$ 51,144
Other Cost of Operations	\$ 558,816	\$ 569,792	\$ 582,556
Replacement Cost Pricing ²	\$ 139,721	\$ 162,128	\$ 165,712
Total Cost of Operations	\$ 1,238,121	\$ 1,304,908	\$ 1,344,174
Net Operating Results	\$ 47,243	\$ 21,873	\$ 19,454
Reserve Expenses	\$ 3,906	\$ 7,089	\$ 3,705
Net Financial Impact	\$ 43,337	\$ 14,784	\$ 15,749
6. Integrated Award Environment (IAE)			
Revenue	\$ 71,898	\$ 70,225	\$ 70,225
Acquisition Training Fund	\$ -	\$ -	\$ -
Cost of Goods Sold	\$ 60,220	\$ 86,081	\$ 61,808
Gross Margin	\$ 11,677	\$ (15,856)	\$ 8,417
<i>Cost of Operations</i>			
Program Expenses	\$ 10,852	\$ 15,300	\$ 12,863
Corporate Overhead	\$ 6,593	\$ 6,573	\$ 7,147
Other Cost of Operations	\$ 5,980	\$ 5,995	\$ 6,174
Total Cost of Operations	\$ 23,424	\$ 27,867	\$ 26,184
Net Operating Results	\$ (11,747)	\$ (43,723)	\$ (17,767)
Reserve Expenses	\$ 41,555	\$ 47,148	\$ 17,672
Net Financial Impact	\$ (53,303)	\$ (90,871)	\$ (35,439)

U.S. General Services Administration
Acquisition Services Fund

Income and Expense Statement	FY 2018 Actual	FY 2019 Plan	FY 2020 Estimate
7. Common Acquisition Platform (CAP) ³			
Revenue	\$ 9,393	\$ -	\$ -
Acquisition Training Fund	0	-	-
Cost of Goods Sold	\$ 8,757	-	-
Gross Margin	\$ 636	-	-
<i>Cost of Operations</i>			
Program Expenses	\$ 7,633	-	-
Corporate Overhead	\$ 1,897	-	-
Other Cost of Operations	\$ 15	-	-
Total Cost of Operations	\$ 9,544	-	-
Net Operating Results	\$ (8,907)	-	-
Reserve Expenses	\$ 2,979	-	-
Net Financial Impact	\$ (11,886)	-	-
8. Technology Transformation Service (TTS)			
Revenue	\$ 51,561	\$ 65,052	\$ 81,660
Acquisition Training Fund	-	-	-
Cost of Goods Sold	\$ 12,988	\$ 24,857	\$ 36,356
Gross Margin	\$ 38,573	\$ 40,195	\$ 45,304
<i>Cost of Operations</i>			
Program Expenses	\$ 36,487	\$ 40,789	\$ 43,411
Corporate Overhead	\$ 10,280	\$ 8,863	\$ 10,015
Other Cost of Operations	\$ 606	\$ 688	\$ 708
Total Cost of Operations	\$ 47,373	\$ 50,339	\$ 54,135
Net Operating Results	\$ (8,800)	\$ (10,144)	\$ (8,830)
Reserve Expenses	\$ 11,129	\$ 9,145	\$ 5,977
Net Financial Impact	\$ (19,929)	\$ (19,289)	\$ (14,807)
9. Total Acquisition Services Fund (ASF)			
Revenue ⁴	\$ 13,318,889	\$ 13,941,929	\$ 14,232,321
Acquisition Training Fund	\$ (14,644)	\$ (14,846)	\$ (15,147)
Cost of Goods Sold	\$ 11,123,251	\$ 11,672,975	\$ 11,878,896
Gross Margin	\$ 2,180,994	\$ 2,254,107	\$ 2,338,278
<i>Cost of Operations</i>			
Program Expenses	\$ 1,094,840	\$ 1,196,720	\$ 1,218,337
Corporate Overhead	\$ 236,389	\$ 245,143	\$ 257,693
Other Cost of Operations	\$ 578,255	\$ 584,881	\$ 598,110
Replacement Cost Pricing ²	\$ 139,721	\$ 162,128	\$ 165,712
Total Cost of Operations	\$ 2,049,205	\$ 2,188,872	\$ 2,239,851
Net Operating Results	\$ 131,789	\$ 65,235	\$ 98,426
Reserve Expenses	\$ 147,556	\$ 147,931	\$ 75,988
Net Financial Impact	\$ (15,767)	\$ (82,696)	\$ 22,438

¹ - TTL Portfolio Revenue and Cost of Goods Sold include \$844.4 million, \$1,026.2 million, and \$1,050.8 million in intra-GSA sales of vehicles that GSA Fleet plans to purchase from GSA Automotive in FY 2018, FY 2019, and FY 2020, respectively, for its leasing program for federal agencies.

² - TTL and Total ASF operating expenses include Replacement Cost Pricing (RCP), which is a component of current year fees and is used to cover the cost of inflation on vehicles purchased by GSA Fleet.

³ - The CAP Portfolio is no longer Revenue generating and will not have an Income and Expense Statement. It has been added to the Corporate Overhead expense line and is allocated to the other Programs.

⁴ - Total ASF Revenue is \$3,869.8 million less than the total obligation request of \$18,102.1 million for FY 2020. The total obligation request includes anticipated increases in flow-thru obligations that will not be recognized as Revenue until subsequent fiscal years.

Operating Efficiency Metric

Beginning with the FY 2018 budget, FAS is using an operating efficiency metric to monitor how well it converts resources into business that recovers costs. That metric is equal to FAS's direct operating expenses divided by the total gross margin earned by FAS's different business lines. FAS's direct operating expenses are defined as the costs FAS has direct control over, i.e., those costs not related to customer orders or controlled by a part of GSA other than FAS. Examples of costs excluded from FAS's direct operating expenses include maintenance costs of vehicles leased to customers and payments to GSA's Working Capital Fund.

FAS achieved a result of 30.90 percent against a target of 32.35 percent in FY 2018. FAS is targeting 33 percent in FY 2019 and 32.5 percent in FY 2020. Individual portfolios within FAS provide services on profit and loss statements have different fixed and variable direct cost models and therefore different operational efficiency ratios. Management evaluates efficiency at portfolio levels to ensure FAS's ability to serve changing levels of Government demand at optimal levels of efficiency.

Obligations by Object Classification

(Dollars in Thousands)

		FY 2018 Actual	FY 2019 Plan	FY 2020 Estimate
11.1	Full-time permanent.....	\$ 337,959	\$ 365,019	\$ 380,790
11.3	Other than permanent.....	\$ 1,643	\$ 269	\$ 284
11.5	Other personnel compensation.....	\$ 5,650	\$ 5,473	\$ 5,707
11.8	Special personal services payments.....	\$ (1,487)	\$ -	\$ -
11.9	Total personnel compensation.....	\$ 343,765	\$ 370,762	\$ 386,780
12.1	Civilian personnel benefits.....	\$ 108,738	\$ 115,154	\$ 120,064
13.0	Benefits for Former Personnel.....	\$ -	\$ -	\$ -
21.0	Travel and transportation of persons.....	\$ 6,911	\$ 10,546	\$ 10,277
22.0	Transportation of things.....	\$ 16,072	\$ 6,027	\$ 6,167
	Direct.....	\$ -	\$ 45	\$ 43
	Flow-Thru.....	\$ -	\$ 5,983	\$ 6,123
23.1	Rental payments to GSA.....	\$ 20,325	\$ 15,817	\$ 16,087
23.2	Rental payments to commercial sources.....	\$ 29	\$ -	\$ -
23.3	Communications, utilities, and miscellaneous charges.....	\$ 1,475,510	\$ 1,483,942	\$ 978,672
	Direct.....	\$ -	\$ 744	\$ 771
	Flow-Thru.....	\$ -	\$ 1,483,198	\$ 977,901
24.0	Printing and reproduction.....	\$ 1,546	\$ 1,788	\$ 1,791
25.1	Advisory and Assistant Service.....	\$ 9,015,359	\$ 11,586,672	\$ 12,140,546
	Direct.....	\$ -	\$ 368,598	\$ 294,578
	Flow-Thru.....	\$ -	\$ 11,218,074	\$ 11,845,968
25.2	Other good and services from non-Federal sources.....	\$ 1,620	\$ 4,821	\$ 5,056
25.3	Other purchases of goods and services from Federal sources...	\$ 301,552	\$ 273,044	\$ 277,206
25.4	General Operations and Maintenance.....	\$ 99	\$ -	\$ -
25.7	Operations and maintenance of equipment.....	\$ 183,136	\$ 117,254	\$ 120,644
26.0	Supplies and materials.....	\$ 1,423,472	\$ 1,282,701	\$ 1,312,487
	Direct.....	\$ -	\$ 606	\$ 481
	Flow-Thru.....	\$ -	\$ 1,282,095	\$ 1,312,007
31.0	Equipment.....	\$ 2,360,685	\$ 2,589,691	\$ 2,726,325
	Direct.....	\$ -	\$ 10,490	\$ 8,532
	Flow-Thru.....	\$ -	\$ 2,579,201	\$ 2,717,793
32.0	Land and structures.....	\$ 339	\$ -	\$ -
42.0	Insurance claims and indemnities.....	\$ 481	\$ -	\$ -
43.0	Interest and Dividends.....	\$ -	\$ 6	\$ 6
44.0	Refunds.....	\$ 60	\$ -	\$ -
94.0	Refunds of Advances.....	\$ 8	\$ -	\$ -
	Total new obligations.....	\$ 15,259,707	\$ 17,858,224	\$ 18,102,110
	Subtotal, PC&B.....	\$ 452,503	\$ 485,916	\$ 506,845
	Subtotal, Non-labor.....	\$ 14,807,204	\$ 17,372,309	\$ 17,595,265
	Civilian full-time equivalent employment.....	3,122	3,355	3,443
	Net Outlays.....	94,000	(652,000)	(322,000)

U.S. General Services Administration
 Acquisition Services Fund

FTE by Portfolio, Initiative, and Integrator Office

	FY 2018 Actual	FY 2019 Plan	FY 2020 Estimate
Portfolios & Initiatives	2,600	2,732	2,789
Assisted Acquisition Services	428	468	495
General Supplies Services	499	515	520
Information Technology Category	628	653	651
Professional Services & Human Capital	204	222	227
Travel, Transportation, & Logistics	626	652	659
Integrated Award Environment	32	33	33
Technology Transformation Service	183	190	205
Integrator	522	623	654
Office of the Commissioner	28	84	109
Regional Commissioners	86	95	96
Office of Enterprise Strategy Management	43	49	51
Office of Customer & Stakeholder Engagement	235	246	246
Office of Policy & Compliance	37	41	42
Common Acquisition Platform	31	36	36
Contracting	63	72	74
Total FAS FTE *	3,122	3,355	3,443

* The sum of individual office's FTE may not add up to total FAS FTE levels due to rounding.

Supporting Administration Priorities

FAS supports the President's Management Agenda on multiple fronts by investing in IT modernization, offering shared services to other Federal agencies, and being a leader in category management. FAS regularly reviews its inventory of IT infrastructure and continues to make significant investment to modernize its business and infrastructure systems. Examples include modernization and convergence of legacy Assisted Acquisition Services business systems, the development of a new telecom ordering and inventory system, the implementation of an order management system for the Global Supply program, the planned modernization and convergence of the legacy Fleet business systems, and the planning of a contract writing system. Across the enterprise, FAS is committed to modernizing its systems to make doing business with FAS easier for other Federal agencies and give FAS employees the right tools to accomplish their jobs more efficiently. Additionally, FAS has long been a leader in providing shared services offerings for other Federal agencies. This includes the e-Gov Travel service used to book travel and lodging; IAE, which enables Federal agencies to develop, run, and manage awards management applications using IAE infrastructure and data; and SmartPay, which provides purchase, travel, fleet, and integrated payment solutions. Finally, as a leader in category management, FAS develops and implements the processes for assessing and analyzing market information pertaining to the Federal Government categories of spend.

In addition to supporting the President's Management Agenda, FAS is pursuing several initiatives in support of OMB's M-17-22 memo regarding the Agency Reform Plan. This includes improving the Federal Marketplace buying experience by enhancing FAS's acquisition vehicles, focusing on human-centered processes and systems, and emphasizing workforce readiness. Also included in the Federal Marketplace initiative is an effort to optimize the Multiple Award Schedules program by eliminating duplicate Special Item Numbers (SINs), thereby reducing the burden on industry and reducing confusion as to which contract to use among customer agencies. FAS is also heavily focused on implementing commercial platforms in partnership with commercial providers in support of Section 846 of the FY 2018 National Defense Authorization Act (NDAA). Finally, to ensure unbiased recommendations, FAS has commissioned a study of agencies' vehicle fleets and related equipment to determine the most cost-effective source for customer agencies.

Federal Acquisition Service

The mission of the Federal Acquisition Service (FAS) is:

Provide an exceptional customer experience by delivering best value goods and services through an increasingly digital environment.

The FAS mission reflects a commitment to delivering service, innovation, and value through efficient operations, market expertise, and proactive partnerships with both customer agencies

and private sector vendors. FAS accomplishes this mission by providing solutions to partner agencies through seven business portfolios that help agencies buy smarter and achieve administrative cost savings throughout the Government.

In order to better carry out this mission, FAS took steps to improve tools and systems for agency buyers and suppliers: provide more access to data and information, streamline the ordering process, improve our acquisition solutions and contracts, and create centers of expertise on the products and services FAS provides.

In addition, FAS is finding ways to provide more shared services and platforms for our agency partners.

FAS tailors its current offerings to help partner agencies minimize the administrative costs associated with acquisitions, so that agencies can focus on mission critical activities. Descriptions of each portfolio and their shared mission of promoting strategic sourcing, smarter procurements, and increased administrative savings across the Government are included below.

Assisted Acquisition Services Portfolio

The Assisted Acquisition Services (AAS) portfolio offers customized acquisition, project management, and financial management services for large and complex projects at best value to the Government. AAS's highly trained contracting, project, and financial management professionals provide direct assistance to partner agencies for the Government's complex IT, professional services, facilities maintenance, research and development, and cybersecurity challenges. This commitment to mission ensures that agency requirements are met on time and within budget while reducing contracting risk. AAS provides best value in acquisition, so that partner agencies can focus on their mission critical activities instead of overseeing acquisition and project management personnel.

The AAS portfolio includes 12 Client Support Centers (CSC), one in each region as well as Central Office. Based on their operating tempo and business capacity, each CSC is able to support clients in other geographic areas to meet the overall needs of the AAS portfolio and best serve its customers' mission requirements.

In FY 2018, AAS's business has grown significantly compared to FY 2017. Obligations increased 36% over FY 2017 totaling \$8.3 Billion. To ensure quality as AAS expands, the portfolio established an Acquisition Quality Initiative focused on:

- Increasing knowledge sharing across the enterprise by better leveraging collaborative technology and establishing new employee-led working groups;
- Enhancing its capacity to review contract files;
- Providing greater guidance and training to improve contract filing; and

- Establishing enterprise-wide guides and templates creating a more consistent customer and industry experience.

In FY 2019 and FY 2020, AAS will continually promote transparent, sustainable, and superior quality acquisitions across the Government. To meet significant year-over-year increases in customer demand, AAS is increasing agency-partner support through higher staffing levels in the CSCs and by expanding its training programs. By doing so, current and future staff will have the skills and expertise needed to do some of the Government's most complex acquisition and project management work. Additionally, AAS continues to use a business model that channels demand to acquisition and project management professionals who have the expertise and greatest capacity to meet agency requirements.

The primary areas of AAS expertise have historically included IT and IT services, professional services, and facilities maintenance spending categories. AAS is expanding its focus to include the cybersecurity fields, research and development, and other spending categories. This enlarged scope of activity includes providing contracting support for the entire acquisition lifecycle, from developing requirements through awarding and administering contracts and task orders.

AAS continues to find opportunities to stand up expanded operational support with customer agencies. An example of this effort is the support provided by the AAS National Capital Region to the U.S. Housing and Urban Development and Government National Mortgage Association (GNMA). Since FY 2015, AAS and GNMA executed 27 contracting actions with an estimated award value (if all options are exercised) in excess of \$600 million. These partnerships serve as the foundation for future growth in FY 2019 and beyond.

Office of General Supplies and Services Categories

The Office of General Supplies and Services Categories (GS&S) leverages the Federal Government's buying power to procure/requisition non-IT products and services at reduced prices, with fast delivery times and in compliance with the Federal Acquisition Regulation. By establishing acquisition solutions that can be used Government-wide, GS&S allows Federal agencies to avoid contract duplication and eliminates the need for other agencies to develop their own contract vehicles for commercially available items and related services. GS&S also provides personal property disposal and offers sales services to partner agencies.

Office of Supply Chain Management (SCM) — provides Federal agencies access to competitively priced products as part of the National Supply System. The direct vendor delivery and assisted acquisition models enable the program to efficiently meet agency demands for competitively priced products, faster delivery, and lower administrative costs through the elimination of Government inventory holding costs. In late FY 2018, SCM added more than 1

million part-numbered products to its catalog, which will serve as a growth catalyst for sales in FY 2019.

In May FY 2018, SCM extended the domestic direct-vendor delivery model to overseas military customers operating in the European and African combatant commands to improve service levels and shorten customer wait times. The program plans to expand into other combatant commands, where possible, in the coming years, starting with the India/Pacific command in FY 2020. This is a major and unprecedented service enhancement primarily but not exclusively for military customers overseas.

Office of Retail Operations (RO) — works with commercial partners to provide custom supply chain solutions for DoD and civilian agencies. This commercialization of the supply chain reduces costs while allowing customers to focus on core competencies by leveraging GSA's acquisition expertise and the product-fulfillment know-how of commercial industry leaders. RO operates retail stores, issue points, and an online portal to provide customers with commercial tools and office supplies through a fast, convenient, and compliant purchasing method. RO currently operates and manages 37 locations around the world. RO continued to expand 4PL growth and conversions in FY18 across multiple locations.

Office of Acquisition Management (AM) — provides Federal agencies with direct access to vendor goods and services through Multiple Award Schedule (MAS) contracts, assisted acquisitions for furniture through the Integrated Workplace Acquisition Center (IWAC) and emergency preparedness and response recovery contracting through the Internal and Emergency Acquisition Center (IEAC).

AM's management of the supply-related MAS vehicles ensures access to an easy-to-use sourcing solution across Federal agencies. It also saves contracting officers and the vendor community time and money while facilitating billions in Federal purchases each year, many via America's small business community. The Transactional Data Reporting initiative allows contracting officers to better inform their buying decisions and negotiation strategies by making available detailed prices paid, quantity, standard part number, and product descriptions for those vendors who choose to share that information. The ARP Commercial Platform initiative, included in Section 846 of the FY 2018 NDAA, will provide a simple method for Federal customers to acquire commercially available items via an industry standard electronic commercial platform.

The IWAC will also continue to partner with PBS to provide furniture to Federal agencies through GSA's Total Workplace solution. GSA's Total Workplace Furniture & Information Technology (FIT) program fuels vigorous and deliberate optimization of the Federal footprint while minimizing the upfront capital needs of our customers in right-sizing their operations. GSA is creating a 21st century workplace across Government to save money and increase productivity. GSA's overall Total Workplace initiative provides resources and expertise to encourage Federal agencies to reduce their office space, foster collaboration, better manage IT spending, and increase efficiency. FIT allows agencies to lease furniture during a 5-year term

and lease IT during a 3-year term, easing the burden of costs while giving agencies the furniture and technology they need to build a more efficient Government.

Under the National Response Framework, the Internal and Emergency Acquisition Center (IEAC) supports the Federal Emergency Management Agency (FEMA). IEAC establishes contingency acquisition solutions to assist FEMA in procuring the commodities and services needed to support their mission utilizing MAS contracts and open market procurements. Examples of commodities and services procured in support of FEMA include: blankets, cots, tarps, plastic sheeting, water, and hygiene kits. In the autumn of 2018, the office facilitated \$2,016,847.20 in transactions on behalf of FEMA, providing assistance from the fallout of Hurricanes Harvey and Irma, among others. IEAC stands ready to quickly organize the delivery of commodities and services needed for emergency preparedness and rapid response in the event the United States is faced with more natural disasters.

Office of Personal Property Management (PPM) — provides sales services to Federal agencies through the Property Sales Program. Personal Property Sales staff work with agencies to conduct sales on behalf of agencies that have surplus, seized and forfeited, or non-excess personal property with a continuing need under the Exchange/Sale authority (40 U.S.C. § 541, et seq.) with the majority of the sales proceeds reimbursed to the partner agency. In FY 2019, PPM will continue to expand the use of Exchange/Sale authority, whereby remaining proceeds, after cost of sale, are reimbursed to the partner agency. In FY 2018, PPM returned \$145 million to partner agencies.

Emergency Management Program Office (PMO) — serves as the central liaison between emergency acquisition teams across multiple FAS offices, the GSA Office of Mission Assurance and FEMA during both emergency and steady-state operations. Additionally, the PMO is responsible for managing the FAS Central Office Continuity of Operations Program.

Information Technology Category

The Information Technology Category (ITC) is improving the customer agency experience by providing access to quality services through multiple acquisition vehicles. These vehicles provide access to small businesses, and high quality, innovative suppliers. These contracts will shape and lead future IT category management efforts, and facilitate Government-wide IT modernization.

ITC's goals are to be a catalyst for customer mission success and shape Government-wide IT acquisition. In order to deliver the best value to stakeholders and achieve these goals, ITC organizes activities around the major IT subcategories of Telecommunications, IT Hardware, IT Software, IT Services, and IT Security.

Telecommunications — helps Federal agencies acquire the telecommunications and network

services needed to accomplish their missions efficiently and at the best possible price. The subcategory consists of network infrastructure, satellite communications, wireless, mobility, network support, and integration.

EIS awarded July 30, 2017 is expected to rapidly improve cybersecurity capabilities, introduce Software Defined Networking in Federal agency networks, and serve as a vehicle to help agencies achieve Federal IT modernization goals in the telecommunications space.

Transitioning from the seven Networkx contracts and more than 85 LSA contracts to EIS affects more than \$2 billion in annual business volume and impacts 228 Federal agencies and other Government entities. These agencies are currently using 8 million active services on the expiring contracts; those services must be successfully transitioned before the contracts expire to avoid mission-impacting gaps in the agencies' telecommunications, network connectivity, and cybersecurity solutions.

Based on lessons learned from the previous transition to Networkx, Telecommunications is offering agencies transition assistance for transition planning, acquisition development, service migration, and inventory tracking and management. GSA is encouraging all agencies to use the EIS transition as an opportunity to transform and modernize their network services.

Additionally, Telecommunications has significant goals tied to satellite communications and mobility. The Complex Commercial SATCOM Solutions contract (CS3) was awarded in FY 2017. CS3 was developed with the Defense Information Systems Agency (DISA) and builds on GSA's partnership with DISA that also established commercial satellite supply schedules. The Telecommunications subcategory is also co-leading the Government-wide Mobile Services Category Team and will continue its FSSI-Wireless program in FY 2019 via the use of an enhanced Schedule 70 SIN that redefines mobility to include enterprise mobility management services such as mobile device management and mobile integration services.

IT Hardware — comprises purchase, lease, and maintenance options for communications, computing, electronic, and fiber optic equipment as well as hardware services.

Of notable success is GSA's Government-wide Strategic Solutions for Desktops and Laptops, which was established in coordination with OMB to assist Federal agency buyers to purchase desktop and laptops with standard configurations. The program increases the transparency of contract terms and conditions in the IT hardware space and provides a framework to manage hardware spend more closely while achieving better pricing. The standard configurations as well as terms and conditions were developed through interagency collaboration of the Workstations Category Team, a consortium of more than 20 Federal agencies established by OMB. As a result, GSA IT Hardware saw a 400 percent increase in spending for standard configuration desktops and laptops each year for the past two fiscal years which has saved customer agencies over \$28 million in FY 2018.

IT Hardware launched the Federal-wide IT Hardware Community of Interest to encourage multi-agency coordination and collaboration in cross-cutting IT Hardware focus areas with broad multiple component investment. The Community provides a forum for coordinating cost saving strategies across the Federal Government, sharing new ideas, technical direction, consolidated buying, and reducing duplication, strategic sourcing, and innovative technology opportunities. The Community focus is on IT Hardware Acquisition, Asset Management, Standardization, and Deployment/Integration. Discussions led to development of new acquisition and management solution models such as PC and Device as a Service.

IT Software — comprises Infrastructure Software, Enterprise Application Software, and Licensing and Maintenance. The Software category includes both packaged software products and cloud-based Software-as-a-Service (SaaS) solutions and their related licensing and maintenance services.

The Software Category partners with DoD's Enterprise Software Initiative to develop BPAs for Federal agency software purchases to aggregate requirements, drive down prices, and establish more consistent licensing terms and conditions.

In FY 2019, ITC will continue developing the Software License Management Service supporting participating agencies in developing policies, procedures, and business processes that shift uncoordinated, decentralized software purchasing to centralized software management. IT Software is also working with the Office of Shared Solutions and Performance Improvement to develop a Government-wide Payroll-as-a-Service initiative.

IT Services — invested in the development of the next generation of Government-wide Acquisition Contracts (GWACs). Agencies spend approximately \$14 billion annually through GSA's GWACs and Schedule 70 Contract. The next generation GWACs (already awarded) ensure agencies continue to have access to solutions and premier providers of IT services. In addition, GSA is continuing to refine Schedule 70 by adding new SINs. Recent additions include SINs for cloud, cybersecurity, contact center, and Health IT.

IT Security — provides products and services to protect information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide confidentiality, integrity, and availability. These products and services are key requirements for many Federal, state, and local government customers; they protect privacy and health data and are vital for maintaining national security.

The subcategory also participates in the development of the Supply Chain Risk Management program to increase the security of GSA-offered IT products and services. The program provides standard methodologies, procedures, tools, and templates for category managers to apply to all ITC contracts, thereby enabling agencies to make better risk-based purchasing decisions. Another high-impact program managed within the subcategory is the Highly Adaptive Cybersecurity Services Program, which ensures ongoing vendor technical evaluation and

customer outreach and assists agencies in complying with Government-wide requirements to assess, monitor, and manage High Value Assets.

The USAccess HSPD-12 Managed Service Office Provides a FIPS-201 compliant, Personal Identity Verification (PIV) card issuance service to 104 Federal agencies, commissions and boards credentialing more than 600,000 Federal employees and contractors.

The Federal Public Key Infrastructure (FPKI) Management Authority is a shared service enabling identity management practices for secure physical, logical access, and information sharing across Federal agencies and between external business partners through the execution of digital certificate policies and standards. FPKI provides Government-wide benefits and helps Federal agencies comply with key cybersecurity mandates, directives, and policies.

Professional Services and Human Capital Categories

The Professional Services and Human Capital Categories (PSHC) manages non-IT professional and human capital services acquisition contract programs, and sponsors the Federal Government's Professional Services category activities. There are four primary contract programs within the portfolio: the Professional Services and Human Capital Schedules, OASIS multiple award contracts, HCaTS multiple award contracts, and GSA's SmartPay[®] program.

Professional Services Schedule (PSS) — The PSS provides Federal agencies with access to over 3,800 precompeted multiple award contracts that allow agencies to acquire a full range of management, program, and consulting; engineering; financial and business; advertising and integrated marketing; logistics; environmental; and language (including translation, interpretation, transcription, sign language and training) professional services. In FY 2018, agencies acquired \$10.89 billion in professional services through this GSA Schedule and FAS improved PSS award timeliness from an average of 227 days to less than 90 days. While agencies and industry are generally positive about the Schedule's operations, opportunities for improved program performance remain. In FY 2020, program enhancements will include further streamlining and burden reduction for industry by easing and standardizing offer requirements. Additionally, the program will be supporting and included in GSA's MAS transformation and consolidation initiatives.

Human Capital Schedules — In FY 2018 supported approximately \$735 million in agencies' annual contracting spend and afforded access to more than 1,100 contracts that provide a range of human capital commercial services, including a full array of human resource, equal employment opportunity, and social and training services. In FY 2020, the program will be supporting and included in GSA's MAS transformation and consolidation initiatives.

One Acquisition Solution for Integrated Services (OASIS) — are multiple award, Indefinite Delivery Indefinite Quantity (IDIQ) contracts providing flexible and innovative solutions for complex commercial and noncommercial professional services. Since their award in FY 2014,

the OASIS contracts have supported over \$12.32 billion in agencies' contracting obligations with approximately \$6.32 billion obligated in FY 2018 alone, nearly half of which was awarded to small businesses. The OASIS contracts afford easier access to 269 companies providing program management, management consulting, logistics, engineering, scientific, and financial services.

In FY 2019 and continuing into FY 2020, the program will conduct a series of open season on-ramps to both its unrestricted and small business contracts. These on-ramps will increase the number of contracts from 290 to 890, with a focus on increasing the number of small business contracts available to customer agencies by 490.

Human Capital and Training Solutions (HCaTS) — The HCaTS and HCaTS Small Business contracts are multiple award, IDIQ contracts providing flexible and innovative solutions for complex commercial and noncommercial human capital services. The contracts are the result of a unique and collaborative partnership between OPM and FAS designed to provide all agencies the ability to procure customized human capital management and training services through a streamlined contract vehicle. In Q4 FY 2018, GSA and OPM lowered the HCaTS' Contract Access Fee to make the program more competitive. This is an excellent example of the efficiencies that can be gained and value created by transferring OPM functions such as the Human Resources Solutions portfolio to GSA as reflected in the President's Budget and the administration's Government reform plan. In FY 2019, HCaTS is conducting an open season on-ramp to increase the size of HCaTS Small Business Pool 1 which will realize benefits to small businesses in FY 2020.

Center of Charge Card Management (CCCM) — administers GSA SmartPay[®], the world's largest government charge card program. CCCM provides GSA SmartPay services to more than 560 Federal agencies, organizations, and Native American governments by providing commercial payment solutions, including purchase, travel, integrated, and fleet charge cards.

In FY 2018, 3.5 million account holders -- through more than 96 million transactions -- acquired goods and services totaling \$30.6 billion, a 7.6% increase over FY 2017. The program generates substantial refunds from contractor banks based on spend volume and the speed of bank invoice payment. In FY 2018, participating agency net refunds totaled \$310.2 million. GSA SmartPay has generated more than \$3.7 billion in refunds since its inception in 1998.

In FY 2020, the program will focus on supporting agencies in increasing refunds received through the program by expanding use of cardless payments and increased use of the purchase card under the now increased micropurchase threshold.

Technology Transformation Services

In FY 2016, GSA created the Technology Transformation Service (TTS), which included business lines funded from the ASF and the FCSF. In FY 2017, GSA merged TTS with FAS and renamed it the Technology Transformation Services. TTS aims to transform the way Government agencies build, buy, and share technology, as well as using modern methodologies and technologies to assist Federal agencies to improve the public's experience with Government. TTS helps agencies make their services more accessible, efficient, and effective by building and providing technology applications, platforms, processes, personnel, and software solutions to Federal agencies. In FY 2018 and FY 2019, TTS will continue to build the foundation for the Government's digital transformation by using an agile approach to build, buy and share technologies for agency partners. TTS puts an emphasis on working in the open and putting users at the center of everything it designs.

Office of 18F — is a services-based organization partnering with agencies to tackle strategic problems and help them deliver high-quality digital experiences for their users. In FY 2019, 18F, in collaboration with the Office of Acquisition, will look for opportunities to provide project support for the Centers of Excellence.

Office of Acquisition — buys digital products and services for (TTS) as well as for partner agencies through assisted acquisitions. TTS OA is dedicated to aligning acquisition with the best industry practices to ensure the effective and efficient delivery of technology products and services. TTS OA and 18F will provide integrated consulting services to aid agency partners in buying innovative IT. FY 2019 goals include continued focus on acquisition innovation within GSA and also at partner agencies.

Presidential Innovation Fellows (PIF) Program — The PIF program attracts top innovators from the private sector into government, capable of tackling issues at the convergence of technology, policy, and process. PIF pairs Fellows with top Federal agency change makers to address some of the nation's most significant technology challenges. The goal is to embed talented technology leaders into agencies to challenge existing paradigms by rethinking problems and leveraging novel, agile approaches. In FY 2018, PIF had 19 fellows leading initiatives at 10 agencies. FY 2019 goals include expanding the size of the program, aiding the Centers of Excellence with the IT Modernization effort, partnering with multiple new agencies, and working more closely with other TTS programs to streamline operations and increase efficiency.

Login.gov — is an authentication platform making online interactions with U.S. Government websites simple, efficient, secure, and intuitive. The platform is designed and developed to provide a service shared by agencies to streamline the login processes and to allow the public to securely access personal information through Federal Government online services. The Login.gov platform currently has 25 agency LOA1 (Level of Assurance 1) applications in production with over 9 million registered LOA1 users as of end of FY 2018 and is growing rapidly by adding about 1 million new users every month since March 2018. As originally planned, the pilot for these LOA1 agency applications ended in FY 2018 and customer agencies

are charged for services beginning in FY 2019. LOA3 (Level of Assurance 3) agency pilots began in Q1 of FY 2019 and will continue through Q3 of FY 2019. Login.gov is currently in the process of receiving agency FedRAMP Authority to Operate and plans to onboard additional customers for both LOA1 and LOA3 applications in FY 2019.

Cloud.gov — is a shared service offering a platform-as-a-service cloud computing solution tailored for the needs of the Federal Government. Cloud.gov makes Federal Government software development teams more efficient and effective by providing a strong, digital foundation with the information security and compliance to enable efficient product development. Cloud.gov maintains a FedRAMP Joint Authorization Board Moderate authorization to provide strong security compliance for customers. In FY 2018, cloud.gov added new agency customers, bringing the total to 35 customer systems at 16 Federal agencies. In FY 2019 cloud.gov will continue to add new customers while maintaining more than 95 percent of existing customers.

Centers of Excellence (CoEs) — is an initiative that matches agencies across Government with Federal subject matter experts and industry partners to modernize IT infrastructure, increase data-driven decisions, and create positive experiences for citizens and customers. At the end of FY18, the Centers started implementation of modernization projects at USDA, valued at \$24M, and began a discovery phase at HUD, valued at \$4M. In FY19, the Centers anticipate an additional funding to support application migration at USDA, complete discovery and modernization projects at HUD, begin a discovery phase at a yet to be determined agency in Q2. These centers are outlined below:

IT Infrastructure Optimization — Assisting agencies with the assessment, development, and implementation of computing infrastructure (i.e., network, storage, data center) optimization plans.

Cloud Adoption — Performing application/system portfolio analysis, developing cloud migration recommendations, planning and managing the migration execution. The goal is to assist agencies in accelerating their cloud adoption.

Customer Experience — Assisting agencies with the development and implementation of an optimal end-to-end experience for the customer. Implementation will include human-centered design and utilization of service design practices.

Data Analytics (DA) — Driving performance improvement and technical modernization through the use of data, analytics, and evidence. The DA CoE works with agencies and programs to develop and implement performance metrics at client agencies tracking strategic goals and missions, while driving continuous improvement. The DA CoE is a resource for Federal agencies seeking to develop communities of practice around data and analytics and to evaluate and select tools for carrying out data analysis, dashboarding, and data-driven continuous process improvement.

Contact Center — Providing a suite of offerings to help agencies manage and enhance their customer contacts. Activities include optimizing contact center operations; utilizing self-service tools; leveraging Robotic Process Automation (RPA) and emerging technologies; building internal business processes and systems to manage day-to-day performance; navigating available acquisition solutions; and/or learning contact center best practices.

Travel, Transportation and Logistics Categories

The Travel, Transportation and Logistics (TTL) portfolio provides agencies with a broad scope of innovative and cost-effective services including travel, transportation and relocation services, motor vehicle acquisition, and fleet management services. Operations within this portfolio include the following business lines:

Vehicle Purchasing — is a mandatory source for DoD and Executive agencies purchasing non-tactical vehicles. TTL provides services that reduce overhead costs across the Federal Government associated with multiple vehicle acquisition programs through shared service. By aggregating the demand and thus increasing the negotiating power of the Federal Government, the Vehicle Purchasing program saves on the overall cost of vehicles, obtaining prices substantially lower than dealer invoice. Each year, the Federal Government procures approximately 50,000 vehicles through GSA's Vehicle Purchasing program. In addition, GSA Fleet standardized equipment packages that are mission ready for Agency customers, law enforcement, ambulatory/handicap/special needs, medium/heavy duty trucks, and other first responder vehicles, such as firefighting, counterterrorism, diplomatic/executive security and disaster/recovery vehicles.

Vehicle Leasing — provides full-service leases for approximately 217,000 non-tactical vehicles to Federal agencies each year. The program provides agencies with end-to-end fleet management services including: vehicle acquisition and disposal; maintenance control and accident management; fuel and loss prevention services; and a fleet management system that provides data and analytics on fleet operations. The National Maintenance Control Center and the National Accident Management Center support all leased vehicles by offering agencies preventive maintenance, repair, and accident management services at best value. The use of these centers prevents the Federal Government from incurring higher maintenance costs. The program also provides a GSA Fleet Card with each vehicle for the purchase of fuel and minor maintenance, helping the program control costs and monitor waste, fraud, and abuse.

The program is committed to improving fuel efficiency across the leased fleet. Each year, GSA replaces eligible vehicles in the GSA-leased fleet with new, more fuel-efficient vehicles. In FY 2018, the new vehicle additions to the fleet had an average miles per gallon rating 11.5 percent higher than the vehicles they replaced.

GSA Fleet continues to work with Federal agencies to consolidate both agency-owned vehicles as well as replace costly commercial leasing arrangements. In FY 2018, GSA Fleet successfully transitioned more than 1,882 agency-owned vehicles to GSA's leased fleet.

As part of the Agency Reform Plan efforts, GSA Fleet is concluding the study of six agencies and beginning studies of five agencies in FY 2019 to determine if it would be more cost-effective for those agencies to consolidate their vehicles with GSA Fleet. Depending on the outcomes of the studies, vehicle consolidations could begin in FY 2019. The full consolidation effort is expected to take several years to complete.

Travel, Employee Relocation, and Transportation — manages three program and acquisition centers offering a variety of services related to the travel and relocation of Federal employees and the transportation of Federal property: the Center for Travel Management, the Employee Relocation Resource Center, and the Center for Transportation Management.

In FY 2019, the programs will focus on their category management and continued Government-wide customer service and supplier relationship management strategies, specifically improving data collection and analytics for better performance management and increasing category spend under management.

Center for Travel Management — primarily manages the E-Gov Travel Service (ETS), City Pair Program, FedRooms® lodging and Travel Services Solution Schedule. ETS provides web-based, end-to-end travel management services that include: travel planning, authorization, online booking, travel agency support, and reimbursement to civilian agencies. In FY 2018, ETS had 58 agencies deployed on the second generation E-Gov Travel Service Solution (ETS2). The City Pair Program leverages the Government's buying power and negotiates discounted airfares with commercial airlines. In FY 2018, partner agencies used the City Pair Program to purchase over 9 million flight segments, saving an estimated \$2.47 billion Government-wide when compared to like commercial airfares. The FedRooms lodging program offers Federal employees nearly 6,600 properties globally. In FY 2018, FedRooms increased agency adoption to 19 percent, resulting in an estimated savings of more than \$32 million Government-wide. The Travel Services Solution Schedule provides emergency management lodging and travel management center offerings.

Employee Relocation Resource Center — The Employee Relocation Resource Center (ERRC) is a Government-wide center for employee relocation products and services. The ERRC offers Federal agencies a streamlined procurement process with flexible programs, subject matter expertise and program support for two primary offerings for executive agencies: employee relocation services and household goods shipping services. The center is a mature program with high customer and supplier engagement and loyalty and, in FY 2018, secured more than 80 percent agency adoption with civilian agencies.

Center for Transportation Management — provides two major services: multimodal freight and transportation schedule services, which offer competitive rates, industry expertise, and management of transportation services for civilian customers Government-wide. In FY 2018, the program served a critical role in supporting FEMA's response to the Hurricanes Harvey, Maria, and Irma. In FY 2019, the program will continue its emergency management support as-needed and focus on right-pricing and right-sizing the organization for financial sustainability and improving program alignment with the right Category offering.

Office of Systems Management

The Office of Systems Management (OSM) standardizes, integrates and streamlines the Federal awarding process through electronic means, while increasing transparency and ensuring compliance with all applicable Federal Acquisition Regulations. OSM works across the Federal Government with four governance committees and other external stakeholders in a multi-year effort to modernize 10 award systems essential for doing business with the Federal Government, moving these systems to a single website. OSM also partners with FAS business portfolios and GSA IT to coordinate FAS systems development efforts.

The Integrated Award Environment (IAE) — is an E-Government initiative managed by GSA to facilitate each phase of the acquisition lifecycle, spanning from market research to contract administration. The goal of the IAE program is to integrate and unify the Federal acquisition process for Government buyers and sellers.

IAE is working toward the established product vision of the new SAM.gov, which is to be the trusted, essential place to seamlessly connect to the business of Government. In this effort, the program is developing an evolving set of functional capabilities to replace the remaining nine legacy systems currently used to administer Federal awards. The modernized system will have one home page with a single sign-on, one powerful search tool, and one robust reporting tool. The new system will also have one workspace where users can access the information and tools converted into a common, cloud-based, secure business environment. These changes facilitate and support cost-effective acquisition for products and services while fostering transparency in Federal acquisition. The modernized effort will provide a centralized administration, meaning administrators for multiple IAE systems will no longer be required to log into different systems to make administrative changes.

In developing the final product, the program launched beta SAM.gov to allow for more timely bug fixes and feedback from the user community. IAE continues to work closely with cross-Government governance committees and sponsors, providing regular updates and input. The program will decommission systems as approved by the governance committees when all necessary functionality is transferred from the beta testing site. The current systems will remain the authoritative source until decommissioning is approved and properly communicated. The first system to be decommissioned was the Catalogue of Federal Domestic Assistance in FY 2018 with plans to decommission Wage Determinations OnLine webpage in FY 2019. Once

all 10 systems are migrated over and decommissioned, the system will be renamed to SAM.gov.

In FY 2018 IAE improved its systems' user interfaces for login, search and roles management, enhanced reporting, improved data validation, engaged with the stakeholder community in testing and deployed updated training materials.

Common Acquisition Platform (CAP) — beginning in FY 2019, CAP will exclusively serve internal FAS customers and will not generate any revenue through Inter-Agency Agreements. A description of CAP activities can be found in the FAS Integrators section of the narrative below.

FAS Integrators

The FAS integrator offices support the business portfolios while providing strategic, organizational, and policy guidance to the business units. Integrator offices maintain FAS business processes and IT systems; provide contracting support; build strategic partner relationships; and support the FAS workforce.

Executive Direction — is composed of the Office of the Commissioner (to include the Deputy Commissioners for FAS and TTS) and the Regional Commissioners' offices. The Office of the Commissioner provides leadership and overall executive and program direction to ensure the mission and responsibilities of FAS are effectively carried out. Each of GSA's 11 regions contains a Regional Commissioner's Office that oversees regional FAS operations while ensuring that the acquisition needs of Federal agencies are met.

Office of Customer and Stakeholder Engagement (CASE) — identifies and addresses customer needs utilizing the Voice of the Customer, data analytics, and customer feedback. CASE manages the FAS opportunity pipeline and uses the principles and practices for strategic account management to ensure that FAS is coordinated with our customer and industry partners. CASE engages with the vendor community and Federal, state, and local agencies through communications, training, industry events, and the GSA Interact social media platform.

In FY 2019 and beyond, CASE will continue to support the improvement of service to FAS suppliers and customers by coordinating with FAS business lines using Voice of the Customer, Customer Relationship Management, and Sales Engagement efforts. CASE developed an opportunity pipeline review and analysis process that will assist FAS in understanding how to better understand and anticipate agency requirements and improve FAS solutions. CASE also will continue to expand on GSA-sponsored training events. CASE coordinates with the GSA Office of Strategic Communications and the Office of Customer Experience in carrying out its functions.

Office of Enterprise Strategy Management (OESM) — manages FAS's strategic planning, leads high-impact FAS-wide efforts such as the Federal Marketplace initiative, helps the FAS programs develop and execute business plans to meet their goals, provides support to the 10 Government-wide category managers and agencies, and manages the Acquisition Gateway.

In FY 2018, the Government-wide categories have achieved \$22.8 billion in cumulative savings and cost avoidance (this number will increase as not all data is available at the time of publishing). The program expanded the Acquisition Gateway with new acquisition tools and access to 283 Government contract vehicles, 839 templates and best practice documents across 10 Government-wide category hallways. In FY 2019, OESM will work to ensure strategic business planning is more tightly integrated with FAS's investment and executive performance planning processes, which will result in further improvements in FAS's ability to execute business strategies and achieve business goals. OESM is also heavily focused on implementing commercial platforms in partnership with commercial providers in support of Section 846 of the FY 2018 National Defense Authorization Act.

The Common Acquisition Platform (CAP) — CAP focuses on consolidating and modernizing FAS business systems supporting employees, agencies, and industry in the Federal acquisition process. FAS systems intend to improve access to services and information faster; facilitate cross-agency buying; foster better decisions on acquisition practices; drive consistency through best practices; and include data standards and access to tools that enable data analysis.

In FY 2018, CAP completed the update of the Federal Procurement Data System with the Uniform Procurement Instrument and Identification and Activity Address Codes to conform with DATA Act requirements. CAP also continued enhancements to other FAS applications, including automating data migration for the Transactional Data Repository, as well as user interface upgrades and automated data ingestion for the Prices Paid Portal.

Also in FY 2018, CAP has been an integral part of the establishment of a FAS-wide systems governance council and operating model. The priorities of this council, which include the agreement upon enterprise-wide goals related to acquisition systems development, will set the direction of CAP's activities for FY 2019, including support to systems for: Contract Writing, Enterprise Asset Management, and Enterprise Catalog Management.

Office of Policy and Compliance — establishes the standards and framework for managing FAS' acquisition workforce and is dedicated to contract integrity and facilitating a consistently positive agency partner experience. The program ensures operating practices are consistent across business lines and FAS activities are compliant with applicable laws, regulations and policies.

Contracting Division — is FAS's contracting organization supporting the acquisition needs of client agencies doing business with the AAS and ITC portfolios. By providing full contracting support, the office will maximize competition and reduce lead times and procurement costs for both Government and industry.

FAS IT Systems — provides IT services and support to FAS programs by managing FAS's business systems and their support contracts. GSA IT partners with the Office of Systems Management and FAS's business lines to synthesize business system requirements around enterprise strategy and system architecture. GSA IT incorporates its business knowledge and technological expertise to choose the best solution available for FAS programs. GSA IT is evaluating ways to consolidate and modernize existing IT systems at an enterprise-wide level to support the changing technological capacities of FAS and externally serviced Federal agencies.

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U.S. General Services Administration
WORKING CAPITAL FUND
Fiscal Year 2020 Budget Estimate
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Appropriations Language

For the Working Capital Fund of the General Services Administration, **\$50,000,000**, to remain available until expended, to be used for costs incurred transitioning Office of Personnel Management functions to the General Services Administration and for costs related to modernizing, upgrading, or replacing the Office of Personnel Management's information technology: Provided, That such funds may be transferred and credited to other accounts at the General Services Administration and Office of Personnel Management in amounts necessary to reimburse costs incurred for the purpose provided herein: Provided further, That amounts made available under this heading shall be in addition to any other amounts available for such purposes.

Working Capital Fund Overview

The FY 2020 estimate for the Working Capital Fund (WCF) is \$783.6 million including funding from all sources. GSA continues to realize operational efficiencies, strengthen management controls, and improve performance by centralizing management and enterprise-wide functions and services within the WCF. This has allowed GSA to establish more consistent processes, uniform policies, and higher quality services while achieving economies of scale and stronger internal controls.

The FY 2020 WCF budget estimate for internal operations of \$688.5 million includes \$30.9 million to fund investments and new customer requirements with \$27.9 million in savings identified to offset these investments. This budget provides funding for high priority initiatives such as the FY 2020 Pegasys upgrade, cybersecurity, and a relocation of the Northwest Arctic Regional Office Building currently located at the Auburn Federal Complex. These critical investments reinforce the customer-supplier relationship by aligning service delivery to demand, ultimately enabling WCF customers to execute their missions more effectively.

To keep the WCF bill requirement consistent with the FY 2019 level, GSA identified savings to offset these investments. Offsets include GSA IT contractual reductions, OHRM and OCFO efficiencies, and reductions in rent and contractual costs achieved by consolidating employees from GSA's Region 11 National Capital Region (NCR) building into the Central Office headquarters at 1800 F St. throughout FY 2019. These targeted reductions are limited to areas that minimally impact levels of service.

The FY 2020 WCF budget includes incremental funding transfers for two projects that were approved by the Technology Modernization Fund in FY 2019: \$5.1 million for the completion of GSA's Application Modernization Initiative and \$3.7 million for NewPay Payroll and Work Schedule and Leave Management Software-as-a-Service (SaaS). The FY 2020 Budget also is requesting \$50 million in no-year appropriated funds to support the transition of Office of Personnel Management (OPM) functions to GSA. Funding will be used to purchase new

equipment, analyze and incorporate OPM business processes into GSA processes, incorporate OPM systems into GSA's network, move and transition OPM staff, and perform audit and security assessments of those systems.

GSA continues to evaluate functions that are most effectively delivered through the WCF. The FY 2020 Estimate includes \$6.5M of transfers and new customer requests from the FY 2018 CJ. This funding supports business growth in the Federal Acquisition Service (FAS) and the Public Buildings Service (PBS) by providing additional contracting officers, dedicated financial support, and more funding for background investigations.

The WCF will continue to work closely with customers to identify efficiencies and meet their mission support needs, while providing higher quality service and stronger management controls.

Program Description

The WCF is a revolving fund that finances GSA's administrative services. These include, but are not limited to: IT management, budget and financial management, legal services, human resources, equal employment opportunity services, procurement and contracting oversight, emergency planning and response, and facilities management of GSA-occupied space. This account also funds liaison activities with the U.S. Small Business Administration (SBA) to ensure that small and disadvantaged businesses receive a fair share of the Agency's business. WCF offices also provide external administrative services such as human resource management for other Federal agencies including a number of small boards and commissions on a reimbursable basis. GSA's WCF operations are divided into four types of services: ***Internal Services, External Services, Major Equipment Acquisition & Development, and Direct Appropriations***

Internal Services: Enterprise-wide management functions and costs shared by all components of GSA, including GSA rent, IT and telecommunications services, human resource services, procurement operations, facilities management for GSA-occupied space, legal services, and financial management services. These costs can be categorized by the following service areas: Direct Services to Specific Customers, Common Services to all customers, Administrative/Overhead Functions, and Third-Party Pass-Through Services such as transit subsidy benefits.

External Services: The WCF provides or coordinates delivery of administrative services to other Federal organizations including small boards and commissions as well as larger agencies like OPM. GSA provides human resource services, IT and telecommunications services, and payroll support to these customers. GSA is reimbursed for the cost of providing these services through Interagency Agreements (IAA). The WCF also provides administrative support to home state or district offices for Members of Congress. To accommodate a growing set of external services as GSA expands its shared service offerings, the Budget requests the flexibility to receive advance payments in the WCF, as discussed in the "Administrative Provisions" section of this Congressional Justification.

Major Equipment Acquisition & Development: Per 40 U.S.C. Section 3173 (d), the equipment acquisition and development activity may be utilized for agency-wide investments to implement the Chief Financial Officers Act of 1990 such as: acquisition of capital equipment, automated data processing systems, and financial management and management information systems. These funds, which comprise of expired balances transferred from prior year GSA appropriations, may be used only with the advance approval from the Committees on Appropriations of both Houses of Congress. To enable GSA to make the best use of these funds, the Budget requests the flexibility to use these funds on acquisition of services as well as equipment, as discussed in the "Administrative Provisions" sections of this Congressional Justification.

Direct Appropriations: The WCF will support costs for the necessary transition and transformation activities required to transfer OPM programs, including systems and people, to GSA. This proposal is discussed further in the Reorganization chapter of the *Analytical Perspectives* volume.

Amounts Available for Obligation

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Plan	FY 2020 Estimate
Unobligated Balances:			
Carry forward	\$ 99,715	\$ 95,536	\$ 80,704
Recoveries from prior year balances	\$ 22,967	\$ 10,000	\$ 10,000
Transfers In (Lapsed Balances)	\$ 6,373	\$ -	\$ -
Transfers In (TMF)	\$ -	\$ 26,803	\$ 8,845
Transfers Out (TMF)	\$ -	\$ -	\$ (2,537)
Direct Appropriations	\$ -	\$ -	\$ 50,000
Revenue	\$ 659,441	\$ 684,665	\$ 700,431
Obligations:	\$ (692,960)	\$ (736,300)	\$ (783,567)
Major Equipment Acquisition and Development	[49,436]	[49,436]	[39,436]
Total, Unobligated Balances	\$ 95,536	\$ 80,704	\$ 63,875
Revenue:			
<u>Operating Programs:</u>			
Internal Services	\$ 645,012	\$ 663,459	\$ 665,372
External Services	\$ 14,429	\$ 21,206	\$ 35,059
Total, Revenue	\$ 659,441	\$ 684,665	\$ 700,431
Obligations:			
<u>Operating Programs:</u>			
Internal Services	\$ 679,808	\$ 715,094	\$ 688,508
External Services	\$ 13,152	\$ 21,206	\$ 35,059
Major Equipment Acquisition and Development	\$ -	\$ -	\$ 10,000
Direct Appropriations	\$ -	\$ -	\$ 50,000
Total, Obligations	\$ 692,960	\$ 736,300	\$ 783,567
Net Outlays	\$ 35,858	\$ 1,000	\$ 29,000
Total Employment (FTE)	1,895	2,025	2,020

Notes:

GSA requests an appropriation of \$50 million to support the transition of OPM to GSA.

Explanation of Changes

(Dollars in Thousands)

	Internal		External		Major Equipment Acquisition & Development		Direct Appropriations		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
FY 2019 CJ	2,012	675,687	18	16,694	0	1,000	0	0	2,030	693,381
Revised FY 2019 Plan	2,005	715,094	20	21,206	0	0	0	0	2,025	736,300
Net Change	(7)	39,407	2	4,512	0	(1,000)	0	0	(5)	42,919

FY 2019 CJ	2,012	675,687	18	16,694	0	1,000	0	0	2,030	693,381
Transfers (In / Out)										
OAS - From FAS to Office of Executive Secretariat and Audit Management	1	94							1	94
OAS - From PBS for Safety and Occupational Health & Contracting Officer	2	463							2	463
OAS - From OE for Director to Office of Accountability and Transparency	1	200							1	200
OCFO - From FAS for FPA	0	116							0	116
OMA - From PBS for Region 5 Contractor Support	0	340							0	340
Subtotal, Transfers (In / Out)	4	1,213							4	1,213
Increases - Investments										
SMO - TMF Transfer In (NewPay)	0	16,986							0	16,986
GSA IT - TMF Transfer In (Database Transformation)	0	9,817							0	9,817
GSA IT - Continuous Diagnostics & Monitoring	0	1,850							0	1,850
GSA IT - Enhancing Security	0	1,970							0	1,970
GSA IT - 1800F & NCR IT Costs	0	2,750							0	2,750
OAS - R10 ROB Relocation	0	250							0	250
OAS - NCR Relocation Move Costs	0	1,500							0	1,500
OAS - 1800F Workplace Improvements	0	3,700							0	3,700
OCFO - FPA O&M and Operational DM&E	0	434							0	434
OCFO - Robotics Implementation	0	480							0	480
Subtotal, Increases - Investments	0	39,737							0	39,737
Increases - Base										
FMLOB - Adjustment based on updated estimates from USDA	0	1,861		413					0	2,274
OGP - PMLOB transfer from GSA IT	0	0		970					0	970
OHRM - Credit Monitoring	0	64							0	64
OCE - FTE Increase	1	0							1	0
OCE - CX CAP Goal funding	0	0		2,500					0	2,500
OAS - Senior Advisor to OAS	1	231							1	231
OAS - New Contracting Officers for Internal Acq. Division	4	605							4	605
OCFO - Additional External Payroll support	0	0		2	0				2	0
OCFO - Additional FAS-AAS support	8	881							8	881
OCFO - Audit, Fin. MGMT, and Regional Contract Increases	0	2,007							0	2,007
OMA - FEMA Disaster Preparedness Support	0	0		0	2,000				0	2,000
OMA - Background Investigations for FAS EIS Contractors	0	2,800							0	2,800
Subtotal, Increases - Base	14	8,449	2	5,883					16	14,332
Decreases - Base										
GSA IT - Contract Reductions (multiple lines)	0	(5,042)							0	(5,042)
GSA IT - External Services Reduction	0	0		0	(1,371)				0	(1,371)
OAS - Nationwide Multifunction Device (MFD) Task Order	0	(150)							0	(150)
OAS - FY 2019 Rent Savings	0	(1,000)							0	(1,000)
OCFO - FTE & Contract Operational Efficiencies	(16)	(2,192)							(16)	(2,192)
OCFO - Lapsed Balance Decrease					0	(1,000)			0	(1,000)
OHRM - Staff Augmentation Contract, FTE, and Transit Subsidy Reduction	(9)	(1,609)							(9)	(1,609)
Subtotal, Decreases - Base	(25)	(9,993)	0	(1,371)	0	(1,000)			(25)	(12,364)
Net Change	(7)	39,406	2	4,512	0	(1,000)	0	0	(5)	42,918
Revised FY 2019 Plan	2,005	715,094	20	21,206	0	0	0	0	2,025	736,300

U.S. General Services Administration
Working Capital Fund

	Internal		External		Major Equipment Acquisition & Development		Direct Appropriations		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Revised FY 2019 Plan	2,005	715,094	20	21,206	0	0	0	0	2,025	736,300
FY 2020 Estimate	2,000	688,508	20	35,059	0	10,000	0	50,000	2,020	783,567
Net Change	(5)	(26,585)	0	13,853	0	10,000	0	50,000	(5)	47,268

Revised FY 2019 Plan	2,005	715,094	20	21,206	0	0	0	0	2,025	736,300
Transfers (In / Out)										
GSA IT - Transfer In from OGP Direct	6	1,112							6	1,112
Subtotal, Transfers (In / Out)	6	1,112							6	1,112
Increases - Investments										
OPM Transition Costs							50,000		0	50,000
SMO - TMF Transfer In (NewPay)	0	3,664							0	3,664
GSA IT - TMF Transfer In (Database Transformation)	0	5,181							0	5,181
New Pay Implementation					0	10,000			0	10,000
FMLOB - Pegasys Upgrade	0	7,000							0	7,000
GSA IT - Continuous Diagnostics & Monitoring	0	370							0	370
GSA IT - O&M Increases from FY 2018 Approved EBCs	0	1,138							0	1,138
OAS - R10 ROB Relocation	0	3,739							0	3,739
OMA - Bi-annual BIA/BPA Analysis requirement per FCD-2	0	300							0	300
OMA - Crisis Management System	0	300							0	300
Subtotal, Investments	0	21,692	0	0	0	10,000	0	50,000	0	81,692
Increases - Base										
OAS - FY 2020 Rent Increase (1800F Child Care Space)	0	360							0	360
GSA IT - DoD's Acquisition Requirements Roadmap Tool	0	0	0	5,450					0	5,450
eCPIC - Increase in annual service rates	0	0	0	403					0	403
eRulemaking program	0	0	0	8,000					0	8,000
OCFO - Additional FAS-AAS support	8	441							8	441
OCFO - Audit & Fin. MGMT Contract Increases	0	154							0	154
OCFO - PBS Regional Financial support Insourcing Shortfall	0	82							0	82
Subtotal, Increases - Base	8	1,037	0	13,853	0	0	0	0	8	14,890
Decreases - Base										
GSA IT - Reduction to End User Services	0	(200)							0	(200)
GSA IT - Reduction to Strategy & Program MGMT Delivery	0	(250)							0	(250)
GSA IT - Reduction to Platform Services	0	(1,000)							0	(1,000)
GSA IT - Reduction to Business Apps	0	(1,500)							0	(1,500)
GSA IT - 1800F & NCR IT Costs (Non-Recur in FY 2020)	0	(2,750)							0	(2,750)
GSA IT - Database Transformation (Non-Recur in FY 2020)	0	(9,817)							0	(9,817)
SMO - TMF Transfer In (NewPay) (Non-Recur in FY 2020)	0	(16,986)							0	(16,986)
OAS - NCR Relocation Move Costs (Non-Recur in FY 2020)	0	(500)							0	(500)
OAS - 1800F Workplace Improvements (Non-Recur FY 2020)	0	(3,699)							0	(3,699)
OAS - Printer and Data Center Savings	0	(395)							0	(395)
OAS - Rent and Security Savings	0	(8,223)							0	(8,223)
Agency Reform - Carryover Non-Recur FY 2020	0	(1,000)							0	(1,000)
OGC - Non Recur FY 2019 OGC Bi-Annual Conference	0	(225)							0	(225)
OHRM - Staff Augmentation Contract, ELP Program, Training	(10)	(1,470)							(10)	(1,470)
OAS - NCR Contract Consolidations	0	(750)							0	(750)
OMA - Background Investigations for FAS EIS Contractors	0	(800)							0	(800)
OSC - Non Recur Redsign for GSA.gov and Insite	0	(682)							0	(682)
OCFO - FTE & Contract Operational Efficiencies	(9)	(178)							(9)	(178)
Subtotal, Decreases - Base	(19)	(50,425)	0	0	0	0	0	0	(19)	(50,425)
Net Change	(5)	(26,584)	0	13,853	0	10,000	0	50,000	(5)	47,268
FY 2020 Estimate	2,000	688,508	20	35,059	0	10,000	0	50,000	2,020	783,567

Working Capital Fund by Staff Office

(Dollars in Thousands)

	FY 2018		FY 2019		FY 2020	
	FTE	Actual	FTE	Plan	FTE	Estimate
Office of GSA Information Technology	493	\$291,182	543	\$290,662	549	\$282,946
Office of Chief Financial Officer	526	\$ 89,533	534	\$ 90,504	533	\$ 91,180
Financial Management Line of Business (FMLoB)	0	\$ 53,139	0	\$ 52,411	0	\$ 59,232
Office of Human Resources Management	286	\$ 70,801	300	\$ 69,672	290	\$ 68,202
Office of Administrative Services	142	\$ 70,622	154	\$ 80,822	154	\$ 71,354
Office of Mission Assurance	118	\$ 43,261	123	\$ 43,335	123	\$ 43,135
Office of General Counsel	146	\$ 26,390	159	\$ 28,607	159	\$ 28,382
Office of Government-wide Policy	31	\$ 7,992	36	\$ 8,618	36	\$ 8,618
Office of Strategic Communication	75	\$ 14,290	79	\$ 14,657	79	\$ 13,975
Office of Civil Rights	23	\$ 4,271	23	\$ 4,164	23	\$ 4,164
Office of Small Business Utilization	37	\$ 5,904	38	\$ 6,194	38	\$ 6,194
Office of Customer Experience	5	\$ 1,921	6	\$ 1,962	6	\$ 1,962
Agency Reform Plan PMO	0	\$ 500	10	\$ 23,486	10	\$ 9,164
Subtotal, Staff Office Internal Authority	1,882	\$679,808	2,005	\$715,094	2,000	\$688,508
Office of GSA Information Technology	0	\$ 2,174	0	\$ 3,579	0	\$ 9,029
Office of Chief Financial Officer	7	\$ 2,377	9	\$ 2,549	9	\$ 2,549
Office of Human Resources Management	3	\$ 1,316	7	\$ 1,573	7	\$ 1,573
Office of Mission Assurance	0	\$ 1,507	0	\$ 3,000	0	\$ 3,000
Office of Government-wide Policy	3	\$ 5,088	4	\$ 6,697	4	\$ 15,100
Office of Congressional & Intergovernmental Affairs	0	\$ 350	0	\$ 1,248	0	\$ 1,248
Office of Customer Experience	0	\$ 334	0	\$ 2,500	0	\$ 2,500
Office of Civil Rights	0	\$ 7	0	\$ 60	0	\$ 60
Subtotal, Staff Office External Authority	13	\$ 13,152	20	\$ 21,206	20	\$ 35,059
OCFO Systems Acquisition & Development	0	\$ -	0	\$ -	0	\$ 10,000
Subtotal, Major Equipment Acquisition & Development	0	\$ -	0	\$ -	0	\$ 10,000
OPM Transition	0	\$ -	0	\$ -	0	\$ 50,000
Subtotal, Direct Appropriations	0	\$ -	0	\$ -	0	\$ 50,000
Total, Working Capital Fund	1,895	\$692,960	2,025	\$736,300	2,020	\$783,567

Notes:

The FY 2018 actual Internal total is \$34.8 million higher than the FY 2018 WCF Bill because of the use of carryover that is non-billable.

The FY 2019 revised Internal total is \$51.6 million higher than the FY 2019 WCF Bill because of \$24.8M proposed carryover use that is non-billable and \$26.8M transfer in from the Technology Modernization Fund.

The FY 2020 revised Internal total is \$23.1 million higher than the FY 2019 WCF Bill because of \$14.3M proposed carryover use that is non-billable and \$8.8M transfer in from the Technology Modernization Fund.

Working Capital Fund Obligations by Object Class

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Plan	FY 2020 Estimate
Full-Time Equivalents (FTE)	1,895	2,025	2,020
	FY 2018 Actual	FY 2019 Plan	FY 2020 Estimate
11.1 Full-time, permanent.....	\$ 214,685	\$ 231,972	\$ 227,365
11.3 Other than full-time permanent.....	\$ 1,198	\$ 2,603	\$ 2,891
11.5 Other personnel compensation.....	\$ 3,749	\$ 175	\$ 204
11.8 Special personnel services payments.....	\$ 149	\$ -	\$ -
12.1 Civilian personnel benefits.....	\$ 87,469	\$ 84,368	\$ 88,408
13.0 Benefits for former personnel.....	\$ 281	\$ 315	\$ 545
21.0 Travel and transportation of persons.....	\$ 5,659	\$ 6,200	\$ 6,033
22.0 Transportation of things.....	\$ 390	\$ 1,171	\$ 1,161
23.1 Rental payments to GSA.....	\$ 34,830	\$ 38,763	\$ 31,631
23.2 Rental payments to others.....	\$ 5	\$ -	\$ -
23.3 Communications and utilities.....	\$ 17,928	\$ 22,283	\$ 22,558
24.0 Printing and reproduction.....	\$ 53	\$ 74	\$ 74
25.1 Advisory and assistance services.....	\$ 202,920	\$ 232,643	\$ 285,715
25.2 Other services from non-Federal sources.....	\$ 2,521	\$ 3,493	\$ 3,450
25.3 Other goods & services from Federal sources	\$ 43,755	\$ 50,184	\$ 52,373
25.4 Operation and maintenance of facilities.....	\$ 46	\$ -	\$ -
25.6 Medical care.....	\$ 0	\$ -	\$ -
25.7 Operation and maintenance of equipment.....	\$ 3,727	\$ -	\$ -
26.0 Supplies and materials.....	\$ 948	\$ 592	\$ 616
31.0 Equipment.....	\$ 72,617	\$ 61,443	\$ 60,521
32.0 Land and structures.....	\$ -	\$ -	\$ -
42.0 Insurance claims and indemnities.....	\$ 30	\$ -	\$ -
43.0 Interest and dividends.....	\$ -	\$ 22	\$ 22
99.0 Obligations, Appropriated (Annual).....	\$ 692,960	\$ 736,300	\$ 783,567
<i>Subtotal, PC&B.....</i>	<i>\$ 307,530</i>	<i>\$ 319,432</i>	<i>\$ 319,413</i>
<i>Subtotal, Non-labor.....</i>	<i>\$ 385,429</i>	<i>\$ 416,868</i>	<i>\$ 464,155</i>

Notes:

GSA requests an appropriation of \$50 million to support the transition of OPM to GSA.

Description of WCF Services by Office

Office of GSA Information Technology (GSA IT): FY 2020 Estimate - \$291.9 million

Internal Services: FY 2020 Budget Estimate - \$282.9 million

Providing information technology (IT) support to all GSA offices, GSA IT also designs and delivers innovative IT solutions that ensure integration between GSA systems and organizations. GSA IT directly supports GSA's management objectives to streamline IT, support cybersecurity, capture high quality data, and improve reporting. In its execution of IT services, GSA IT incorporates its business knowledge and technological expertise to identify the best solution available for its customers.

GSA IT provides a standardized agency-wide approach to infrastructure management and operations designed to maximize resources and optimize the efficiency of enterprise systems and organizational staff. GSA IT manages internal IT assets, server resources, network resources, and end-user devices. These responsibilities include: planning and governance, systems access control, systems user training, IT security and integrity, local support, help desk functions, all circuits, wireless services, teleconferencing, and telephony.

GSA IT is facing increased demand for services from GSA business lines, while at the same time continuing to modernize how IT services are delivered to the agency. To enhance our delivery, GSA IT needs to have the right number of skilled staff and contractor support to meet business line needs, stay abreast of current technological initiatives and remain innovative. GSA IT is working closely with OHRM to divest resources in skill areas no longer needed, and is turning to targeted hiring to acquire employees with specific skill sets.

GSA IT continues to find opportunities for streamlining the IT environment and eliminating redundancy and, through continued targeted investment, is pursuing innovation and optimization of the GSA environment. GSA IT is increasing IT value by identifying costs and aligning those to mission value, and driving the effective and efficient use of IT through Technology Business Management (TBM). Through this effort, GSA IT is focusing on building out data gaps that exist so it can pinpoint areas for IT run efficiencies; focusing specifically on applications and infrastructure in the initial phase.

The FY 2020 Estimate identified reductions to offset increases that support high priority efforts such as:

- Infrastructure modernization to upgrade circuits across the US
- Cybersecurity
- Continuous Diagnostics & Mitigation

External Services: FY 2020 Budget Estimate - \$9.0 million

The Office of GSA IT provides a cost-effective, secure platform to deliver administrative systems services to external clients. The Office of Corporate IT Services provides professional systems support for payroll and labor distribution systems. This Office supports other IT functions such as: business requirements and change management, systems operations and maintenance, financial data management and reporting, systems access control, security and integrity, systems user training, and help desk support. The Office of Acquisition IT Services also supports customers using GSA acquisition systems and IT knowledge to facilitate the development of requirements, cost estimates, and plans for replacing legacy systems. In FY 2019, GSA IT will start supporting the Department of Defense through a new three-year interagency agreement leveraging functionality from GSA's Acquisition Gateway system. GSA IT also provides services and supports the network back-end systems required by the Elections Assistance Commission Office.

Office of the Chief Financial Officer: FY 2020 Estimate - \$103.7 million

Internal Services: FY 2020 Estimate – \$91.2 million

The Office of the Chief Financial Officer (OCFO) provides GSA Service and Staff Offices with financial management services including: budget formulation and execution, financial reporting and operations, internal controls, data management and analytics, and performance management. The OCFO is also responsible for the development and submission of the annual GSA Budget, the GSA Strategic Plan, the Annual Performance Plan, and the Agency Financial Report.

OCFO will continue to serve as a partner and financial advisor to GSA's Services and Staff Offices. OCFO will also continue to improve internal controls, support the annual financial statement audit, manage our financial management shared services provider (USDA), and support the performance management framework.

OCFO also provides dedicated financial support to support PBS and FAS. This includes budget formulation and execution support, reimbursable work agreement (RWA) processing, and rent revenue estimation and collection.

OCFO's FY 2020 estimate is \$2.4 million higher than the FY 2019 CJ partly due to a requested increase by Assisted Acquisition Services (AAS) in FAS for 13 FTE to support their increased workload.

External Services: FY 2020 Estimate – \$2.5 million

The OCFO provides payroll support to 37 independent agencies, boards, and commissions on a fee-for-service basis.

Major Equipment Acquisition & Development: FY 2020 Estimate – \$10 million

As part of GSA's transition to become a payroll Software as a Service provider (NewPay), GSA is requesting the use of Lapsed Balances in FY 2020, contingent on the enactment of Section 516 in GSA's Administrative Provisions, to continue the conversion for all our employees and customer agencies.

Financial Management Line of Business (FMLoB): FY 2020 Estimate - \$59.2 million

In line with Government-wide efforts to utilize financial shared services, GSA divested its Financial Shared Service Provider (FSSP) Line of Business to focus on our core mission. In March 2015, GSA transferred its Financial Management Line of Business (FMLoB) to the United States Department of Agriculture (USDA). USDA also assumed responsibility for development, operation, and maintenance of GSA's primary financial management system, Pegasys.

FMLoB's FY 2020 Estimate is \$59.2 million, \$8.7 million more than FY 2019 CJ. The increase is due to a required system software upgrade to continue to use the financial system software.

Office of Human Resource Management: FY 2020 Estimate - \$69.8 million

Internal Services: FY 2020 Estimate – \$68.2 million

The Office of Human Resource Management (OHRM) is primarily focused on helping GSA attract, motivate, develop, retain, and reward agency employees. OHRM provides and maintains an evolving portfolio of effective and innovative end-to-end human resource and human capital solutions that meet partner and external stakeholder needs, including providing meaningful HR data and analysis to help customers make informed business decisions. Through improved service delivery models, OHRM is focused on hiring, developing, and retaining a talented and diverse mission-ready GSA workforce.

OHRM also provides human resource services in a consolidated fashion to reduce redundancy, but still ensure a standard level of service for recruitment, staffing, and employee development. These services include GSA enterprise-wide programs such as worker's compensation, transit subsidy, health room services, and unemployment compensation. Funding also provides for Childcare Subsidy, and training contracted through OHRM's University for People.

OHRM's FY 2020 Estimate for internal services is \$68.2 million. The OHRM estimate includes \$4.7 million to fund Operations & Maintenance (O&M) support to the new HR Links system that went live in June 2018 and will complete the migration to IBM's Human Resource (HR) and Time Attendance (T&A) Systems. This will be funded through a transfer of legacy IT O&M support and program restructuring within OHRM. OHRM will also continue to focus on return-to-work programs and workers compensation case file reviews in an effort to reduce the overall costs of the workers compensation program.

External Services: FY 2020 Estimate - \$1.6 million

The OHRM Commissions and Boards Service office provides direct HR support and coordinates services provided by all GSA business lines to small boards and commissions and other Federal organizations. GSA services provided through this office include, but are not limited to, human resource management, legal support, contracting, office space, furniture, phones, IT, and Equal Employment Opportunity & Employee or Labor Relations support for approximately 25 customer organizations. In addition to the support provided to the small Federal boards and commissions, OHRM also provides human resources services such as HR Links to OPM and other Federal agencies.

Office of Administrative Services: FY 2020 Estimate – \$71.4 million

The Office of Administrative Services (OAS) is responsible for general administrative and management services for GSA. These include, but are not limited to: executive correspondence, forms, directives, audit responses, coordination of agency Freedom of Information Act (FOIA) requests, internal contracting, and travel and purchase card oversight. OAS also provides workspace planning, facility design, facilities management, and workplace services (WPS) on a national scale, and administers the rent and security expenditures for GSA-occupied space including GSA's Washington, DC, headquarters facility at 1800 F Street NW.

OAS's FY 2020 Estimate of \$71.4 million includes a reduction of \$6.8 million in rent costs related to consolidating tenants from GSA's Region 11 National Capital Region (NCR) building into the Central Office headquarters at 1800 F St. throughout FY 2019. Vacating the GSA space at the NCR building will reduce the agency's footprint by approximately 250,000 usable square feet (USF). OAS will also save an estimated \$750 thousand from service contracts tied to the NCR space that will no longer be needed after consolidation to Central Office.

\$3.7 million is included in OAS's FY 2020 budget to relocate all Northwest Arctic Region GSA services and staff offices currently located at the Auburn Federal Complex. PBS plans to dispose the current facility and OAS will coordinate moving displaced GSA employees to new office space (approximately 49,000 USF for 365 FTE).

Office of Mission Assurance: FY 2020 Estimate – \$46.1 million

Internal Services: FY 2020 Estimate - \$43.1 million

The Office of Mission Assurance (OMA) ensures resilience and continuity of GSA's critical business processes by integrating and coordinating activities across all domains of security (physical, cyber, personnel, and industrial). This includes funding and managing all of GSA's background investigations for FTEs and contractors, Homeland Security Presidential Directive 12 (HSPD-12) credentialing, emergency management, and contingency and continuity planning. OMA provides an enterprise-wide approach to mission assurance planning, while ensuring the safety, privacy, and security of GSA facilities, people, and IT assets nationwide.

OMA's FY 2020 Estimate is \$43.1 million, a \$2.9 million increase from the FY 2019 CJ. This includes an increase of \$2 million due to a surge (beginning in 2018) in the number of background investigations requested by the FAS Enterprise Infrastructure Solutions (EIS) portfolio. The Estimate also includes \$300 thousand increase to meet the recently updated Federal Directive 2 (FCD-2) requirement of a biannual Business Process Analysis to determine and re-validate Essential Functions in support of the National Essential Functions, as defined by the White House, as well as \$300 thousand to meet the requirements of OMB Directive 16-1, ensuring continued, secure communications abilities between GSA and the Executive Office of the President.

External Services: FY 2020 Estimate - \$3 million

OMA is also responsible for coordinating GSA's response to national emergencies and disasters as outlined in the National Response Framework (NRF) - Emergency Support Function #7 *Logistics*. The costs of logistical services provided in response and recovery efforts are recovered through mission assignments issued by Federal Emergency Management Agency (FEMA). The requested level of authority ensures OMA will be able to immediately accept and begin any and all mission assignments in response to natural disasters, such as a particularly severe hurricane season.

Office of General Counsel: FY 2020 Budget Estimate - \$28.4 million

The Office of General Counsel (OGC) provides legal support to all GSA offices and programs, except the Office of the Inspector General and the Civilian Board of Contract Appeals. This includes providing all the legal services for the Public Buildings Service, Federal Acquisition Service, Office of the Administrator, CIO, CFO, Office of Human Resources Management, Office of Mission Assurance, the Office of Administrative Services, the Office of Civil Rights, Office of Government-wide Policy, the Office of Congressional and Intergovernmental Affairs, Office of Small Business Utilization, and the Regions.

OGC also provides legal support for: litigation before the Civilian Board of Contract Appeals defending the agency against contract claims under the Contract Disputes Act; defending protests before the U.S. Government Accountability Office; and assisting the U.S. Department of Justice with claims filed in Federal court. The OGC defends the agency against tort claims, injury or other damage claims arising out of the management of Federal buildings and the operation of GSA fleet vehicles. Other legal services involve contracting, acquisition policy, management of real and personal property, historic preservation, environmental compliance and litigation, personnel and labor relations, appropriations law, the Freedom of Information Act, the Privacy Act, the Federal Advisory Committee Act, and regulations implementing GSA authorities including the Federal Acquisition Regulation, the Federal Travel Regulation and the Federal Management Regulations.

OGC also advises on responses to congressional inquiries, assists in the preparation of congressional testimony, develops and manages the GSA ethics program, and supports alternative dispute resolution efforts.

OGC's FY 2020 Estimate of \$28.4 million includes a \$225 thousand increase for the OGC Bi-Annual Training Forum. The Training forum is used towards Continuing Education credits and is more economical than OGC paying for each person's courses individually.

Office of Government-wide Policy: FY 2020 Estimate - \$23.7 million.

Internal Services: FY 2020 Estimate - \$8.6 million

The Chief Acquisition Officer (CAO) and the Senior Procurement Executive (SPE) in the Office of Government-wide Policy (OGP) provide services and support for acquisition professionals throughout GSA, including the Federal Acquisition Service, the Public Buildings Service, and GSA's internal acquisition functions. Responsibilities include:

- Updating and maintaining the General Service Acquisition Regulations along with the development of procurement policies and guidance for GSA's contracting activities.
- Supporting professional development of GSA's acquisition workforce, including coordinating and overseeing warranting and certification programs as well as the Center for Acquisition Professional Excellence (CAPE) for more than 9,000 members of GSA's acquisition workforce;
- Performing suspension and debarment services as well as other corrective actions for troubled GSA contracts;
- Ensuring compliance and integrity in GSA's contract activities through procurement management reviews;
- Maintaining the Acquisition Portal, a single source for acquisition news, the Acquisition Library and other reference information, and other resources for GSA's acquisition workforce; and
- Conducting performance measurement and data analytics in support of the Acquisition Dashboard to use the results to promote transparency and drive improvements into the acquisition function.

External Services: FY 2020 Estimate - \$15.1 million

There are three external programs supported within OGP: the Electronic Capital Planning and Investment Control (eCPIC) application, the Performance Management Line of Business (PMLoB), and EPA's eRulemaking program. eCPIC is a web-based, Government-owned technology solution Federal agencies use to support their internal IT Portfolio Management, IT Capital Planning, and IT Governance processes. eCPIC provides Federal agencies with a Federal shared service solution. Member agencies use eCPIC to meet their external reporting requirements to the Office of Management and Budget (OMB). The eCPIC PMO supports its member agencies by providing dedicated program management, centralized hosting services,

eCPIC related user/admin training, and application related technical support--all included in the eCPIC tool's annual usage fee. GSA owns the eCPIC tool and manages the eCPIC program, but all functionality is defined and prioritized by the community of member agencies that use the tool. This community also shares best practices and lessons learned, as well as collaborates on the latest trends in IT portfolio management and IT Governance best practices. The FY 2020 Estimate to support this program is \$5.9 million.

Performance Management Line of Business (PMLoB) transferred from GSA IT. This is an interagency effort to develop Government-wide performance management capabilities to help meet the transparency requirements of the Government Performance and Results Act Modernization Act of 2010 (GPRAMA), and support Government-wide performance management efforts, including Performance.gov. This activity is supported through collections from customer agencies for their use of Performance.gov. The FY 2020 Estimate to support this program is \$1.2 million.

OGP External Services also includes the move of the EPA's eRulemaking program from the Environment Protection Agency (EPA) to the General Services Administration (GSA). As the managing partner of the eRulemaking Program, OGP will establish a Program Management Office (PMO) to oversee the system development, maintenance and collaboration of agency partners. The FY 2020 Estimate to support this program is \$8 million in reimbursable authority with the WCF as the collection mechanism.

Office of Strategic Communication: FY 2020 Estimate - \$13.9 million

The Office of Strategic Communication (OSC), consisting of the Media Affairs, Operations, and Client Communications divisions, is GSA's singular resource for all internal and external communication needs. OSC's main job is to use communications to help the agency meet its mission and business goals.

Media Affairs carries out the agency's effort to help the media and the public understand the important work performed by GSA as it assists other agencies. Media Affairs acts as the official point of contact for national media inquiries and works closely with communications teams in all 11 GSA regions to ensure there are experts available to reply to reporter's questions. The Media Affairs PMO also maintains editorial control over most of GSA's social media presence. Public Engagement also falls under Media Affairs. This office identifies conferences and events where GSA leaders should be presenting and handles all requests for outside speaking engagements.

The Operations Division includes both the Digital and Visual Communication Program Management Offices (PMO) and the Strategy and Resource Management Program Office. The Digital Communications PMO maintains overall standards and governance of gsa.gov and supports OSC's other teams by providing digital communications products to clients, including

web pages, online forms, microsites, and more. The Visual Communications PMO provides client teams with assistance on products including video production, live streaming, graphics, photos, and provides assistance with event coverage.

The OSC Client Teams are in-house communication agencies, working directly with GSA's business lines and staff offices. They provide complete communication services, including developing and executing strategic communication plans and solutions to support high-priority GSA initiatives. OSC accomplishes its mission with a coordinated, integrated program of messaging and strategic communication initiatives. A separate budget is provided by the Operating Expense appropriation in support of communication of the administration's priorities to the public.

OSC's FY 2020 Estimate is \$13.9 million which is \$682 thousand lower than the FY 2019 CJ due to contract reductions.

Office of Civil Rights: FY 2020 Estimate - \$4.2 million

Internal Services: FY 2020 Estimate - \$4.2 million

The Office of Civil Rights (OCR) Equal Employment Opportunity Program protects GSA employees and employment applicants from being subjected to actual or perceived discrimination and/or harassment in the workplace on the basis of age, color, disability, race, national origin, religion, sex, genetic information, and retaliation for protected equal employment opportunity activity. OCR promotes the prevention of discrimination through policy, training, outreach and affirmative employment planning and enforces non-discrimination by processing equal employment opportunity complaints of discrimination pursuant to 29 CFR Part 1614.

OCR's FY 2020 Estimate is \$4.2 million which is flat from the FY 2019 CJ. This level supports continued efforts to improve mission achievement. GSA has transformed equal employment opportunity complaint processing from a regionally-based to functionally-based process to eliminate fragmentation, standardize and optimize processes, and improve the level of service provided to our customers.

External Services: FY 2020 Estimate - \$60 thousand

OCR provides equal employment opportunity services to other Federal agencies on a cost reimbursable basis. These services include equal employment opportunity counseling, mediation, investigation, and complaint adjudication.

Office of Small Business Utilization: FY 2020 Estimate - \$6.2 million

The mission of the Office of Small Business Utilization (OSBU) is to promote increased access by small and disadvantaged businesses to GSA's nationwide procurement opportunities. OSBU works with GSA Services and staff offices to help direct GSA contracts to various categories of

small businesses. These include businesses that are small and disadvantaged, veteran-owned and service-disabled veteran-owned, located in Historically Underutilized Business Zones, and women-owned.

OSBU monitors and implements small business policies and manages a range of programs within the scope of the Small Business Act of 1953, as amended by Public law 95-507. This includes, but is not limited to:

- Meeting with contracting officers and procurement personnel to encourage small business participation for all acquisitions;
- Working with procurement officials to perform market research;
- Assisting in the development of non-bundling strategies and non-consolidation strategies for contracting, inclusive of reviewing and approving rationale;
- Reviewing the Small Business Analysis Record (GSA Form 2689), Acquisition Plans, and Subcontracting Plans for completeness and determining if market research is sufficient and all justifications are properly documented and compliant with FAR Part 19;
- Attending all meetings regarding major procurements; and
- Serving as the liaison between GSA acquisition workforce and the SBA's Procurement Center Representatives, ensuring collaboration and appropriate approvals are obtained.

GSA's small business programs nurture entrepreneurial opportunities, open doors to new business horizons, and enhance technological capabilities. OSBU's work is critical to the achievement of GSA's small business goals.

OSBU's FY 2020 Estimate of \$6.2 million is flat relative to the FY 2019 CJ.

Office of Customer Experience: FY 2020 Estimate- \$4.5 million

Internal Services: FY 2020 Estimate - \$2.0 million

The mission of the Office of Customer Experience (OCE) is to improve the end-to-end experience of GSA customers by aligning operations to customer needs. OCE was the first agency-wide organization to focus solely on improving customer experience and fostering a customer-first mentality. The office is responsible for:

- Customer research: OCE creates customer interview and survey guides, journey maps, and personas. OCE research strategies and outputs shed light on customer perspectives while streamlining internal processes to collect customer feedback.
- Human-Centered Design thinking: OCE integrates a user-driven framework that begins and ends with the customers it is designing for.
- Action Planning: OCE takes action on interpreting and implementing customer feedback within the organization.

OCE also offers the following types of services across GSA to drive customer-centricity across GSA:

- Strategy: Through development of innovative team strategies and action plans, OCE works across GSA to achieve business goals based on customer needs.
- Research: OCE collaborates with teams to better understand agency customers' needs and to ensure consistent customer experiences enterprise-wide.
- Capacity Building: OCE helps teams adapt to shifting customer preferences and thrive at GSA by facilitating Customer Experience and Human-Centered Design (HCD) workshops.
- Pilots: By prototyping products and processes and gathering user feedback, OCE is able to evaluate and refine big ideas to prioritize investment.

The FY 2020 Estimate is flat from the FY 2019 CJ level.

External Services: FY 2020 Estimate - \$2.5 million

Funding will be used to continue the efforts to develop the strategy for and scope services of a center-of-Government Customer Experience capacity (in support of the CAP Goal and *Delivering Government Solutions in the 21st Century* Agency Reform Plan and Reorganization Recommendations) that will expand a customer experience focus approach Government-wide.

Agency Reform Plan Project Management Office and New Pay: FY 2020 Estimate - \$9.1 million

The Project Management Office for the GSA Agency Reform Plan is pursuing projects to make internal operations more efficient, deliver better service and better value to customers, and expand shared service offerings to meet cross-Government needs. The FY 2020 Estimate includes \$3.7 million for the NewPay project, managed by the Quality Service Management Office, which will be a cloud-enabled solution for both payroll and personnel management. By utilizing an existing commercial cloud-enabled SaaS product, the agency will be able to implement a best-in-class customer service for Government-wide use, improve operational efficiencies, and achieve cost reductions for the Federal Government. GSA will leverage the new-shared service model that focuses on data standardization, modernization and security into service offerings. This will benefit the American people by transitioning Government back office operations to modern technology, reducing costs and risk, and leveraging commercial best practice.

In addition, the Agency Reform Plan PMO will continue to execute projects that have included: consolidating and improving the Agency's strategic customer engagement to be more responsive to current and future customer needs; improving the performance of CXO functions, building upon previous transformation efforts; ensuring current and future GSA offerings can be brought to market at competitive prices, while adhering to applicable cost recovery

requirements; and optimizing the organization of GSA's technology team to deliver consistent messaging and advice to customers, to name a few ongoing projects.

Office of Congressional and Intergovernmental Affairs: FY 2020 Estimate - \$1.2 million

The Office of Congressional and Intergovernmental Affairs (OCIA) is funded out of the Operating Expenses appropriation; however, the office uses the WCF for the reimbursable services it provides to congressional Members across the country. This requirement is based on the best information available and subject to change as necessary to support the requirements of the President or Congress.

External Services: FY 2020 Estimate - \$1.2 million

The Office of Congressional and Intergovernmental Affairs (OCIA) coordinates services to over 1,400 House District offices and Senate State offices nationwide. OCIA supports the acquisition of office space, furniture and furnishings, property disposal, equipment and supplies, and storage and relocation services.

OPM Transition: FY 2020 Request - \$50 million

To address longstanding workforce management issues, the Administration's June 2018 Reform Plan and FY 2020 Budget includes a proposal to merge all of OPM's transactional and consultative services into GSA. In order to shift OPM activities to GSA in a manner that ensures seamless operation of critical programs and minimal disruption to Federal agencies, employees, and retirees that rely on OPM, GSA and OPM need to invest significant time and resources in the transition. Accordingly, GSA's WCF request includes \$50 million in no-year appropriated funds to support the transition. Funding will be used to purchase new equipment, analyze and incorporate OPM business processes into GSA processes, incorporate OPM systems into GSA's network, move and transition OPM staff, and perform audit and security assessments of those systems. Transition costs are primarily driven by the IT-related remediation and transformation work necessary to ensure OPM IT systems are securely integrated into GSA's network, a complex effort that must be appropriately resourced given the mounting technical debt and challenges OPM has faced in modernizing and securing its' IT infrastructure. As GSA and OPM use any existing FY 2019 funds to begin transition activities, a part of this appropriation will be used to reimburse the funds spent in FY 2019.

U.S. General Services Administration
Working Capital Fund

Working Capital Fund Bill by Staff and Service Office

(Dollars in Thousands)

GSA Working Capital Fund Bill	FY 2018	FY 2019 Plan	FY 2020
Public Buildings Service	\$ 350,123	\$ 358,235	\$ 364,945
Federal Acquisition Services	\$ 270,880	\$ 277,572	\$ 279,547
FAS Core	\$ 260,578	\$ 270,904	\$ 275,028
Office of Products and Programs	\$ 10,302	\$ 6,669	\$ 4,518
Office of Governmentwide Policy	\$ 11,388	\$ 13,605	\$ 12,033
Office of Inspector General	\$ 1,660	\$ 1,693	\$ 1,731
Former Presidents	\$ 50	\$ 14	\$ 10
Operating Expenses	\$ 9,888	\$ 10,872	\$ 5,631
Real Property Disposal	\$ 3,011	\$ 3,983	\$ 2,418
Executive Direction	\$ 6,877	\$ 6,889	\$ 3,213
Civilian Board of Contract Appeals	\$ 181	\$ 220	\$ 221
Federal Permitting Improvement Steering Council	\$ -	\$ 498	\$ 498
Technology Modernization Fund	\$ 200	\$ 240	\$ 240
Working Capital Fund	\$ 642	\$ 510	\$ 516
OCFO - Payroll Shared Services	\$ 408	\$ 320	\$ 173
OHRM - Commissions & Boards	\$ 135	\$ 115	\$ 181
OGP - Electronic Capital Planning & Investment Control	\$ 99	\$ 75	\$ 162
OPM			TBD
NewPay			TBD
Total Working Capital Fund Bill	\$ 645,012	\$ 663,459	\$ 665,372
Bill Relief	\$ 34,796	\$ 24,832	\$ 14,291
Technology Modernization Funding	\$ -	\$ 26,803	\$ 8,845
Total, Working Capital Fund Internal Operating Plan	\$ 679,808	\$ 715,094	\$ 688,508

U.S. General Services Administration

FEDERAL CAPITAL REVOLVING FUND

Fiscal Year 2020 Budget Request

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FY 2020 President's Budget Appendix Narrative

This account provides \$10 billion to support a new Federal Capital Revolving Fund (FCRF) to finance purchases of federally owned civilian real property projects. A robust discussion of the FCRF can found in the Budget Process chapter of the Analytical Perspectives volume.

In summary, the FCRF will create a mechanism that is similar to a capital budget but operates within the traditional rules used for the Federal budget. Upon approval in an Appropriations Act, the revolving fund will transfer money to agencies to finance large-dollar real property purchases. Executing agencies will then be required to repay the fund in 15 equal annual amounts using discretionary appropriations.

As a result, purchases/construction/renovation of real property assets will no longer compete with annual operating and programmatic expenses for the limited funding available under tight discretionary caps. Instead, agencies will pay for real property over time as it is utilized. Repayments will be made from future appropriations, which will incentivize project selection based on highest mission need and return on investment, including future cost avoidance. The repayments will also replenish the revolving fund so that real property can continually be replaced as needed.

Program Description

(see Analytical Perspectives for additional detail)

The structure of the Federal budget and budget enforcement requirements can create hurdles to funding large-dollar capital investments. These types of investments are handled differently at the States and local government levels. Expenditures for capital investment are combined with operating expenses in the Federal unified budget. Both kinds of expenditures must compete for limited funding within the discretionary caps. Large-dollar Federal capital investments can be squeezed out in this competition, frequently forcing agency managers to make difficult decisions and turn to operating leases to meet long-term Federal requirements. These alternatives are more expensive than ownership over the long-term because: (1) Treasury can always borrow at lower interest rates; and (2) to avoid triggering scorekeeping and recording requirements for capital leases, agencies sign shorter-term consecutive leases of the same space. For example, the cost of two consecutive 15-year leases for a building can exceed its fair market value by close to 180 percent. Alternative financing proposals typically run up against scorekeeping and recording rules that appropriately measure cost based on the full amount of the Government's obligations under the contract, which further constrains the ability of agency managers to meet capital needs.

In contrast, State and local governments separate capital investment from operating expenses. They are able to evaluate, rank, and finance proposed capital investments in separate capital

budgets, which avoids direct competition between proposed capital acquisitions and operating expenses. If capital purchases are financed by borrowing, the associated debt service is an item in the operating budget. This separation of capital spending from operating expenses works well at the State and local government levels because of conditions that do not exist at the Federal level. State and local governments are required to balance their operating budgets, and their ability to borrow to finance capital spending is subject to the discipline of private credit markets that impose higher interest rates for riskier investments. In addition, State and local governments tend to own capital that they finance. In contrast, the Federal Government does not face a balanced budget requirement, and Treasury debt has historically been considered the safest investment regardless of the condition of the Federal balance sheet. Also, the bulk of Federal funding for capital is in the form of grants to lower levels of Government or to private entities, and it is difficult to see how non-federally owned investment can be included in a capital budget.

To deal with the drawbacks of the current Federal approach, the Federal Budget proposes: (1) to create a Federal Capital Revolving Fund (FCRF) to fund large-dollar, federally owned, civilian real property capital projects; and (2) provide specific budget enforcement rules for the FCRF that would allow it to function, in effect, like State and local government capital budgets. This proposal incorporates principles that are central to the success of capital budgeting at the State and local level -- a limit on total funding for capital investment, annual decisions on the allocation of funding for capital projects, and spreading the acquisition cost over 15 years in the discretionary operating budgets of agencies that purchase the assets. As part of the overall 2020 Budget infrastructure initiative, the FCRF would be capitalized initially by a \$10 billion mandatory appropriation, and scored with anticipated outlays over the 10-year window for the purposes of pay-as-you-go budget enforcement rules. Balances in the FCRF would be available for transfer to purchasing agencies to fund large-dollar capital acquisitions only to the extent projects are designated in advance in appropriations Acts and the agency receives a discretionary appropriation for the first of a maximum of 15 required annual repayments. If these two conditions are met, the FCRF would transfer funds to the purchasing agency to cover the full cost to acquire the capital asset. Annual discretionary repayments by purchasing agencies would replenish the FCRF and would become available to fund additional capital projects. Total annual capital purchases would be limited to the lower of \$2.5 billion or the balance in the FCRF, including annual repayments.

The first project executed through the FCRF will address the requirements of the National Institute of Standards and Technology (NIST). This project will support the long-term mission requirements of NIST. The amounts shown in the FCRF for the purchase transfer associated with the NIST project are currently estimates.

Summary of the Request

The goal of this request is to support the establishment of the new FCRF within the unified budget that would function effectively as a capital budget for investment in federally owned civilian real property and implement budget enforcement rules that exclude the upfront acquisition cost from the discretionary caps and instead charge the cost to discretionary funding over several years as the assets as used to provide services.

In FY 2020, the Budget uses the FCRF concept to fund the expansion and remaining renovation, estimated at \$288 million for the Department of Commerce National Institute of Standards and Technology (NIST) to do advance precision measurement tools and technologies for a variety of scientific endeavors at Building One on the Boulder Colorado campus. In accordance with the principles and design of the FCRF, the 2020 budget requests appropriations language designating the NIST expansion and renovation as a project to be funded out of the FCRF, which is housed within the General Services Administration, along with 1/15 of the full purchase price, or \$19.2 million for the first year repayment back to the FCRF. The FCRF account is displayed funding the NIST project in 2020 and a total of \$15 billion worth of Federal buildings projects using the initial \$10 billion in mandatory appropriations and \$5 billion from revolving the collections from annual project repayments starting in 2025.

The President's FY 2020 NIST budget includes appropriations language supporting the purchase transfer of \$288 million. The funding level, while currently an estimate, would support the cost of renovation and expansion of the current facility as well as the necessary furniture fixtures and equipment as well as a minimal administrative fee. Please refer to the NIST Congressional Justification for additional project details.

The flow of funds for the expansion and renovation of a NIST research building with a \$288 million cost and the proposed scoring are illustrated in the below chart:

Renovation and Repayment of \$288 Million NIST Project using the Federal Capital Revolving Fund

Federal Capital Revolving Fund			Purchasing Agency		
	Year 1	Years 2-15		Year 1	Years 2-15
Mandatory:			Mandatory:		
Transfer to purchasing agency to renovate building.....	288		Collection of transfer from Federal Capital Revolving Fund.....	-288	
Purchasing agency repayments....	-19	-269	Payment to renovate building.....	288	
			Discretionary:		
			Repayments to Federal Capital Revolving Fund.....	19	269

Total Government-Wide Deficit Impact			
	Year 1	Years 2-15	Total
Mandatory:			
Renovate building.....	288		288
Collections from purchasing agency.....	-19	-269	-288
Discretionary:			
Purchasing agency repayments.....	19	269	288
Total Government-wide.....	288	---	288

For budget enforcement purposes, transfers from the FCRF to agencies to fund acquisitions and spending of those amounts by agencies would be scored as direct spending, while agencies would use discretionary appropriations to fund annual repayments to the FCRF. This allocation of cost means that the upfront cost of capital investment would be included in the budget, but as mentioned earlier the upfront expense would not have to compete with operating expenses in the annual appropriations process. The FCRF does not provide any new landholding or land-managing authorities for Federal agencies. Agencies with authority will execute projects directly once proposed by the President and authorized by Congress. For those agencies that rely on GSA to provide space and services, GSA will act as construction agent and the facility will be under the custody and control of GSA.

The Administration transmitted a legislative proposal to Congress on June 12, 2018, which can be found at: https://www.whitehouse.gov/wp-content/uploads/2019/03/FCRF_Pence.pdf

U.S. General Services Administration
Federal Capital Revolving Fund

Amounts Available for Obligation

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Plan	FY 2020 Plan
Resources:			
Available from prior year	\$ -	\$ -	\$ -
Mandatory Appropriation	\$ -	\$ -	\$ 10,000,000
Offsetting Collections	\$ -	\$ -	\$ 19,286
Total Resources Available	\$ -	\$ -	\$ 10,019,286
Obligations			
Transfers for Acquisition of Real Property	\$ -	\$ -	\$ 288,000
Program Administration	\$ -	\$ -	\$ 86
Total Obligations	\$ -	\$ -	\$ 288,086
Fund Balance:			
Total Resources Available	\$ -	\$ -	\$ 10,019,286
Total Obligations	\$ -	\$ -	\$ (288,086)
Fund Balance	\$ -	\$ -	\$ 10,307,373
Net Budget Authority	\$ -	\$ -	\$ 10,000,000

Explanation of Changes, Appropriated Dollars and FTE

(Dollars in Thousands)

	FTE	FY 2018 Actual	FTE	FY 2019 Plan	FTE	FY 2019 Plan
	-	\$ -	-	\$ -	-	\$ 288,086

Program Changes:

Program Administration	-	\$ 86
Acquisition of Real Property		\$ 288,000
Subtotal, Program Increases.....	-	\$ 288,086
Total Adjustments.....	-	\$ 288,086

U.S. General Services Administration
Federal Capital Revolving Fund

Obligations by Object Classification

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Plan	FY 2020 Plan
11.1 Full-time, permanent.....	\$ -	\$ -	\$ -
11.3 Other than full-time permanent.....	\$ -	\$ -	\$ -
11.5 Other personnel compensation.....	\$ -	\$ -	\$ -
12.1 Civilian personnel benefits.....	\$ -	\$ -	\$ -
21.0 Travel and transportation of persons.....	\$ -	\$ -	\$ -
23.1 Rental payments to GSA.....	\$ -	\$ -	\$ -
23.3 Communications and utilities.....	\$ -	\$ -	\$ -
24.0 Printing and reproduction.....	\$ -	\$ -	\$ -
25.1 Advisory and assistance services.....	\$ -	\$ -	\$ -
25.3 Other goods & services from Federal sources....	\$ -	\$ -	\$ 86
26.0 Supplies and materials.....	\$ -	\$ -	\$ -
31.0 Equipment.....	\$ -	\$ -	\$ -
32.0 Land and structures.....	\$ -	\$ -	\$ -
33.0 Investments and loans.....	\$ -	\$ -	\$ -
41.0 Grants, subsidies, and contributions.....	\$ -	\$ -	\$ -
42.0 Insurance claims and indemnities.....	\$ -	\$ -	\$ -
43.0 Interest and dividends.....	\$ -	\$ -	\$ -
44.0 Refunds.....	\$ -	\$ -	\$ -
94.0 Financial transfers.....	\$ -	\$ -	\$ 288,000
99.0 Obligations, Mandatory.....	\$ -	\$ -	\$ 288,086
Subtotal, PC&B.....	\$ -	\$ -	\$ -
Subtotal, Non-labor.....	\$ -	\$ -	\$ 288,086

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U.S. General Services Administration
PERMANENT BUDGET AUTHORITY
Fiscal Year FY 2020 Budget Request

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Transportation Audit Contracts and Contract Administration

Program Description

This permanent, indefinite appropriation provides for the detection and recovery of overpayments to carriers for Government moves under rate and service agreements established by GSA or other Federal agency transportation managers. Program expenses are financed from overcharges collected from Transportation Service Providers (TSPs) as a result of post-payment audits examining the validity, propriety, and conformity of charges with the proper rate authority. Funds recovered in excess of expenses are returned to the U.S. Treasury.

Authorizing Legislation

The Expenses of Transportation Audit Contracts and Contract Administration appropriation is permanently authorized by 31 U.S.C. § 3726(e): “Sec. 3726. Payment for transportation (e) Expenses of transportation audit post payment contracts and contract administration, and the expenses of all other transportation audit and audit-related functions conferred upon the Administrator of General Services, shall be financed from overpayments collected from carriers on transportation bills paid by the Government and other similar type refunds, not to exceed collections. Payment to any contractor for audit services shall not exceed 50 percent of the overpayment identified by contract audit.”

FY 2019 Operating Plan and FY 2020 Budget Request

The Transportation Audits program is managed by the Federal Acquisition Service (FAS) in the Travel, Transportation, and Logistics (TTL) Portfolio.

The FY 2020 budget request provides \$11,526 thousand for the Transportation Audits program. In FY 2019 and FY 2020, the Transportation Audits program will continue to focus on its pre-payment oversight and post-payment audits of Government-wide transportation bills and recoveries of overcharges. The program office will oversee the implementation and performance of prepayment audits for transportation services procured around the world by Federal agencies; conduct post-payment audits of transportation bills; execute the collection of overcharges; validate overcharges via evidence, regulation, and background; adjudicate claims brought on by TSPs and Federal agencies as needed; handle bankruptcies and litigation related to TSPs for Federal agencies; and act as an expert in court cases brought on in litigation, as needed. In FY 2019, the program is pursuing a system modernization investment that will replace its 30 year old system with a platform that will increase Government-wide compliance with public laws and regulations, enable Transportation Audits to expand auditing, increase collections and returns to Treasury, increase automation in business operations, and improve data quality and analysis.

U.S. General Services Administration
Permanent Budget Authority

Obligations by Object Classification
(Dollars in Thousands)

		FY 2018 Actual	FY 2019 Plan	FY 2020 Request
11.1	Full-time, permanent	\$ 2,970	\$ 3,105	\$ 3,164
11.3	Other than full-time permanent	\$ 17	\$ -	\$ -
11.5	Other personnel compensation	\$ 43	\$ 31	\$ 32
12.1	Civilian personnel benefits	\$ 827	\$ 762	\$ 776
21.0	Travel and transportation of persons	\$ 21	\$ 9	\$ 9
22.0	Transportation of things	\$ -	\$ -	\$ -
23.1	Rental payments to GSA	\$ -	\$ -	\$ -
23.3	Communications and utilities	\$ 1	\$ -	\$ -
24.0	Printing and reproduction	\$ -	\$ -	\$ -
25.1	Advisory and assistance services	\$ 4,281	\$ 12,070	\$ 6,429
25.2	Other services from non-Federal sources	\$ -	\$ 47	\$ 47
25.3	Other goods and services from Federal sources	\$ 1,057	\$ 1,103	\$ 1,057
26.0	Supplies and materials	\$ 1	\$ 12	\$ 12
31.0	Equipment	\$ -	\$ -	\$ -
99.0	Obligations, appropriated (annual)	\$ 9,218	\$ 17,138	\$ 11,526
	Subtotal, PC&B	\$ 3,857	\$ 3,897	\$ 3,972
	Subtotal, Non-labor	\$ 5,361	\$ 13,241	\$ 7,555
99.9	Total obligations	\$ 9,218	\$ 17,138	\$ 11,526
FTE		31.4	37.0	37.0

U.S. General Services Administration
 Permanent Budget Authority

Amounts Available for Obligation

(Dollars in Thousands)

Special Fund Receipts:

	FY 2018 Actual	FY 2019 Plan	FY 2020 Request
Balance, start of year	\$ 34,967	\$ 34,087	\$ 25,798
Receipts	\$ 7,608	\$ 8,815	\$ 10,180
Sequestration	\$ 1,167	\$ -	\$ -
Excess collections returned to Treasury	\$ -	\$ -	\$ -
Appropriation to the warranted fund	\$ (17,678)	\$ (17,138)	\$ (11,526)
Other balances returned	\$ 4,205	\$ -	\$ -
Unobligated balance expired from expenditure fund	\$ 3,818	34	727
Balance, end of year	\$ 34,087	\$ 25,798	\$ 25,178

Special Fund Expenditures:

	FY 2018 Actual	FY 2019 Plan	FY 2020 Request
Mandatory authority:			
Appropriation	\$ 17,678	\$ 17,138	\$ 11,526
Sequestration	\$ (1,167)	\$ -	\$ -
Unobligated balance, end of year	\$ (7,293)	\$ -	\$ -
Total obligations	\$ 9,218	\$ 17,138	\$ 11,526
<i>Net Outlays</i>	\$ 7,749	\$ 14,739	\$ 9,912

Acquisition Workforce Training Fund

Program Description

The Acquisition Workforce Training Fund (AWTF) is a permanent, indefinite appropriation providing a stable source of funds to train the federal civilian acquisition workforce. The AWTF is financed through a credit of five percent of the fees collected from non-Department of Defense activities by the General Services Administration (GSA) and other civilian agencies that manage Government-wide Acquisition Contracts (GWACs), Multiple Award Schedules (MAS) contracts, and other multi-agency contracts. Receipts are available for expenditure in the fiscal year collected, in addition to the two following fiscal years. The AWTF is managed by the Federal Acquisition Institute (FAI) at GSA, in consultation with the White House Office of Federal Procurement Policy and the FAI Board of Directors.

Authorizing Legislation

The fund is authorized by 41 U.S.C. § 1703(i), as amended by Section 854 of Title VII of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181, January 28, 2008). The establishment and operation of FAI is authorized by 41 U.S.C. § 1201, as amended by Section 864 of Title VIII of the National Defense Authorization Act for Fiscal Year 2011 (Public Law 112-81, December 31, 2011).

FY 2019 Operating Plan and FY 2020 Budget Estimate

The FY 2020 budget request provides \$10.5 million in new collections for FAI programs. The Board of Directors has reviewed the FAI programs to identify where continued AWTF funding is most needed to effectively support FAI's mission and goals. AWTF funds are used to support FAITAS, FAI.gov, and all of FAI's twelve statutory responsibilities.

FAI works closely with its Board of Directors, the Chief Acquisition Officers' Council, and various agencies and stakeholders to identify activities to fund from the AWTF. FAI supports professional development of the civilian agency acquisition workforce by ensuring availability of exceptional training, providing compelling research, promoting professionalism, and improving acquisition workforce management. The funds collected by the AWTF support FAI activities that fall into the following five categories:

- **Human Capital Initiatives**

Human Capital Initiative funding provides for Government-wide human capital resource planning and management initiatives, supporting FAI in the collection, analysis and reporting of acquisition workforce human capital data. Funds also support the development and execution of the FAI.gov website that is used as the primary outreach and communications portal for the acquisition workforce. The program collects data

through human capital plan templates and other venues to enable agencies to make strategic data-driven decisions about their acquisition workforce and program operations. Specific examples of FAI Human Capital Initiatives include continued maturation of agency acquisition human capital, the Acquisition Workforce Competency Survey, and the continual improvement of FAI.gov.

- **Operations and Logistics Support**

Operations and Logistics Support funding provides for the design, execution, and control of the business-planning and operations framework for executing the FAI mission and infrastructure. Funding supports all activities related to planning, organizing, or optimizing business operations. This includes costs associated with the annual memorandum of understanding (MOU) between the AWTF and the Office of Government-wide Policy (OGP) for the support of 12 reimbursable FTE, the FAI Training Application System (FAITAS) Customer Support Help Desk, and the FAI.gov Help Desk.

- **Curriculum Development**

Curriculum Development funding provides for development of instructional content, materials, and related assets to execute Federal Acquisition Certification programs. This funding has supported program and project management programs, Contracting Officer's Representatives activities, continuous learning curricula and training courses such as Federal Contracting (FCN)101 – Contracting Basics.

- **Training Delivery**

Training Delivery funding provides for the execution of online and classroom training and learning programs and related delivery and development activities. To continue to meet the needs of the federal acquisition workforce community, the Training Delivery program provides Acquisition Learning Seminars (ALS), FAITAS operations and maintenance, FAITAS enhancements, and online and classroom training courses.

- **Information Technology**

Information Technology (IT) funding provides for overarching IT operations, maintenance, and advancement activities. The FAI.gov website hosting and Disaster Recovery website are examples of the work supported by IT funds.

Obligations by Object Classification

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Plan	FY 2020 Estimate
25.1 Advisory and assistance services	\$ 3,308	\$ 4,061	\$ 4,061
25.3 Other goods & services from Federal sources	\$ 5,757	\$ 6,439	\$ 6,439
99.0 Total obligations	\$ 9,065	\$ 10,500	\$ 10,500

Amounts Available for Obligation

(Dollars in Thousands)

Special Fund Receipt

	FY 2018 Actual	FY 2019 Plan	FY 2020 Estimate
Balance, start of year	\$ 4,747	\$ 4,116	\$ 8,131
Receipts	\$ 8,784	\$ 9,015	\$ 8,928
Appropriation to the expenditure fund	\$ (9,415)	\$ (5,000)	\$ (7,000)
Balance, end of year	\$ 4,116	\$ 8,131	\$ 10,059

Special Fund Expenditure

	FY 2018 Actual	FY 2019 Plan	FY 2020 Estimate
Unobligated balance, start of year	\$ 13,586	\$ 13,936	\$ 8,436
Recovery of prior-year obligations	\$ -	\$ -	\$ -
Mandatory authority:			
Appropriation	\$ 9,415	\$ 5,000	\$ 7,000
Unobligated balance, expiring	\$ -	\$ -	\$ -
Total Obligations	\$ (9,065)	\$(10,500)	\$(10,500)
Unobligated balance, end of year	\$ 13,936	\$ 8,436	\$ 4,936
<i>Net Outlays</i>	\$ 8,474	\$ 4,500	\$ 6,300

Expenses, Disposal of Surplus Real and Related Personal Property

Program Description

This mandatory appropriation provides for the efficient disposal of real property assets that no longer meet the needs of landholding Federal agencies. Fees of auctioneers, brokers, appraisers, and environmental consultants; surveying costs; costs of advertising; costs of environmental and historical preservation services; highest and best use of property studies; property utilization studies; deed compliance inspections; and other disposal costs are paid out of receipts from disposals in each year. GSA leverages the expertise of auctioneers and brokers familiar with local markets to accelerate the disposal of surplus real property.

Authorizing Legislation

The Expenses, Disposal of Surplus Real and Related Personal Property appropriation is permanently authorized by 40 U.S.C. § 572(a). The appropriation is authorized to pay expenses directly, or to reimburse another account for expenses paid. The total amount paid and reimbursed in a fiscal year may not exceed 12 percent of the receipts available in GSA receipt account 5254.2. Proceeds from disposal of Federal real property are deposited into account 5254.2 and funds deemed in excess of the Real Property Disposal program's long-term requirements must be transferred to the Land and Water Conservation Fund.

The types of expenses that may be paid or reimbursed are limited to specific, enumerated expenditures including:

- (i) Costs of appraisers, auctioneers, and realty brokers, in accordance with the scale customarily paid in similar commercial transactions.
- (ii) Costs of environmental and historic preservation services, highest and best use of property studies, utilization of property studies, deed compliance inspections, targeted asset reviews, and the expenses incurred in approved relocations.
- (iii) Cost of advertising and surveying.

FY 2019 Operating Plan and FY 2020 Budget Estimate

The FY 2020 budget request provides \$9.056 million for the Real Property Disposal program. Obligations are based on properties planned for disposal in each year. Financing is provided through receipts from sales of surplus property and out-leasing of Government-owned space.

Obligations by Object Classification

(Dollars in Thousands)

		FY 2018 Actual	FY 2019 Plan	FY 2020 Request
21.0	Travel and transportation	\$ -	\$ 122	\$ 50
24.0	Printing and reproduction		\$ 57	\$ 129
25.1	Advisory and assistance services	\$ 786	\$ 8,191	\$ 8,191
25.2	Other services from non-Federal sources	\$ 52	\$ 119	\$ 119
25.3	Other goods & services from Federal sources		\$ 547	\$ 547
25.7	Operation and maintenance of equipment	\$ -	\$ 20	\$ 20
99.9	Total obligations	\$ 838	\$ 9,056	\$ 9,056

U.S. General Services Administration
 Permanent Budget Authority

Amounts Available for Obligation

(Dollars in Thousands)

Special Fund Receipts

	FY 2018 Actual	FY 2019 Plan	FY 2020 Request
Balance, start of year	\$ 69,343	\$ 65,425	\$ 66,369
Receipts, real property disposal	\$ 3,842	\$ 15,000	\$ 12,000
Receipts, outleasing	\$ -	\$ 3,000	\$ 3,000
Net receipts	\$ 3,842	\$ 18,000	\$ 15,000
Appropriation to the expenditure fund	\$ (3,715)	\$ (9,056)	\$ (9,056)
Sequestration	\$ 598	\$ -	\$ -
Total budgetary resources	\$ (3,117)	\$ (9,056)	\$ (9,056)
Transfer to Land and Water Fund, DOI	\$ (5,113)	\$ (8,000)	\$ (3,000)
Unobligated balance, transferred in from Expenditure Fund	\$ 470	\$ -	\$ -
Balance, end of year	\$ 65,425	\$ 66,369	\$ 69,313

Special Fund Expenditures

	FY 2018 Actual	FY 2019 Plan	FY 2020 Estimate
Mandatory authority			
Appropriation	\$ 3,715	\$ 9,056	\$ 9,056
Unobligated balance	\$ 1,725	\$ -	\$ -
Total obligations	\$ 1,990	\$ 9,056	\$ 9,056
<i>Net Outlays</i>	\$ 1,990	\$ 9,056	\$ 9,056

Note: By statute, any receipts in excess of the long-term requirements of the Fund must be transferred out of the Fund and deposited into the Land and Water Conservation Fund of the Department of the Interior (DOI).

Obligations by Program Activity

(Dollars in Thousands)

	FY 2018 Actual	FY 2019 Plan	FY 2020 Request
1. Utilization and Disposal - Real Property			
a. Appraisers, auctioneers, brokers fees, surveying	\$ 46	\$ 2,669	\$ 2,669
b. Advertising	\$ 577	\$ 1,186	\$ 1,186
c. Environmental Services		\$ 1,143	\$ 1,143
d. Historical Preservation Services	\$ -	\$ 884	\$ 884
e. Highest and best use of property studies, utilization of property studies, Targeted Asset Reviews (TARS), deed compliance inspections	\$ 215	\$ 1,432	\$ 1,432
f. Expenses incurred in a Relocation	\$ -	\$ 800	\$ 800
g. Personnel compensation			
h. Personnel benefits			
i. Administrative support		\$ 305	\$ 305
j. Travel expenses	\$ -	\$ 122	\$ 122
Subtotal, Utilization and Disposal of Real Property	\$ 838	\$ 8,541	\$ 8,541
2. Outleasing of Government-owned Space			
a. Appraisers, auctioneers, brokers fees, surveying	\$ -	\$ 500	\$ 500
b. Advertising	\$ -	\$ 15	\$ 15
Subtotal, Outleasing	\$ -	\$ 515	\$ 515
Total obligations	\$ 838	\$ 9,056	\$ 9,056

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Administrative Provisions	Explanation
<p><i>Sec. 510. Funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.</i></p>	<p>This provision authorizes GSA to use funds for the hire of passenger motor vehicles.</p>
<p><i>Sec. 511. Funds in the Federal Buildings Fund made available for fiscal year 2020 for Federal Buildings Fund activities may be transferred between such activities only to the extent necessary to meet program requirements: Provided, That notice of any proposed transfers shall be transmitted in advance to the Committees on Appropriations of the House of Representatives and the Senate.</i></p>	<p>This provision authorizes GSA to transfer funds within the Federal Buildings Fund to meet program requirements.</p>
<p><i>SEC. 512 Except as otherwise provided in this title, any request for United States Courthouse construction transmitted using funds made available by this Act should: (1) meet the design guide standards for construction as established and approved by the General Services Administration, the Judicial Conference of the United States, and the Office of Management and Budget; (2) reflect the priorities of the Judicial Conference of the United States as set out in its approved 5-year construction plan; and (3) include a standardized courtroom utilization study of each facility to be constructed, replaced, or expanded.</i></p>	<p>This provision requires that the budget request meet certain standards.</p>

U.S. General Services Administration
General and Administrative Provisions

<p><i>Sec. 513. None of the funds provided in this Act may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided through the Federal Buildings Fund, to any agency that does not pay the rate per square foot assessment for space and services as determined by the General Services Administration in consideration of the Public Buildings Amendments Act of 1972 (Public Law 92-313).</i></p>	<p>This provision provides that no funds may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided, to any agency which does not pay the requested rate.</p>
<p><i>Sec. 514. From funds made available under the heading "Federal Buildings Fund, Limitations on Availability of Revenue", claims against the Government of less than \$250,000 arising from direct construction projects and acquisition of buildings may be liquidated from savings effected in other construction projects with prior notification to the Committees on Appropriations of the House of Representatives and the Senate.</i></p>	<p>This provision continues the provision that permits GSA to pay small claims less than \$250,000 made against the Government.</p>
<p><i>Sec. 515. With respect to the Federal Buildings Fund construction and acquisition and major repair and alteration programs, and with respect to E-Government projects funded under the heading "Federal Citizen Services Fund", the Administrator of General Services shall submit a spending plan and explanation for each project to be undertaken to the Committees on Appropriations of the House of Representatives and the Senate not later than 60 days after the date of enactment of this Act.</i></p>	<p>This provision requires GSA to submit spend plans for certain programs.</p>

<p><i>SEC. 516. Section 3173(d)(1) of title 40, United States Code, is amended by inserting before the period the following: “or for agency-wide acquisition of equipment or systems or the acquisition of services in lieu thereof, as necessary to implement the Act in compliance with the requirements of paragraph (d)(2)(B)”.</i></p>	<p>This provision expands the purposes authorized for “Major equipment acquisitions and development activity” to include any equipment, systems, or services that are necessary to implement the Chief Financial Officers Act of 1990. The use of these funds will still be required to be approved by the House and Senate Committees on Appropriations.</p>
<p><i>Sec. 517 Section 3173(b)(1) of title 40, United States Code, is amended by inserting “,including advance payments,” after “Amounts received”.</i></p>	<p>This provision authorizes GSA to accept advance payments into the Working Capital Fund.</p>
<p><i>Sec. 518 Section 1078 of the National Defence Authorization Act for Fiscal Year 2018 (Public Law 115-91) is amended at the end of subsection (b)(4)(A) by striking: “\$250,000,000 for each of fiscal years 2018 and 2019” and inserting in its place “a total of \$500,000,000 for fiscal year 2018 and any subsequent fiscal years”.</i></p>	<p>This provision updates the fiscal year limitation on when funds can be appropriated to the Technology Modernization Fund without changing the total amount authorized to be appropriated. This will provide the necessary authorization for appropriations to be made into the Fund in fiscal year 2020.</p>

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U.S. GENERAL SERVICES ADMINISTRATION

FY 2020 ANNUAL PERFORMANCE PLAN AND FY 2018 ANNUAL PERFORMANCE REPORT



REAL ESTATE ★ ACQUISITION ★ TECHNOLOGY ★ SHARED SERVICES

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EXECUTIVE SUMMARY

PURPOSE

The U.S. General Services Administration (GSA) Annual Performance Report provides information on the agency's status in meeting the goals and objectives described in the agency's FY 2018 Annual Performance Plan, including progress on strategic objectives and performance goals.

The GSA Annual Performance Plan presents the level of performance to be achieved in FY 2020. The Plan describes strategic goals, strategic objectives, supporting performance goals, and performance indicators to be accomplished.

The following GSA FY 2018 Annual Performance Report and FY 2020 Annual Performance Plan relate prior year performance with plans for the current year and budget. Both were prepared in compliance with the Government Performance and Results Modernization Act of 2010, Pub L. 111-352, under guidance from the U.S. Office of Management and Budget (OMB) Circular No. A-11 (2018), *Preparation, Submission, and Execution of the Budget*.

ABOUT GSA

GSA has the honor of not only serving the American people, but also of supporting Federal agencies as they carry out their critical missions. GSA's mission-support role ties back to our founding by President Harry S. Truman in 1949. In establishing GSA, President Truman sought to create one agency to help the Government avoid "senseless duplication, excess cost, and confusion in handling supplies, and providing space."

Over the last seven decades, the nation's population has more than doubled, the price of real estate in major cities has skyrocketed, super-computers can fit in our pockets, and the world has become vastly more interconnected. Federal agencies are striving to match the pace of change by evolving to meet new domestic and global challenges and to better serve the American public.

In 2018, GSA's mission statement still reflects our position as a mission-enabler for other Federal agencies. GSA seeks to deliver value and savings in real estate, acquisition, technology, and other mission-support services across Government. Our focus is on delivering value to our partner agencies so they can focus their resources on fulfilling their own important missions to the American people.

Our agency provides the spaces, technical innovations, and goods and services essential to operate the Federal Government. We provide workplaces by constructing, managing, and preserving Government buildings and by leasing and managing commercial real estate. Our acquisition solutions offer private sector professional services, equipment, supplies, telecommunications, and information technology (IT) to Government organizations and the military. Our technology leadership helps agencies buy, build, and use technology in ways that support their missions to better serve the public. Our implementation of Government-wide policies promotes management best practices and efficient Government operations.

Our success relies on bringing together a talented and diverse workforce -- including real estate experts, architects, acquisition specialists, programmers, data scientists, policy analysts -- and building a cohesive, customer-focused team. The next section outlines GSA's mission, vision, and values, and our current organizational structure.

MISSION, VISION, and VALUES

MISSION	Deliver value and savings in real estate, acquisition, technology, and other mission-support services across Government.
VISION	Effective and efficient Government for the American people.
VALUES	Service • Accountability • Innovation

ORGANIZATIONAL STRUCTURE

Composed of the Federal Acquisition Service (FAS), the Public Buildings Service (PBS), the Office of Government-wide Policy (OGP), 11 staff offices, 2 independent offices, and the Federal Permitting Improvement Steering Council (FPISC), GSA serves and supports more than 60 Federal departments and agencies. Headquartered in Washington, D.C., GSA delivers goods and services to its Federal customers through its headquarters and 11 regional offices.

GSA LEADERSHIP

OFFICE OF THE ADMINISTRATOR



Emily W. Murphy
Administrator



Allison F. Brigati
Deputy Administrator



Robert Borden
Chief of Staff



Brian F. Barnes
White House Liaison

NATIONAL SERVICE COMMISSIONERS



Alan Thomas
Federal Acquisition Service



Daniel W. Mathews
Public Buildings Service



Jessica Salmoiraghi
Office of Government-wide Policy



Carol F. Ochoa
Office of the Inspector General



Jeri Somers
Civilian Board of Contract Appeals



Alex Herrgott
FPISC Executive Director

Office of Government-wide Policy

Independent Offices

Federal Permitting Improvement Steering Council

REGIONAL SERVICE ADMINISTRATORS



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Region 1
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Joyce C. Haas
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Southeast Sunbelt
Atlanta, GA



Bradley Hansher
Region 5
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Michael Copeland
Region 6
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Timothy O. Horne
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Rocky Mountain
Denver, CO



Thomas Scott
Region 9
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Chaun Benjamin
Region 10 (Acting)
Northwest/Arctic
Auburn, WA



Scott Anderson
Region 11
National Capital
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Bob Stafford
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Gerard Badorrek
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David A. Shive
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Mary Gibert
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Jeff Post
Office of Congressional and Intergovernmental Affairs



Anahita Reilly
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Jack St. John
Office of General Counsel



Antonia T. Harris
Office of Human Resources Management



Robert J. Carter
Office of Mission Assurance



Charles Manger
Office of Small Business Utilization



Mark M. McHale
Office of Strategic Communication

NATIONAL SERVICES AND OFFICE OF GOVERNMENT-WIDE POLICY

Federal Acquisition Service (FAS)

FAS provides Federal agencies over 28 million different products and services, and annually delivers over \$55B in IT products, services and solutions, telecommunications services, assisted acquisition services, travel and transportation management solutions, motor vehicles and fleet services, and charge card services. FAS manages over 215,000 leased vehicles, more than 3.5 million charge cards, and provides personal property disposal services facilitating the reuse of \$1B in excess/surplus personal property annually. FAS leverages the buying power of the Federal Government by negotiating prices on many products and services required by agencies for daily operations. By arranging a network of service providers for IT and total solutions for law enforcement, including security and facility management systems, FAS is able to meet the operating and mission requirements of a vast array of Federal agencies and state, local, and tribal governments. Leveraging its technology transformation services and IT portfolios, FAS is developing and deploying Centers of Excellence (CoEs) to improve the public’s experience with Government by obtaining and sharing technology applications, platforms, and processes to make their services more accessible, efficient, and effective.



Public Buildings Service (PBS)

PBS provides high-quality facility and workspace solutions to more than 55 Federal agencies, disposes of excess or unneeded Federal properties, and promotes the adoption of innovative workplace solutions and technologies. PBS acquires space on behalf of the Federal Government through new construction and leasing. PBS owns or leases over 8,700 assets and maintains an inventory of nearly 370 million square feet of rentable workspace. Within this inventory, PBS has more than 470 owned and leased historic properties. Through lease and purchase transactions, PBS delivers the workspace necessary to meet the varied missions of its Federal customers.



Office of Government-wide Policy (OGP)

OGP uses policies, data, and strategy to drive efficiency and management excellence across the Federal Government for key administrative areas including shared services, travel and transportation, acquisition, fleet management, IT modernization, and real estate management. OGP helps influence agency behavior in these areas through the development of Government-wide policy, performance standards, data analysis and benchmarking, and transparent reporting of Government-wide data.



STAFF OFFICES

GSA's staff offices support the enterprise and ensure GSA is prepared to meet the needs of customers, both on a day-to-day basis and in crisis situations:



- **Office of Administrative Services (OAS)**
OAS delivers innovative solutions for GSA's administrative, workplace, and information management needs to facilitate efficient use of Government resources and effective risk management.
- **Office of the Chief Financial Officer (OCFO)**
OCFO provides enterprise-wide budget, financial management, financial analysis, performance management, and strategic planning services to GSA business lines and staff offices.
- **Office of the Chief Information Officer (OCIO)**
OCIO provides staff with ever-evolving technology to improve capabilities, productivity, mobility, agility, and cost savings. GSA IT solutions include laptops, mobile devices, collaborative cloud-based software, training, and technical support.
- **Office of Civil Rights (OCR)**
OCR administers five programs related to Federal civil rights laws and regulations: Equal Employment Opportunity, Affirmative Employment, Non-discrimination in Federally Conducted Programs and Activities, Environmental Justice, and Non-discrimination in Federally Assisted Programs and Activities. OCR also administers the appeals process for administrative grievances filed by GSA Employees.
- **Office of Congressional and Intergovernmental Affairs (OCIA)**
OCIA maintains agency liaison with Congress; prepares and coordinates the GSA annual legislative program; communicates the GSA legislative program to OMB, Congress, and other interested parties; and works closely with OMB in the coordination and clearance of all proposed legislation impacting GSA.
- **Office of Customer Experience (OCE)**
OCE works with internal clients to enhance relationships with customers, industry partners, and stakeholders. OCE improves the end-to-end experience of GSA customers by aligning operations to customer needs. OCE leads qualitative and quantitative research, develops customer-centric strategies, builds the capacity of teams to practice human-centered design and gather customer feedback, and conducts pilots with internal and external partners.
- **Office of General Counsel (OGC)**
The Office of General Counsel (OGC) provides sound and timely legal advice and representation to our GSA clients to enhance their ability to deliver the best value in real estate, acquisition, and technology services to the government and the American people. OGC carries out all legal activities of GSA; ensures full and proper implementation of GSA's statutory responsibilities; provides legal counsel to the Administrator, the Deputy Administrator, and other officials of GSA (with the exception of certain legal activities of the Office of Inspector General and the Civilian Board of Contract Appeals). The General Counsel is the chief legal officer of the agency and is responsible for legally sound implementation of GSA's mission responsibilities nationwide.

- **Office of Human Resources Management (OHRM)**
OHRM delivers comprehensive human resources services and solutions to GSA and its employees. OHRM's primary focus is to work with GSA services and staff offices to attract, motivate, develop, retain, and reward employees to maintain and enhance a mission-ready workforce.
- **Office of Mission Assurance (OMA)**
OMA ensures resilience and continuity of the agency's critical business processes by integrating and coordinating activities across all domains of security (physical, personnel, and industrial), HSPD-12 credentialing, emergency management, and contingency and continuity planning. OMA provides an enterprise-wide approach to mission assurance planning while ensuring the safety, privacy, and security of GSA facilities, personnel, and assets nationwide.
- **Office of Small Business Utilization (OSBU)**
OSBU partners with GSA mission delivery and support offices to meet and exceed statutory prime and subcontracting small business and socio-economic small business goals. To achieve this, OSBU promotes access to GSA's nationwide procurement opportunities, and provides training to the acquisition workforce and small and socio-economic businesses.
- **Office of Strategic Communication (OSC)**
OSC works with internal clients to build effective communication strategies to meet their business goals. OSC services include internal communication, graphic design and production, media relations, web and social media, audiovisual production, writing and editing, speechwriting and executive communication, and risk communication/crisis management.

INDEPENDENT OFFICES

- **Office of the Inspector General (OIG)**
OIG is responsible for promoting economy, efficiency, and effectiveness, and for detecting and preventing fraud, waste, and mismanagement in GSA programs and operations.
- **Civilian Board of Contract Appeals (CBCA)**
The CBCA is an independent tribunal housed within GSA. Its primary responsibility is to adjudicate contract disputes between civilian Federal agencies and contractors under the Contract Disputes Act.

FEDERAL PERMITTING IMPROVEMENT STEERING COUNCIL (FPISC)

The FPISC is responsible for leading ongoing Government-wide efforts to modernize the Federal environmental review and permitting process for major infrastructure projects and working with Federal agency partners to implement and oversee adherence to the statutory requirements set forth in Title 41 of the *Fixing America's Surface Transportation Act of 2015*.

FY 2018 ANNUAL PERFORMANCE REPORT

GOALS	Strategic Objectives (SO) and Performance Indicators <small>(Desired direction: ↑= increasing ↓= decreasing ↔ = within range)</small>	Lead Office	FY 2016 Results	FY 2017 Results	FY 2018 Target	FY 2018 Results
<p style="text-align: center;">(G1) REAL ESTATE:</p> <p>Achieve Government cost savings in Federal real estate.</p>	SO 1.1 Reduce the cost of Federal inventory.					
	Vacant space in inventory ↓	PBS	3.0%	2.9%	3.0%	3.3%
	Leases negotiated at or below market rates ↔ ⓄAgency Priority Goal	PBS	49%	48%	55%	44%
	Leased revenue after administering program (%) ↔	PBS	-1.16%	-0.59%	0 to 2%	-0.40%
	Non-competitive sales and donations awarded within 220 days ↑	PBS	98%	90%	93%	97.5%
	Public sale properties awarded within 135 days ↑	PBS	98%	98%	98%	98%
	SO 1.2 Establish GSA as a more cost-effective provider of real estate services for all agencies.					
	Energy intensity reduction (cumulative % reduction from baseline year) ↑	PBS	3.78%	6.41%	7.50%	5.41%
	Capital projects on schedule/budget ↑	PBS	98%	99%	90%	90%
	Tenant satisfaction with Government-owned and leased space ↑	PBS	65%	61%	63%	60%
	Cleaning and maintenance costs within market range ↑	PBS	80.3%	73.2%	78%	73.6%
	<p style="text-align: center;">(G2) ACQUISITION:</p> <p>Establish GSA as the principal provider of acquisition solutions across the Federal Government.</p>	SO 2.1 Design and deliver GSA products and services that yield measurable savings while aligning with customer mission objectives and changing market demand.				
Customer loyalty score (10-point scale) ↑		FAS	7.5	7.4	7.4	7.5
Acquisition program savings (\$) ↑		FAS	\$6.02B	\$5.17B	\$5.22B	\$5.86B
SO 2.2 Make it easier to do business with the Government by simplifying processes and streamlining access for our customers and suppliers.						
Supplier satisfaction score ↑		FAS	3.70*	3.61*	3.80*	3.69*
SO 2.3 Enhance customer agency access to qualified small and socio-economic businesses.						
Percent of dollars awarded to small business prime contracting ↑		OSBU	39.23%	42.68%	35.0%	38.82%**
Percent of dollars awarded to small business through subcontracting ↑		OSBU	26.3%	42.4%	29.0%	25.5%**
Multiple Award Schedule (MAS) business volume from small businesses (%) ↑	FAS	37.4%	39.7%	33.0%	38.4%	

* Metric methodology was revised in FY 2018. FY 2016, FY 2017, and FY 2018 results reflect the new methodology. The FY 2018 target was not recalculated and is based on prior-year methodology.

** Preliminary results shown. Final FY 2018 results to be reported in 2019 by the U.S. Small Business Administration (SBA).

FY 2018 ANNUAL PERFORMANCE REPORT (continued)

GOALS	Strategic Objectives (SO) and Performance Indicators <small>(Desired direction: ↑= increasing ↓= decreasing ↔ = within range)</small>	Lead Office	FY 2016 Results	FY 2017 Results	FY 2018 Target	FY 2018 Results
<p>(G3) TECHNOLOGY:</p> <p>Transform the way Federal agencies buy, build, and use technology.</p>	SO 3.1 Lead Government-wide technology modernization initiatives.					
	Number of customer agency systems with FedRAMP authorizations (cumulative) ↑	FAS	72	88	110	121
	SO 3.2 Drive more efficient and innovative Government procurement of technology services.					
	Volume of assisted technology acquisitions provided (\$)	FAS	\$1.54B	\$3.68B	\$4.29B	\$7.47B
	Volume of assisted technology acquisitions provided (# of acquisitions)	FAS	333	422	503	354
	SO 3.3 Lead implementation of technical standards, policies, and strategies.					
	Percent increase of Government-wide tiered data center closures ↑	OGP	n/a	3.55%	6%	8.95%
	Percent of Government employees and contractors required to log onto Government networks with a standardized, secure credential ↑	OGP	72%	81%	83%	96%
<p>(G4) SERVICE EXPANSION:</p> <p>Expand GSA's role as the lead in designing and delivering expanded and shared services within GSA and across the Federal Government.</p>	SO 4.1 Develop new organizational capabilities to understand customer demand and deliver integrated offerings to support common business processes Government-wide.					
	Number of agency-owned (non-GSA) vehicles studied and consolidated by GSA, (vehicles studied / vehicles consolidated) ↑ Agency Priority Goal	FAS	n/a 1,136	n/a 911	25,000 500	76,238 1,790
	SO 4.2 Promote adoption of shared services by agencies through policy, guidance, and benchmarking.					
	Number of agencies using SPPI's M3 tools to assess readiness for shared services	OGP	n/a	4	6	31
	SO 4.3 Support the overall mission of GSA by investing in our employees and modeling how we deliver internal support services, while providing policy guidance across Government.					
	Total operating cost as a percentage of goods and services provided ↓	OCFO	9.44%	9.25%	9.20%	8.45%
	Effectiveness of CXO functions, as measured by customer satisfaction on a scale of 1 to 7 ↑	CXO	4.96	5.07	5.15	5.16
	Percent of IT portfolio utilizing cloud technologies ↑	OCIO	42%	42%	44%	47%
	Competition rate for GSA acquisitions ↑	OGP	80.3%	81.4%	80.0%	82.59%
	Competitive One-Bid rate for GSA acquisitions ↓	OGP	14.3%	14.9%	15.0%	17.96%
Employee Viewpoint Survey - connection to GSA's Mission (% positive) ↑	GSA Service & Staff Offices	72.2%	76.2%	76.0%	77.0%	

FY 2020 ANNUAL PERFORMANCE PLAN

STRATEGIC FRAMEWORK

The strategic framework as defined in the GSA FY 2018-2022 Strategic Plan is presented below:

STRATEGIC GOALS (G)			
(G1) REAL ESTATE	(G2) ACQUISITION	(G3) TECHNOLOGY	(G4) SHARED SERVICES
Save taxpayer money through better management of Federal real estate.	Establish GSA as the premier provider of efficient and effective acquisition solutions across the Federal Government.	Improve the way Federal agencies buy, build, and use technology.	Design and deliver expanded shared services within GSA and across the Federal Government to improve performance and save taxpayer money.
STRATEGIC OBJECTIVES (SO) and PERFORMANCE GOALS (PG)			
<p>SO 1.1 Reduce the cost of the Federal inventory.</p> <ul style="list-style-type: none"> ● PG 1.1.1 Reduce vacant space in inventory ● PG 1.1.2 Leases negotiated at or below market rates ● PG 1.1.3 Generate sufficient funds from operations to effectively operate GSA leased buildings ● PG 1.1.4 Timely award of non-competitive sales and donations ● PG 1.1.5 Timely award of public sale properties ● PG 1.1.6 Generate revenue from GSA and FASTA sales 	<p>SO 2.1 Design and deliver GSA products and services that yield measurable savings while aligning with customer mission objectives and changing market demand.</p> <ul style="list-style-type: none"> ● PG 2.1.1 Increase customer satisfaction ● PG 2.1.2 Expand the use of GSA acquisition solutions across the Government 	<p>SO 3.1 Lead Government-wide technology modernization initiatives.</p> <ul style="list-style-type: none"> ● PG 3.1.1 Provide agencies with cloud authorizations to modernize IT portfolios 	<p>SO 4.1 Develop new organizational capabilities to understand customer demand and deliver integrated offerings to support common business processes Government-wide.</p> <ul style="list-style-type: none"> ● PG 4.1.1 Expand centralized services
	<p>SO 2.2 Make it easier to do business with the Government by simplifying processes and streamlining access for our customers and suppliers.</p> <ul style="list-style-type: none"> ● PG 2.2.1 Increase supplier satisfaction 	<p>SO 3.2 Drive more efficient and innovative Government procurement of technology services.</p> <ul style="list-style-type: none"> ● PG 3.2.1 Improve agency technology procurement capabilities through acquisition consulting 	<p>SO 4.2 Promote adoption of shared services by agencies through policy, guidance, and benchmarking.</p> <ul style="list-style-type: none"> ● PG 4.2.1 Reduce barriers to facilitate easier adoption of shared services
<p>SO 1.2 Establish GSA as a more effective provider of real estate services for all agencies.</p> <ul style="list-style-type: none"> ● PG 1.2.1 Reduce total energy intensity ● PG 1.2.2 Complete capital projects on schedule/budget ● PG 1.2.3 Improve tenant satisfaction with Government-owned and leased space ● PG 1.2.4 Provide building cleaning and maintenance at competitive costs 	<p>SO 2.3 Enhance customer agency access to qualified small and socio-economic businesses.</p> <ul style="list-style-type: none"> ● PG 2.3.1 Create more opportunities for small and socio-economic businesses. 	<p>SO 3.3 Lead implementation of technical standards, policies, and strategies.</p> <ul style="list-style-type: none"> ● PG 3.3.1 Provide agencies with the tools and resources to implement IT standards and policies 	<p>SO 4.3 Support the overall mission of GSA by investing in our employees and modeling how we deliver internal support services, while providing policy guidance across Government.</p> <ul style="list-style-type: none"> ● PG 4.3.1 Efficient, effective mission-support services at GSA (CXO and non-CXO functions) ● PG 4.3.2 Highly engaged GSA workforce that is prepared to support and deliver new and expanded offerings

STRATEGIC OBJECTIVES (SO) and PERFORMANCE INDICATORS SUMMARY

Performance Indicators (Desired direction: ↑= increasing ↓= decreasing ↔ = within range)	Lead Office	FY 2016 Results	FY 2017 Results	FY 2018 Results	FY 2019 Target	FY 2020 Target
SO 1.1 Reduce the cost of the Federal inventory						
Vacant space in inventory ↓	PBS	3.0%	2.9%	3.3%	3.0%	3.0%
Percent of lease agreements negotiated at or below market rates ↔ <input checked="" type="radio"/> Agency Priority Goal	PBS	49%	48%	44%	55%	N/A
Percent of leased revenue available after administering leasing program ↔	PBS	-1.16%	-0.59%	-0.40%	0 - 2%	0 - 2%
Percent of non-competitive sales and donations awarded within 220 days ↑	PBS	98%	90%	97.5%	93%	93%
Percent of public sale properties awarded within 135 days ↑	PBS	97.5%	98%	98%	98%	98%
Gross sales revenue from GSA and FASTA disposals (\$) ↑	PBS	\$28.8M	\$115.9M	\$123.2M	\$15M	\$500M
SO 1.2 Establish GSA as a more effective provider of real estate services for all agencies						
Energy intensity reduction (cumulative percent reduction from baseline year) ↑ <i>(FY 2019 and FY 2020 targets were reset based on Executive Order [E.O.] 13834)</i>	PBS	3.78%	6.41%	5.41%	0.25% increase over FY 2018 results	0.25% increase over FY 2019 results
Percent of capital construction projects on schedule and on budget ↑	PBS	98%	99%	90%	85%	85%
Tenant satisfaction with Government-owned and leased space – Facilities Management Index ↑ <i>(methodology adjusted to focus on survey questions within control of facilities managers)</i>	PBS	69%	70%	69%	70%	1% increase over FY 2019 results
Percent of cleaning and maintenance costs within market range ↑	PBS	80.3%	73.2%	73.6%	80%	80%

(continued)	Performance Indicators (Desired direction: ↑= increasing ↓= decreasing ↔ = within range)	Lead Office	FY 2016 Results	FY 2017 Results	FY 2018 Results	FY 2019 Target	FY 2020 Target
SO 2.1 Design and deliver GSA products and services that yield measurable savings while aligning with customer mission objectives and changing market demand							
Customer loyalty score (10-point scale) ↑	FAS	7.5	7.4	7.5	7.5	7.6	
Acquisition program savings (\$) ↑	FAS	\$6.02B	\$5.17B	\$5.86B	\$5.90B	\$6.00B	
SO 2.2 Make it easier to do business with the Government by simplifying processes and streamlining access for our customers and suppliers							
Supplier satisfaction score (5-point scale) ↑	FAS	3.70*	3.61*	3.69*	3.73*	3.76*	
SO 2.3 Enhance customer agency access to qualified socio-economic entities							
Percent of GSA contract dollars awarded to small business through prime contracting ↑	OSBU	39.23%	42.68%	38.82%**	30.0%	TBD***	
Percent of GSA contract dollars awarded through prime contracting to each socio-economic small business category ↑ <i>SDB / WOSB / SDVOSB / HUBZone****</i>	OSBU	SDB 21.64% WO 9.31% SDV 5.32% HUB 3.89%	22.60% 8.85% 6.45% 4.95%	19.94% 8.55% 5.63% 3.98%**	5% 5% 3% 3%	5% 5% 3% 3%	
Percent of GSA contract dollars awarded to small business through subcontracting ↑	OSBU	26.3%	42.4%	25.5%**	25.5%	TBD***	
Percent of GSA contract dollars awarded through subcontracting to each socio-economic small business category ↑ <i>SDB / WOSB / SDVOSB / HUBZone****</i>	OSBU	SDB 7.60% WO 5.90% SDV 0.70% HUB 0.40%	5.30% 6.20% 1.90% 1.30%	5.50% 4.40% 1.62% 0.94%	5% 5% 3% 3%	5% 5% 3% 3%	
Agency peer review score of Small Business Act compliance (SBA scorecard composite score)	OSBU	N/A	19.87%	TBD**	20%	20%	
Small business diversification across industries (SBA scorecard composite score)	OSBU	N/A	10.60%	TBD**	10%	10%	
Percent of Multiple Award Schedule (MAS) business volume from small businesses ↑	FAS	37.4%	39.7%	38.4%	33.0%	33.0%	

* Metric methodology was revised in FY 2018. FY 2016, FY 2017, and FY 2018 results reflect the new methodology. FY 2019 and FY 2020 targets are based on the new methodology.

** Preliminary FY 2018 results are TBD. SBA will report final FY 2018 results in 2019.

*** Target will be set by SBA.

**** SDB = Small Disadvantaged Business

SDVOSB = Service-Disabled Veteran-Owned Small Business

WOSB = Women-Owned Small Business

HUBZone = Historically Underutilized Business Zone

<i>(continued)</i>						
Performance Indicators (Desired direction: ↑= increasing ↓= decreasing ↔ = within range)	Lead Office	FY 2016 Results	FY 2017 Results	FY 2018 Results	FY 2019 Target	FY 2020 Target
SO 3.1 Lead Government-wide technology modernization initiatives						
Number of customer agency systems with FedRAMP authorizations (cumulative) ↑	FAS	72	88	121	145	165
SO 3.2 Drive more efficient and innovative Government procurement of technology services						
Volume of assisted technology acquisitions (\$) ↑	FAS	\$1.54B	\$3.68B	\$7.47B	\$7.61B	\$7.77B
Volume of assisted technology acquisitions (number of acquisitions) ↑	FAS	333	422	354	364	382
SO 3.3 Lead implementation of technical standards, policies, and strategies						
Percent increase of Government-wide tiered data center closures (cumulative) ↑	OGP	N/A	3.55%	8.95%	10.0%	14.0%
Percent of government employees and contractors that log onto government networks with a standardized, secure credential. ↑	OGP	72%	81%	96%	95%	98%
SO 4.1 Develop new organizational capabilities to understand customer demand and deliver integrated offerings to support common business processes Government-wide						
Number of agency-owned (non-GSA) vehicles studied and consolidated by GSA (vehicles studied / vehicles consolidated) ↑ ● Agency Priority Goal	FAS	n/a studied 1,136 consolidated	n/a studied 911 consolidated	76,238 studied 1,790 consolidated	100,000 studied 5,000 consolidated	5,000 Consolidated
SO 4.2 Promote adoption of shared services by agencies through policy, guidance, and benchmarking						
Number of agencies using GSA's M3 tools and best practices to assess readiness for shared services ↑	OGP	N/A	4	31	35	35
Number of business lines with completed business standards and data elements per the Federal Integrated Business Framework (FIBF)	OGP	N/A	N/A	N/A	3	5

<i>(continued)</i> Performance Indicators (Desired direction: ↑= increasing ↓= decreasing ↔ = within range)	Lead Office	FY 2016 Results	FY 2017 Results	FY 2018 Results	FY 2019 Target	FY 2020 Target
SO 4.3 Support the overall mission of GSA by investing in our employees and modeling how we deliver internal support services, while providing policy guidance across Government						
Total GSA operating cost as a percentage of goods and services provided ↓	OCFO	9.44%	9.25%	8.45%	9.00%	8.90%
Effectiveness of GSA CXO functions, as measured by customer satisfaction (7-point scale) ↑	CXO	4.96	5.07	5.16	5.23	5.27
Percent of GSA IT portfolio utilizing cloud technologies ↑	OCIO	42%	42%	47%	50%	52%
Competition rate for GSA acquisitions ↑	OGP	80.3%	81.4%	82.6%	80.0%	80.0%
Competitive One-Bid rate for GSA acquisitions ↓	OGP	14.3%	14.9%	18.0%	15.0%	15.0%
Federal Employee Viewpoint Survey - Connection to GSA's Mission (% positive) ↑	GSA Service & Staff Offices	72.2%	76.2%	77%	78%	79%

FY 2018 to 2019 AGENCY PRIORITY GOALS (APGs)

APG 1	<p>Generate savings by negotiating 55% of leases at or below market rates.</p> <p>Strategy: GSA will generate savings for taxpayers by negotiating 55% of the lease office space agreements at or below market rates in FY 2018 and FY 2019.</p>
APG 2	<p>Expansion of centralized services</p> <p>Strategy: GSA will develop and expand common solutions and service offerings for mission-support services, to drive more efficient and effective processes that help agencies maximize mission delivery. Specifically, to eliminate redundancies and reduce Government-wide fleet costs, GSA’s Fleet program will partner with agencies to study their vehicle inventories to identify savings and efficiency opportunities, reviewing over 75,000 vehicles in FY 2018 and 100,000 in FY 2019 and consolidating over 1,700 vehicles in FY 2018 and 5,000 vehicles in FY 2019, pending study results.</p>

FY 2020 ANNUAL PERFORMANCE PLAN DETAILS

STRATEGIC GOAL 1

Save taxpayer money through better management of Federal real estate.

GSA will achieve cost savings for the Federal Government by enhancing asset management and optimizing space utilization to provide the best price in Federal leased and owned real estate. Effective and integrated delivery of workspace solutions will provide our customers the opportunity to focus time and resources on their mission-related operations. Greater integration and consistency of our services will also improve the experience of our Federal customers.

Innovative and shared portfolio planning at the local and national level will be used to find the right solution at a lower cost for new leases. In doing so, GSA will lower the cost associated with its owned and leased real estate portfolio to better meet the needs of its customers. GSA will also focus on optimizing revenue from the sales of GSA and other federally owned real property assets to ensure a Government-owned portfolio of high-performing assets.

Strategic Objective 1.1: Reduce the cost of Federal inventory.

PBS's execution of a Real Estate Investment and Savings Strategic Initiative in FY 2020 will be central to the delivery of real estate solutions to Federal agencies and provide savings to the American taxpayer. Through the full execution of this Initiative, there is the potential to reduce future spending on leased space by billions of dollars. GSA recognizes there are significant opportunities across the PBS portfolio where capital investment can be used to achieve long-term savings as well. PBS can achieve lower rental rates and reduce future rental of space payments significantly by replacing the large inventory of expiring leases with leases at a reduced square footage or longer term leases. Increasing the lease replacement rate and reducing the lease square footage will contribute to the reduction of obligations from the Federal Buildings Fund by billions of dollars over the duration of these lease contracts. More than half of GSA's leases are expiring over the next six years, creating an opportunity to realize cost savings. In order to achieve the benefits in managing lease expirations, PBS has realigned internal resources to critical positions and will invest additional resources in future fiscal years to support the lease replacement effort. Reducing lease costs for agencies will allow them to dedicate resources to their missions by lowering their rental of space obligation to GSA. The Real Estate Investment and Savings Strategic Initiative creates a tremendous opportunity for reducing costs, saving taxpayer dollars, and fulfilling GSA's mission.

Key Strategies

- A. Strategic Capital Investments:
 - a. Invest in major building improvements, new construction, and consolidation projects to accelerate the reduction of space by increasing space utilization and consolidation opportunities.
 - b. Balance investments between new construction and existing assets to effectively manage our portfolio of Federal assets.
 - c. Increase assets with positive funds from operations by continuing to identify and invest

- in core assets on the basis of Federal need, asset use, asset condition, and market value.
 - d. Dispose of underperforming Federal assets by working with agencies to develop and prioritize effective and efficient real property repositioning strategies; aggressively identify and dispose of underperforming Federal assets through expanded sales and out leases, auctions, and transfers to local entities; and partner with stakeholders to ensure disposal projects leave a positive impact on communities.
- B. Lease Cost Avoidance Plan:
- a. Increase use of longer lease terms, where appropriate, as a mechanism for cost avoidance by pursuing all available strategies to increase cost savings, including maximizing lease terms.
 - b. Increase use of the Automated Advanced Acquisition Program (AAAP) and GSA Leasing Support Services (GLS) for lease awards. AAAP is a multiple award lease procurement tool that allows potential suppliers to compete for Federal leases by submitting a single offer through an online portal. Increased use of the AAAP will reduce administrative cost and burden for Government and industry partners, while also using scale to deliver cost savings. GLS assists in delivering the best value in space solutions for the Government and taxpayers, leveraging private sector resources and expertise while reducing contract administration costs.
- C. Resource optimization and investment
- a. Continue to realign internal resources to critical positions.
 - b. Invest additional resources to achieve the benefits in managing lease expirations.

Goal Leader	Daniel W. Mathews, Commissioner Public Buildings Service
Contributing Programs	<ul style="list-style-type: none"> • Portfolio Management and Customer Engagement • Leasing • Real Property Disposal • Construction and Acquisition

Strategic Objective 1.1 – FY 2018 Progress Update

GSA experienced mixed results for this strategic objective in FY 2018. Targets were met for real property disposals and donations. However, performance fell short for vacant space in inventory, leases negotiated at or below market value, and leased revenue after program administration. Driving savings for the Government, GSA reduced its owned and leased inventory by 3.4 million rentable square feet (RSF) and awarded 140 disposal projects on behalf of all Federal agencies totaling 4.94 million RSF. GSA will continue to work with OMB and customer agencies to improve asset utilization, review “Reduce the Footprint” plans to optimize agency space requirements, and dispose of underperforming assets on behalf of all agencies. Collectively, these strategies will enable GSA to realize substantial cost savings for agencies and taxpayers while streamlining the Federal real estate inventory. GSA has also implemented a comprehensive Lease Cost Avoidance Plan that prioritizes high-cost leases that are expiring within the next 6 years to gain the greatest savings for the Government.

Performance Goal 1.1.1 - Reduce vacant space in inventory	
Benefit to the Public	Better utilization of Federal workspace reduces the Government’s operational costs.
Performance Indicator Definition	<p><u>Vacant space in inventory</u></p> <p>Reflects the vacant space in GSA's owned and leased space, without a customer agency paying rent. Specifically, it reports the total square feet of unoccupied space as a percentage of total square feet in GSA's owned and leased workspace inventory. GSA excludes space currently undergoing major renovation. Data source is <i>Real Estate Across the United States</i> (REXUS) inventory data set.</p>
Progress Update	In FY 2018, GSA had 3.3% of owned and leased vacant space, below private sector vacant space rates, but missed the 3.0% target. While maintaining a certain level of vacant space in the portfolio is important for meeting customer needs and allowing for cost-effective housing strategies, GSA’s goal remains for 3.0% vacancy. In FY 2019, GSA will continue to work with customers to improve space utilization and develop projects to invest and optimize Federal space to decrease costly lease payments to reduce vacancy.

Vacant space in inventory		
Fiscal Year	Target	Results
2015	3.2%	3.4%
2016	3.2%	3.0%
2017	3.2%	2.9%
2018	3.0%	3.3%
2019	3.0%	N/A
2020	3.0%	N/A
Lead Office: Public Buildings Service		

Performance Goal 1.1.2 - Generate savings by negotiating 55% of leases at or below market rates (Agency Priority Goal)	
Benefit to the Public	Negotiating leases at or below comparable market costs ensures GSA acquires Federal office space at the best value for the taxpayer.
Performance Indicator Definition	<p><u>Percent of lease agreements negotiated at or below market rates</u></p> <p>Compares GSA leasing costs to private sector benchmarks for equivalent office space in major markets. The market lease rate is based on GSA’s Bullseye report, which combines rates from respected nationwide commercial real estate sources. The net present value of life-cycle leasing transaction costs are used to compare negotiated leases with market value leases.</p>
Progress Update	During FY 2018, GSA negotiated 44% of leases (262 out of 590 transactions) at or below market rates. Office markets in many major areas of the United States are rising or peaking, making it difficult for GSA and other lessees to procure below-market rates. However, when measured by dollar volume, the total aggregated GSA lease costs were 5% below market lease costs in FY 2018. This indicates that GSA was more successful negotiating larger leases at below-market rates.

Percent of lease agreements negotiated at or below market rates		
Fiscal Year	Target	Results
2013	baseline	55%
2014	baseline	43%
2015	baseline	59%
2016	55%	49%
2017	55%	48%
2018	55%	44%
2019	55%	N/A
Lead Office: Public Buildings Service		

Performance Goal 1.1.3- Generate sufficient funds from operations to effectively operate GSA leased buildings	
Benefit to the Public	Achieving near break-even status in lease revenue available after program administration costs demonstrates that the leasing program can efficiently operate within the fees collected from customer agencies. Efficient delivery of leased workspace provides agencies greater flexibility in housing their workforce and operations and managing their resources.
Performance Indicator Definition	<p><u>Percent of leased revenue available after administering the leasing program</u></p> <p>This performance indicator measures the leasing program’s revenue available after program administration costs and is calculated by taking the leased inventory revenue minus all expenses (excluding depreciation) associated with the inventory. If the measure is negative, costs were greater than revenues.</p>
Progress Update	In FY 2018, GSA had -0.4% of lease revenue available after administering the leasing program, missing the target of 0% to 2%. Various issues contributed to this miss, including challenges related to timely and accurate customer billing and lessor payments, vacant space and related security expenses, lease formulation and buyout costs, and general and administrative expenses in excess of PBS fee revenue for small-dollar value leases. GSA will continue to work collaboratively across the organization to improve this metric and strive to balance expenses with revenue in FY 2019.

Percent of leased revenue available after administering leasing program		
Fiscal Year	Target	Results
2013	0% to 2%	0.1%
2014	0% to 2%	-1.0%
2015	0% to 2%	-0.47%
2016	0% to 2%	-1.16%
2017	0% to 2%	-0.59%
2018	0% to 2%	-0.40%
2019	0% to 2%	N/A
2020	0% to 2%	N/A
Lead Office: Public Buildings Service		

Performance Goal 1.1.4 - Timely award of non-competitive sales and donations	
Benefit to the Public	Decreasing cycle times for non-competitive sales and donations increases the speed of disposing surplus Federal property and supports the management of a financially self-sustaining portfolio. Maintaining a viable, self-sustaining inventory of real properties ensures Federal agencies have appropriate facilities at best cost.
Performance Indicator Definition	<p><u>Percent of non-competitive sales and donations awarded within 220 days</u></p> <p>Reports the number of non-competitive sales and donations awarded within 220 days (minus hold times) as a percentage of total public sales. Hold time occurs when a disposal action experiences a delay because of pending legislation, environmental concerns, title problems, historical building reviews, or litigation.</p> <p>Non-competitive sales and donations include negotiated sales, public benefit conveyances, and Federal transfers. The time of award refers to the date the property is transferred to another agency, assigned to a sponsoring agency, or deeded to a public body.</p>
Progress Update	GSA exceeded its FY 2018 target of 93% by awarding almost 97.5% of non-competitive sales and donations within 220 days. We are required to conduct screening for Federal, homeless, and public bodies, as well as have application submittal and review periods by sponsoring agencies.

Percent of non-competitive sales and donations awarded within 220 days		
Fiscal Year	Target	Results
2013	90%	88%
2014	90%	93%
2015	90%	98%
2016	90%	98%
2017	90%	90%
2018	93%	97.5%
2019	93%	N/A
2020	93%	N/A
Lead Office: Public Buildings Service		

Performance Goal 1.1.5- Timely award of public sale properties	
Benefit to the Public	Decreasing the cycle time for public sales accelerates the disposal of surplus Federal properties and supports the management of a financially self-sustaining portfolio of Federal real property assets. Maintaining a viable, self-sustaining inventory of real property ensures Federal agencies have appropriate facilities at best cost.
Performance Indicator Definition	<p><u>Percent of public sale properties awarded within 135 days</u></p> <p>Reports the number of public sales awarded within 135 days (minus hold times) as a percentage of total public sales. Hold time occurs when the disposal experiences an unavoidable delay because of pending legislation, historical building reviews, or litigation. The time of award refers to the date the offer to purchase is completed by GSA and the purchaser.</p>
Progress Update	GSA met its FY 2018 target of 98% by awarding 98% of competitive public sales within 135 days. The streamlined bidding process that GSA uses to market properties for disposal and aggressive marketing through online auctions continues to attract buyers in a timely manner, leading to GSA's success in exceeding the target and saving taxpayer dollars.

Percent of public sale properties awarded within 135 days		
Fiscal Year	Target	Results
2013	90%	98%
2014	90%	94%
2015	90%	97%
2016	90%	98%
2017	90%	98%
2018	98%	98%
2019	98%	N/A
2020	98%	N/A
Lead Office: Public Buildings Service		

Performance Goal 1.1.6 - Generate revenue from GSA and FASTA disposals	
Benefit to the Public	Executing disposals in an accelerated and effective manner reduces the Government's inventory of civilian real property, returns underutilized and highly valuable real property to productive use, and ensures effective monetary value returned on the taxpayer's investments.
Performance Indicator Definition	<p><u>Gross sales revenue from GSA and FASTA disposals (\$ millions)</u></p> <p>The Federal Assets Sale and Transfers Act (FASTA) established the Public Buildings Reform Board (FASTA Board) to identify opportunities for the Federal Government to significantly reduce surplus civilian real property. The performance metric tracks the identification, by OMB and the GSA Administrator, of not fewer than five Federal civilian real properties that are not on the list of surplus or excess as of such date with a total fair market value of not less than \$500M.</p>
Progress Update	In FY 2018, without the benefit of a FASTA Board, GSA disposed of 140 properties (government-wide) and generated \$123.2M in proceeds. This figure was higher than average due to the sale of two high value properties in Washington, DC, which generated over \$70M. Without an existing Board, the FY 2019 target focuses solely on proceeds from the disposal of GSA assets.

Gross sales revenue from GSA and FASTA disposals (\$ millions) (new metric in FY 2020)		
Fiscal Year	Target	Results
2016	N/A	\$28.8M
2017	N/A	\$115.9M
2018	N/A	\$123.2M
2019	\$15M	N/A
2020	\$500M	N/A
Lead Office: Public Buildings Service		

Strategic Objective 1.2: Establish GSA as a more effective provider of real estate services for all agencies.

GSA will support Federal agencies in fulfilling their mission by offering integrated turn-key services, providing high-quality facility and workspace solutions, and improving responsiveness and value to customers. Adding to ongoing efforts, GSA will focus on reducing cost without impacting service levels through increased use of standardized contracts and GSA procurement tools for building operations and maintenance contracting. To more fully assess customer experience, GSA will use an improved methodology to gauge the Federal customer's experience and satisfaction with services. Finally, GSA will provide staff with the tools to ensure delivery of high-quality services.

Key Strategies

- A. Increase the use of integrated, turn-key services for customers:
 - a. Provide more options and integrated offerings across the product and service life cycle for real estate management services, including consultation and mission-support services.
- B. Reduce the cost of operations and maintenance contracts without impacting service levels:
 - a. Build upon current efforts to save taxpayer money by improving operations and leveraging buying power through standardized contracts and GSA procurement tools.
- C. Improve responsiveness and value to customers:
 - a. Work with customer agencies to identify common goals and initiatives together; and
 - b. Strengthen customer relationships through a commitment to increase information sharing.
- D. Improve productivity by investing in our people:
 - a. Continue to train staff, develop new tools, and improve processes to support strong teamwork and delivery of services.

Goal Leader	Daniel W. Mathews, Commissioner Public Buildings Service
Contributing Programs	<ul style="list-style-type: none"> ● Portfolio Management ● Real Property Disposal ● Construction and Acquisition ● Building Operations ● Repairs and Alterations ● GSA Customer Experience

Strategic Objective 1.2 – FY 2018 Progress Update

GSA is designating this objective as a focus area for improvement as GSA only met one of four annual performance targets. Historically low winter temperatures contributed to the lower than expected reduction in energy intensity (usage by square foot). GSA is part of a multi-agency team that is assessing energy savings targets that will be incorporated into E.O. 13834: Efficient Federal Operations. For metrics that are less susceptible to external factors, such as tenant satisfaction and cleaning and maintenance costs, GSA maintained steady performance relative to FY 2017 but did not achieve performance improvement goals set for FY 2018. GSA continued to meet its annual performance target for keeping capital projects on cost and within budget.

Performance Goal 1.2.1 - Reduce total energy intensity	
Benefit to the Public	Responsible management of energy use in the Federal workspace lowers costs to the American people, provides greater availability of domestic energy resources for other purposes, and contributes to better air quality, energy independence, and mission assurance.
Performance Indicator Definition	<p><u>Energy intensity reduction (cumulative percent reduction in BTU per gross square foot, from baseline year of FY 2015)</u></p> <p>This measure assesses reduction in energy use intensity as originally mandated in the Energy Policy Act and updated by E.O. 13693: GSA to reduce energy intensity as measured in British Thermal Units (BTU) per gross square foot by 25% by 2025 over the 2015 baseline established in the E.O. E.O. 13693 has been rescinded and replaced by E.O. 13834. Revised targets are being discussed as part of a multi-agency effort GSA is participating in. Revised targets will be incorporated into the E.O. once finalized.</p>
Progress Update	GSA's ability to meet the 7.5% energy reduction measure in FY 2018 was impacted by weather anomalies, changes in building operations, and overtime utility usage.

Energy intensity reduction (cumulative percent reduction in BTU per gross square foot, from baseline year of FY 2015)		
Fiscal Year	Target	Results
2016	1.7%	3.78%
2017	5.0%	6.41%
2018	7.5%	5.41%
2019	0.25% increase over FY 2018 Results*	N/A
2020	0.25% increase over FY 2019 Results*	N/A
Lead Office: Public Buildings Service		

* Highlights changes from the [E.O. 13834](#)

Performance Goal 1.2.2 - Complete capital projects on schedule and on budget	
Benefit to the Public	Delivering space when needed enables customer agencies to most effectively carry out their missions. GSA's efficient delivery of new and renovated facilities reduces resource demands on customer agencies and translates into higher operational effectiveness and/or lower operational costs.
Performance Indicator Definition	<p><u>Percent of capital construction projects on schedule and on budget</u></p> <p>Reports the percentage of prospectus level construction projects completed on schedule and budget, weighted by the contract value. Using an earned value technique, this measure assesses project performance on all prospectus level projects.</p> <p>The project weighting criteria is based on total current contract value, which places more emphasis on large, important projects that are critical to the GSA real estate portfolio.</p>
Progress Update	<p>A total of 88 projects valued at \$3.2B were in construction or substantially complete in FY 2018. Of these, 24 projects reached substantial completion in FY 2018 valued at \$435M. The 90% target was met despite challenging market conditions, uncertainty over potential price increases, and labor shortages in the construction market.</p> <p>The largest of the 24 projects finished in FY 2018 on schedule and budget include:</p> <ul style="list-style-type: none"> • Bureau of Consumer Financial Protection Headquarters, DC, \$129.2M • Mobile New Courthouse, AL, \$72.6M • Charleston Department of State Building F, SC, \$53.4M • Roybal Federal Building/Courthouse Courts Consolidation, CA, \$17.3M • Phillip Burton Federal Building/Courthouse Infrastructure, CA, \$15.1M • Sidney Yates Federal Building Exterior, DC, \$15.1M • Woodlawn Computer Building 3rd Floor, MD, \$14.7M <p>PBS continues to provide project oversight, including planning risk reviews, integrated design reviews, construction peer reviews, and monitoring quarterly construction market trends.</p>

Percent of capital construction projects on schedule and on budget		
Fiscal Year	Target	Results
2013	Baseline	89%
2014	Baseline	97%
2015	90%	98%
2016	90%	98%
2017	90%	99%
2018	90%	90%
2019	85%	N/A
2020	85%	N/A
Lead Office: Public Buildings Service		

Performance Goal 1.2.3 - Improve tenant satisfaction with Government-owned and leased space.	
Benefit to the Public	Tenant Satisfaction is a good barometer for GSA to measure how well it is providing safe, reliable, productive and sustainable workplace environments that supports the business of the Federal Government at best value to the taxpayer.
Performance Indicator Definition	<p><u>Tenant satisfaction with Government-owned and leased space – Facilities Management (FM) Index</u></p> <p>The FM Index comprises nine existing questions from the Tenant Satisfaction Survey related to the condition of the building and grounds, common areas, restrooms and elevators. Each question relates to areas of the building that GSA’s Facility Managers directly influence or control.</p> <p>To calculate the FM Index score, all of the “4” and “5” responses for those nine questions are added up and divided by the total number of responses.</p>
Progress Update	PBS did not achieve the 63% target for the overall tenant satisfaction in FY 2018. This is the second consecutive year where the target was not met and overall satisfaction score decreased. Through five years of item level analysis and an analysis of tenant comments, PBS concluded that tenants may use this survey to voice concerns regarding a multitude of issues that are outside the control of PBS. In FY 2018, PBS strategy for action planning shifted to focus on targeting facilities for improvements based on scores from individual questions. Survey results for FY 2018 support the effectiveness of this strategy. Item level scores targeted by action planning

increased by an average of 5.7 percent in tenant satisfaction in FY 2018 over the prior year. PBS has identified a similar strategy for action planning in FY 2019 from the FY 2018 results, while expanding on the parameters of the criteria in hopes of impacting national scores on a larger scale.

Tenant satisfaction with Government-owned and -leased space		
Fiscal Year	Target	Results
2013	83%	63%
2014	75%	61%
2015	63%	63%
2016	65%	65%
2017	67%	61%
2018	63%	60%
Lead Office: Public Buildings Service		

Tenant satisfaction with Government-owned and -leased space: FM Index		
Fiscal Year	Target	Results
2016	Baseline	69%
2017	Baseline	70%
2018	69%	69%
2019	70%	N/A
2020	1% increase over FY 2019 Results	N/A
Lead Office: Public Buildings Service		

Performance Goal 1.2.4 - Provide building cleaning and maintenance at competitive costs	
Benefit to the Public	This goal ensures customer agencies are paying competitive market rates for building services. When costs are competitive, agencies can put more of their resources towards meeting mission requirements.
Performance Indicator Definition	<p><u>Percent of cleaning and maintenance costs within market range</u></p> <p>GSA uses methodologies to track the percentage of cleaning and maintenance costs that are within market range, targeting 80% of expenditures as the goal. Building Owners and Managers Association data and RS Means City Cost Data for office and office-like buildings are used to benchmark against private sector operations.</p>

Progress Update	GSA did not meet its FY 2018 goal to keep 78% of cleaning and maintenance costs within market range, ending the year at 73.6%. Due to inflation, the costs for both cleaning and maintenance increased.
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Percent of cleaning and maintenance costs within market range		
Fiscal Year	Target	Results
2013	N/A	72%
2014	N/A	70%
2015	80%	81%
2016	80%	80.3%
2017	80%	73.2%
2018	78%	73.6%
2019	80%	N/A
2020	80%	N/A
Lead Office: Public Buildings Service		

STRATEGIC GOAL 2

Establish GSA as the premier provider of efficient and effective acquisition solutions across the Federal Government.

GSA is committed to delivering service, innovation, and value through efficient operations, market expertise, and proactive partnerships with customer agencies and private sector vendors. Generating economies of scale is the cornerstone of our acquisition solutions, enabling us to negotiate better prices. Every day, we help customers make smart purchasing decisions to acquire the goods and services they need.

GSA is dedicated to improving the contract vehicles, services, and products provided to Federal agencies, military, and state/local entities. We make access to the Government market easier, faster, and less costly to small and socio-economic businesses. We are achieving this by designing and delivering solutions that meet current needs and anticipate future requirements.

Strategic Objective 2.1: Design and deliver GSA products and services that yield measurable savings while aligning with customer mission objectives and changing market demand.

Using the purchasing power of the Federal Government, GSA reduces Federal agencies' operating costs, enabling them to focus on their core missions to serve the public at best value. We are always looking for new ways to help these agencies make their purchases smarter and more efficient. This ability to achieve savings or avoid costs depends largely on standardizing requirements across Federal agencies that collectively leverages our purchasing power. Throughout GSA's acquisition operations, our goal is to place customers at the center of our operations, develop common requirements across the Government, and increase the adoption of our solutions for agencies' common needs. With these goals in mind, we have developed robust strategies to meet the current and future demands of our customers.

In order to fully maximize the purchasing power of the Federal Government, we will provide market intelligence and acquisition expertise to the Federal marketplace. GSA is committed to bringing Government-wide contract spend into common categories to further capture economies of scale. This approach also creates economies of skill for Government as a whole when agencies can rely on GSA to deliver the right goods and services for their mission needs.

Key Strategies

- A. Better understand and anticipate customer needs by developing a robust and effective customer management approach:
 - a. Grow and refine the approach to strategic account management by:
 - 1. Strengthening client relationships by serving as a trusted advisor;
 - 2. Generating analytics and customer intelligence to inform decisions and provide our customers with meaningful recommendations; and
 - 3. Leveraging relationships and market intelligence to manage and customize GSA offerings.
 - b. Mature our Voice of the Customer process, which ensures that we gather customer feedback to improve the effectiveness of our solutions, service delivery, and customer interactions.
 - c. Enhance the customer experience through innovative customer experience mapping and usability testing of GSA systems and solutions.
- B. Improve market intelligence and optimize Federal buying power by leveraging commercial principles:
 - a. Mature and operationalize the internal use of business best practices, such as category management, to improve Government acquisition by pooling and sharing demand management, acquisition data, and supplier relationship management knowledge. Expanding use of data and business intelligence allows us to better understand, anticipate, and deliver customer requirements relative to specific markets and industries. This includes:
 - 1. Leading a number of Government-wide categories and working with top purchasing agencies to understand their use of these products and services, enabling us to enhance the customer's buying experience; and

- 2. Developing purchasing strategies so that customers find best value for items and services.
- b. Increase agency adoption of assisted acquisition solutions for large and/or complex projects. The Assisted Acquisition Services program offers these value-added, customized, acquisition project management and financial management services for large and/or complex IT and professional services solutions.
- c. Develop strategies for procurements to streamline methods of awarding and administering less complex, smaller-dollar assisted acquisitions.

Goal Leader	Alan Thomas, Commissioner Federal Acquisition Service
Contributing Programs	<ul style="list-style-type: none"> ● Customer and Stakeholder Engagement ● Assisted Acquisition Services ● Information Technology Category ● General Supplies and Services ● Travel, Transportation, and Logistics ● Office of Enterprise Strategy Management

Strategic Objective 2.1 – FY 2018 Progress Update

GSA continues to provide substantial savings to the Government through focused acquisition programs. Our programs have routinely generated more than \$5B in annual savings. Program areas with the largest savings include the City Pair Program, IT Category products and services, and Assisted Acquisition Services. The customer loyalty score improved from FY 2017, and the FY 2018 performance target was achieved. In FY 2018, GSA developed customer loyalty action plans for each program based on FY 2017 results and identified 45 initiatives where progress is tracked monthly. Moving forward, GSA will focus on developing technology interfaces to improve the ease of access to the products and services that we offer.

Performance Goal 2.1.1 - Increase customer satisfaction	
Within our acquisition offerings, we know that loyal customers see value in our offerings and are likely to recommend our goods and services to others. The model we use to evaluate loyalty is built on decades of empirical research around factors that consistently influence loyalty intentions (e.g., likelihood to recommend) as well as behaviors (e.g., repurchase).	
Benefit to the Public	Assessing customer loyalty allows GSA to take action to improve program operations. The network of suppliers and vendors GSA leverages to provide customer agencies with goods and services is essential to service delivery. Through positive working relationships that are mutually beneficial for the supplier and customer, GSA is able to provide better service to customers, and ultimately to the public.

<p>Performance Indicator Definition</p>	<p><u>“Customer Loyalty” Score</u></p> <p>Tracks customer loyalty and ensures GSA’s Federal Acquisition Service is effective at meeting customer requirements. GSA identifies customers and develops a questionnaire to ensure program offices have actionable recommendations for areas of improvement. The result represents the average score across three loyalty intention items for each respondent. Responses are rated on a 10-point scale where “1” equals “not at all likely” and “10” equals “very likely.”</p> <p>The three questions are:</p> <ul style="list-style-type: none"> ● How likely are you to recommend [Program Office] to others? ● How likely are you to continue to use [Program Office] in the future? ● How likely are you to consider [Program Office] as your first choice for [product/service]?
<p>Progress Update</p>	<p>Overall, FAS-wide Customer Loyalty increased by 0.1 in FY 2018 from 7.4 (FY 2017) to 7.5. Customer Satisfaction increased by 0.2 in FY 2018 from 7.4 (FY 2017) to 7.6. The Net Promoter Score increased by four points, to 19 in FY 2018. Consistent with FY 2014–FY 2017 trends, Value and Ease of Acquiring continue to be strong influencers (drivers) of Customer Loyalty.</p> <ul style="list-style-type: none"> ● FY 2018 "Perceived Value" score increased by 0.3 to 7.7. ● FY 2018 “Ease of Acquiring” score increased by 0.2 to 7.3. (Multiple Award Schedule Reform initiatives have the potential to significantly impact this driver.) ● FY 2018 “Acting in Best Interest” score of 7.7 was also a strong driver of Customer Loyalty. <p>Customers cited specific areas for improvement related to Ease of Acquiring, Value, and Best Interest Across FAS (more modern and user-centric improvements needed).</p> <ul style="list-style-type: none"> ● FAS’s Customer Service score was very high this year, indicating that customer-facing employees are providing excellent service. ● Customers feel frustrated when program changes do not reflect their experience with GSA or address issues they have reported. Addressing this sentiment, GSA seeks to give customers a direct voice in developing Action Plan initiatives, based on survey feedback. ● Minimum Order Quantities are a significant pain point for customers.

“Customer loyalty” score (10-point scale)		
Fiscal Year	Target	Results
2015	8.0	7.1
2016	7.2	7.5
2017	7.3	7.4
2018	7.4	7.5
2019	7.5	N/A
2020	7.6	N/A
Lead Office: Federal Acquisition Service		

Performance Goal 2.1.2 - Expand the use of GSA acquisition solutions across the Government	
Federal agencies operate in a constrained budget environment and seek to maximize every dollar. When agency customers utilize FAS solutions they are able to purchase the goods and services needed to execute their mission at reduced cost, enabling them to focus resources on mission-critical activities. GSA generates additional savings for agencies by expanding the use of strategic buying practices using market intelligence and Government-wide collaboration.	
Benefit to the Public	Achieving this goal will result in greater savings, enabling customer agencies to meet mission-critical needs at a lower cost.
Performance Indicator Definition:	<p><u>Acquisition program savings</u></p> <p>Annual targets are developed by aggregating various program-specific targets across FAS, each with a specific methodology for calculating savings. The types of savings fall into one of three groups:</p> <ul style="list-style-type: none"> ● Savings realized by utilizing FAS procurement vehicles compared to commercial alternatives; ● Savings realized through FAS offerings compared to other Government offerings; and ● Savings returned to customers via bank refunds for using a FAS purchase, travel, or fleet card.
Progress Update	GSA exceeded the FY 2018 savings target of \$5.22B, with total savings of \$5.86B. Increased volume across the board for GSA acquisition programs has been the driving force for 14 of the 18 programs to exceed their individual savings targets. The City Pair Program contributed over 40% of the total savings with \$2.48B in FY 2018 savings. Other programs that contributed significantly to the increase in savings include Travel and Transportation, IT Hardware, and Assisted Acquisition Services.

Acquisition program savings (billions of \$)		
Fiscal Year	Target	Results
2015	N/A	\$5.17B
2016	\$5.19B	\$6.02B
2017	\$5.24B	\$5.17B
2018	\$5.22B	\$5.86B
2019	\$5.90B	N/A
2020	\$6.00B	N/A
Lead Office: Federal Acquisition Service		

Strategic Objective 2.2: Make it easier to do business with the Government by simplifying processes and streamlining access for our customers and suppliers.

Every day, the work that we do allows our customer agencies to better focus on their missions. Partnership on all levels is critical to the success of GSA. Strong partnerships with other agencies and suppliers are essential, supporting decisions that create value and savings for our customers and the American public. Doing business with GSA must be an easy and reliable experience. We must continuously improve our processes and systems to make them as simple and streamlined as possible.

Key Strategies

- A. Modernize and streamline IT systems:
 - a. Simplify the acquisition experience for the supplier and customer communities:
 1. Improve GSA and agency data access and quality so that acquisition and program leaders can make better procurement decisions;
 2. Empower GSA governance systems to streamline investments for better results;
 3. Increase the use of cost-effective strategic delivery of commercially readily available items by improving electronic integration with supply chain partners; and
 4. Assess the feasibility and opportunities for adoption of e-commerce commercial platforms.
- B. Simplify processes to make Multiple Award Schedule contract vehicles the Government's vehicle of choice for commercial products, services, and solutions:
 - a. Provide our stakeholders with a Multiple Award Schedule program that addresses current market forces and provides Government with a streamlined, value-based contracting solution that continues to save time and money well into the future. We are transforming the program in four distinct areas:
 1. Supplier engagement;
 2. Customer engagement;
 3. Competitive pricing; and
 4. Innovation.

Goal Leader	Alan Thomas, Commissioner Federal Acquisition Service
Contributing Programs	<ul style="list-style-type: none"> ● FAS Systems Management ● GSA IT ● Multiple Award Schedule Program Management Office (PMO) ● FAS Commissioner's Office ● Policy and Compliance ● Customer and Stakeholder Engagement ● Office of Enterprise Strategy Management

Strategic Objective 2.2 – FY 2018 Progress Update

In consultation with OMB, GSA has designated this objective as a focus area for improvement. Although suppliers are sharing that GSA is communicating more effectively, supplier satisfaction scores increased only marginally in FY 2018 (from 3.61 to 3.69). Suppliers see GSA vehicles as an avenue to new markets but are frustrated when they cannot easily navigate the procurement process. To address this issue, GSA is consolidating Schedules to reduce the number of contracts that vendors and customer agencies are required to manage, lightening the overall administrative burden and streamlining the contracting process.

<p>Performance Goal 2.2.1 - Increase supplier satisfaction</p>	
<p>The network of suppliers that GSA leverages to provide products and services are critical to our success in meeting the day-to-day needs of customer agencies and providing complex, innovative, and customized solutions. Creating a mutually beneficial operating environment between the Government and the supplier community allows us to offer a diverse set of products and services to the customer agencies at best value.</p>	
<p>Benefit to the Public</p>	<p>Strong supplier relationships make interactions between the Government and industry more efficient, transparent, and cost effective, creating lower-cost services that maximize taxpayer dollars. When the Government and industry collaborate effectively, the highest-quality solutions can be delivered to meet customer agencies’ missions to the public.</p>

<p>Performance Indicator Definition</p>	<p><u>“Supplier satisfaction” score</u></p> <p>The Supplier Relationship Management Survey is distributed annually to roughly 20,000 vendors with contracts covering a diverse portfolio of GSA contract vehicles. The sources for the vendors are e-Library, FPDS-NG, and GSA’s Salesforce database.</p> <p>Respondents are asked “Please consider all of your experiences interacting with [GSA program]. How satisfied are you?” Responses are rated on a 5-point scale where “1” equals “Very Dissatisfied” and “5” equals “Highly Satisfied.” The overall score represents the average of each portfolio’s average score.</p>
<p>Progress Update</p>	<p>Overall, FAS-wide Supplier Satisfaction increased by almost 0.1 in FY 2018 from 3.61 (FY 2017) to 3.69. Consistent with FYs 2015 to 2017 trends, “Streamlining Processes” and “Improving Relationships” continue to be the primary themes in Supplier feedback. In FY 2018, however, suppliers put greater emphasis on their and GSA’s relationships with agency customers.</p> <p>Procurement Process and Contracting Expertise are the strongest influencers of Supplier Satisfaction. FY 2018 Procurement Process score increased by 0.07 to 3.63, while FY 2018 Contracting Expertise score increased by 0.01 to 3.89.</p> <p>Suppliers are sharing that GSA is communicating more effectively, and they see GSA vehicles as an avenue to new markets but are frustrated when they cannot easily navigate the procurement process. One way GSA is addressing this issue is by assessing opportunities to consolidate schedules, reducing burdens on industry. GSA has identified two areas of focus for the coming year in the hope of building on the FY 2018 results. First, GSA implemented a streamlined reporting structure designed to focus on “doing” rather than tracking and reporting. Second, GSA determined that many of the concerns expressed by industry are the direct result of GSA/FAS not providing effective baseline communication and training to our industry partners. With this in mind, GSA is reexamining current efforts and drawing on existing resources and expertise to reengage our partners with more meaningful communication and skill-level appropriate training.</p>

"Supplier satisfaction" score (5-point scale)		
Fiscal Year	Target	Results
2015	N/A	3.59
2016	N/A	3.70*
2017	N/A	3.61*
2018	3.80*	3.69*
2019	3.73*	N/A
2020	3.76*	N/A
Lead Office: Federal Acquisition Service		

**Metric methodology was revised in FY 2018. FY 2016, FY 2017, and FY 2018 results reflect the new methodology. FY 2019 and FY 2020 targets are based on the new methodology. The FY 2018 target was not recalculated and is based on prior-year methodology.*

Strategic Objective 2.3: Enhance customer agency access to qualified small and socio-economic businesses.

GSA will collaborate with industry on Federal acquisition requirements and best practices promoting opportunities for small and socio-economic businesses. This encompasses all small businesses, including small disadvantaged businesses, women-owned small businesses, service-disabled veteran-owned small businesses, and businesses located in Historically Underutilized Business zones.

GSA will continue to educate the acquisition workforce on the importance of meeting small business goals, ensuring our offerings promote a vibrant industrial and technological base. To advance small business outreach efforts, GSA will share information on prime and subcontracting Federal procurement opportunities, educate vendors on how to obtain a Multiple Award Schedule contract, and provide training on category management.

Key Strategies

- A. Educate small and socio-economic businesses on the opportunities available through the Multiple Award Schedule program:
 - a. Find creative new ways to educate small and socio-economic businesses on the opportunities in the Federal marketplace available through GSA;
 - b. Sponsor and deliver business development events; and
 - c. Streamline outreach programs to promote efficiency and effectiveness.
- B. Expand access to small and socio-economic buying options across GSA contracts:
 - a. Seek creative ways to improve the small business experience with GSA:
 1. Provide free advisory and training services;
 2. Maintain and enhance tools to access opportunities;
 3. Review rules and regulations that impact small businesses;

- 4. Review subcontracting plans to maximize small business participation;
- 5. Survey internal and external customers to improve customer satisfaction; and
- 6. Develop special resources for our veterans in line with E.O. 13360.
- b. Conduct acquisition planning, internal procurement compliance reviews, and prime contractor/subcontractor compliance reviews.
- c. Enhance analytic, performance monitoring, and reporting capabilities.
- d. Partner with the acquisition workforce to maximize small business participation in subcontracting.

Goal Leaders	Charles Manger, Associate Administrator Office of Small Business Utilization Alan Thomas, Commissioner Federal Acquisition Service
Contributing Programs	<ul style="list-style-type: none"> ● Office of Small Business Utilization ● Multiple Award Schedule PMO ● Customer and Stakeholder Engagement

Strategic Objective 2.3 – FY 2018 Progress Update

GSA continues to excel in meeting the prime small and socio-economic business targets set by the SBA. GSA received an “A,” “A+,” and “A” on SBA’s Small Business Scorecard for FYs 2015 through 2017, respectively. Final FY 2018 results for the small business indicators will be reported by the SBA in the spring of 2019. Preliminary results suggest that GSA has met the performance target for percent of GSA prime contracting dollars awarded to small business. In FY 2019, GSA will seek to improve the utilization of small businesses that operate and employ people in Historically Underutilized Business Zones (HUBZones) and maximize small business subcontracting opportunities. GSA continues to excel in providing small and disadvantaged business access to the Multiple Award Schedule (as measured by dollars awarded). In FY 2018, 38.4% of the business conducted through MAS was awarded to small and disadvantaged businesses, exceeding the target of 33%.

<p>Performance Goal 2.3.1 - Create more opportunities for small and socio-economic businesses</p>	
<p>By increasing access to small and socio-economic businesses for GSA contract requirements and GSA-managed Government-wide acquisition vehicles, GSA spurs job growth and drives the economy forward.</p>	
<p>Benefit to the Public</p>	<p>Small businesses power the economy forward and contracting with them is a win-win for the Government and the small business community. The Government receives great service at great value, while small businesses are provided opportunities to grow and create jobs. GSA offers opportunities to small businesses across the country through our contract vehicles, through the contracts we award for other agencies, and through subcontracting opportunities.</p>

**Performance
Indicator Definition**

(a) Percent of GSA contract dollars awarded to small business through prime contracting

Tracks the percent of dollars awarded from GSA contracts to small business through prime contracting. GSA measures the overall percentage of eligible procurement dollars awarded to small business for prime contracting.

(b) Percent of GSA contract dollars awarded through prime contracting to each socio-economic small business category (SDB / WOSB / SDVOSB / HUBZone)

Tracks the percent of dollars awarded from GSA prime contracting by measuring the overall percentage of eligible procurement dollars awarded to each socio-economic category:

- Small Disadvantaged Business (SDB),
- Women-Owned Small Business (WOSB),
- Service-Disabled Veteran Owned Small Business (SDVOSB), and
- Historically Underutilized Business Zone (HUBZone) contracting, respectively.

Targets reflect statutory requirements for fiscal year performance.

(c) Percent of GSA contract dollars awarded to small business through subcontracting

Tracks the percent of dollars awarded from GSA contracts to small business through subcontracting. Subcontracting results also exclude mandatory sources, contracts not governed by the Federal Acquisition Regulation, and product service codes for leasing.

(d) Percent of GSA contract dollars awarded through subcontracting to each socio-economic small business category (SDB / WOSB / SDVOSB / HUBZone)

Tracks the percent of dollars awarded through subcontracting by measuring the overall percentage of eligible procurement dollars awarded to each socio-economic category:

- SDB,
- WOSB,
- SDVOSB, and
- HUBZone contracting, respectively.

Targets reflect statutory requirements for fiscal year performance.

(e) Agency peer review score of Small Business Act compliance (SBA scorecard composite score)

Represents the achieved score for compliance with section 15(k) of the Small Business Act. The scoring is weighted as 20% of the overall agency scorecard score, and is based on an annual peer review conducted across agencies in accordance with SBA's standards. Twenty percent on the

	<p>peer review represents a perfect score on SBA’s Small Business Scorecard. The result represents GSA’s achievement in relation to the 20% target. Agencies can achieve scores above the target level if they show extraordinary performance.</p> <p>(f) <u>Small business diversification across industries (SBA scorecard composite score)</u></p> <p>Measures the diversification of small business contractors in each of the five small business categories within GSA’s top 100 NAICS codes. Scoring is based on SBA’s annual methodology, encompassing 10% of the overall agency score. The result represents GSA’s achievement in relation to the 10% goal. Agencies can achieve scores above the target level if they show extraordinary performance.</p> <p>(g) <u>Percent of Multiple Award Schedule (MAS) business volume from small businesses</u></p> <p>Reports the percentage of MAS business volume attributed to small businesses each year by calculating the GSA Multiple Award Schedule total business volume in dollars attributed to small businesses and dividing by the total business volume.</p>
<p>Progress Update</p>	<p>Final FY 2018 results for the small business performance indicators will be reported by the SBA in the spring of 2019. Preliminary results suggest GSA has met the performance target for percent of prime contracting dollars awarded to small business.</p> <p>The GSA Multiple Award Schedule program is one of many methods by which GSA provides small and disadvantaged businesses access to the Federal marketplace. In FY 2018, 38.4% of the business conducted through MAS was awarded to small and disadvantaged businesses, exceeding the target of 33%.</p>

(a) Percent of GSA contract dollars awarded to small business through prime contracting		
Fiscal Year	Target	Results
2015	32.0%	44.2%
2016	36.5%	39.2%
2017	36.5%	42.7%
2018	35.0%	38.8%*
2019	30.0%	N/A
2020	TBD**	N/A
Lead Office: Office of Small Business Utilization		

* Preliminary FY 2018 result. SBA will report final FY 2018 result in 2019.

** Target will be set by the SBA in 2019.

(b) Percent of GSA contract dollars awarded through prime contracting to each socio-economic small business category (SDB / WOSB / SDVOSB / HUBZone)		
Fiscal Year	Target	Results
2016	N/A	SDB 21.64% WOSB 9.31% SDVOSB 5.32% HUBZone 3.89%
2017	N/A	SDB 22.60% WOSB 8.85% SDVOSB 6.45% HUBZone 4.95%
2018	N/A	SDB 19.94% * WOSB 8.55% * SDVOSB 5.63% * HUBZone 3.98% *
2019	SDB 5% WOSB 5% SDVOSB 3% HUBZone 3%	N/A
2020	SDB 5% WOSB 5% SDVOSB 3% HUBZone 3%	N/A
Lead Office: Office of Small Business Utilization		

* Preliminary FY 2018 results. SBA will report final FY 2018 results in 2019.

(c) Percent of GSA contract dollars awarded to small business through subcontracting		
Fiscal Year	Target	Results
2015	29.0%	26.3%
2016	29.0%	26.3%
2017	29.0%	42.4%
2018	29.0%	25.5%*
2019	25.5%	N/A
2020	TBD**	N/A
Lead Office: Office of Small Business Utilization		

* Preliminary FY 2018 result. SBA will report final FY 2018 result in 2019.

** Target will be set by the SBA in 2019.

(d) Percent of GSA contract dollars awarded through subcontracting to each socio-economic small business category (SDB / WOSB / SDVOSB / HUBZone)		
Fiscal Year	Target	Results
2016	N/A	SDB 7.60% WOSB 5.90% SDVOSB 0.70% HUBZone 0.40%
2017	N/A	SDB 5.30% WOSB 6.20% SDVOSB 1.90% HUBZone 1.30%
2018	N/A	SDB 5.50% WOSB 4.40% SDVOSB 1.62% HUBZone 0.94%
2019	SDB 5% WOSB 5% SDVOSB 3% HUBZone 3%	N/A
2020	SDB 5% WOSB 5% SDVOSB 3% HUBZone 3%	N/A
Lead Office: Office of Small Business Utilization		

* Preliminary FY 2018 results. SBA will report final FY 2018 result in 2019.

(e) Agency peer review score of Small Business Act compliance (SBA scorecard composite score)		
Fiscal Year	Target	Results
2017	20%	19.87%
2018	20%	TBD*
2019	20%	N/A
2020	20%	N/A
Lead Office: Office of Small Business Utilization		

* FY 2018 result is pending. SBA will report final FY 2018 result in 2019.

(f) Small business diversification across industries (SBA scorecard composite score)		
Fiscal Year	Target	Results
2017	10%	10.60%
2018	10%	TBD*
2019	10%	N/A
2020	10%	N/A
Lead Office: Office of Small Business Utilization		

* FY 2018 result is pending. SBA will report final FY 2018 result in 2019.

(g) Percent of small business MAS business volume		
Fiscal Year	Target	Results
2015	33.0%	38.3%
2016	33.0%	37.4%
2017	33.0%	39.7%
2018	33.0%	38.4%
2019	33.0%	N/A
2020	33.0%	N/A
Lead Office: Federal Acquisition Service		

STRATEGIC GOAL 3

Improve the way Federal agencies buy, build, and use technology.

Technology is critical to how every agency accomplishes its mission and serves the public. It is at the core of running mission-support operations, safeguarding critical information, and analyzing program data for agency decision making. However, the Federal Government continues to struggle with legacy IT systems, IT modernization hurdles, and procurement challenges, as well as keeping pace with the public's expectation for digital services. The Administration has seen these weaknesses as growth opportunities by establishing multiple Cross Agency Priority (CAP) goals focused on IT modernization, as outlined in the *President's Management Agenda (PMA): Modernizing Government for the 21st Century*.

The challenge of supporting, managing, and securing legacy systems significantly impacts the ability of Federal agencies to meet current and evolving mission requirements. GSA is supporting the PMA by leading modernization initiatives across the Government that provide agencies with modern IT solutions and advisory services that can transform business operations, reduce costs, improve agility, and increase security. An overarching goal of these initiatives is to shift more Federal IT spending from operations and maintenance of legacy systems to investment in modern platforms.

The Federal IT procurement process includes requirements development and acquisition practices that can be burdensome and time-consuming. GSA is helping agencies adopt new approaches for buying commercial-off-the-shelf and as-a-service solutions. We are leading the development of modular contracting approaches to enable agile and efficient development of complex new requirements. GSA's goal is to assist agencies through the entire life cycle of procurement and system development.

Keeping up with the public's expectations for high-quality digital services has been challenging for the Government. The technology challenges facing Federal agencies and the direct impact on the public are well-known by leaders across Government and the private sector, leading to a heightened focus area for improvement by the Administration. GSA is supporting the PMA goal to improve the customer experience by providing Federal agencies with technologies and professional services that make customer interactions with public services simple, fast, and secure.

In FY 2017, the Administration created the Office of American Innovation and the American Technology Council to focus attention and resources on this challenge. Today and in the future, GSA will be an essential partner with the Administration to deliver innovative solutions through IT CoEs, administration of the Technology Modernization Fund (TMF), IT Category products and services, and Technology Business Management (TBM) program management services. Our mix of talent and expertise in acquisition, technology, and service delivery -- combined with our Government-wide scope and scale -- makes us an agent of transformation in how Federal agencies buy, build, and use technology.

Strategic Objective 3.1: Lead Government-wide technology modernization initiatives.

The *Report to the President on Federal IT Modernization (2017)* and the PMA tasks agencies with achieving an array of critical goals involving enhanced IT security, greater use of cloud-based services, and the overall consolidation and modernization of IT networks. GSA is well positioned to help agencies meet these goals. GSA offers the full spectrum of technology assistance, including experts who assess system design, apply user-centered research and design techniques common in the private sector, and ensure fit with agency needs.

GSA also offers platforms, services, and vehicles to assist agencies in acquiring and utilizing modern IT tools and practices. These include supporting agency transitions to cloud-based services; authentication and authorization services that seamlessly integrate with an agency's public-facing systems; IT infrastructure modernization; cost-efficient and well-designed tools to communicate digitally with the public; and reducing reliance on legacy IT through administration of the TMF. These partnerships with industry and customer agencies foster trust and confidence in the goal of delivering modern and essential Government services.

Key Strategies

- A. Enable the provision of mature solutions to migrate agency systems to the cloud:
 - a. Work across multiple programs to help agencies move to the cloud in the least disruptive way. This includes:
 - 1. Issuing authorizations for cloud systems that are secure and continuously monitored;
 - 2. Making cloud systems available and easy to purchase; and
 - 3. Offering GSA technology talent to plan and implement cloud migrations that are efficient and cost-effective.
- B. Improve public access to Federal Government services through secure accounts and user-friendly tools:
 - a. Offer the public secure and private online access to participating Government programs, with the goal of making Federal benefits, services and applications easier to access and more secure;
 - b. Increase the cybersecurity of Federal IT systems hosting the public's personally identifiable information; and
 - c. Improve the security position of the Government by decreasing insider threats.
- C. Help agency partners modernize IT infrastructure and improve digital interactions:
 - a. Ensure highly-skilled technologists are available to help agencies think through complex business problems and develop appropriate technical designs;
 - b. Assist with deploying technology solutions through CoEs by leveraging private sector innovation and existing Government services to increase cloud adoption, consolidate data centers, optimize call centers, drive performance improvement, and improve customer experience; and
 - c. Monitor customer satisfaction with innovation, technology consulting engagements, and acquisitions through 18F, the Presidential Innovation Fellows, Schedule 70, Government-wide Acquisition Contracts (GWAC), and the Enterprise Infrastructure

Solution (EIS) program.

- D. Increase the rate of IT modernization through administration of the TMF:
 - a. Provide technical assistance to the Technology Modernization Board to optimize project funding decisions; and
 - b. Ensure the operational health of the TMF by assessing project performance and administering financing operations.

Goal Leader	Alan Thomas, Commissioner Federal Acquisition Service Allison Brigati, Deputy Administrator General Services Administration
Contributing Programs	<ul style="list-style-type: none"> ● Technology Transformation Services ● Information Technology Category ● TMF PMO

Strategic Objective 3.1 – FY 2018 Progress Update

GSA met its technology modernization goals for FY 2018. GSA assumed a strong leadership role in supporting the PMA throughout last fiscal year by standing up the TMF, developing and deploying technology-oriented Centers of Excellence (CoEs), and improving public digital interactions through Login.gov. GSA has also strengthened cloud adoption Government-wide through the FedRAMP program.

In FY 2018, GSA stood up a TMF PMO to provide technical assistance to the Technology Modernization Board on funding decisions relating to IT transformation projects that reduce reliance on legacy operating systems through targeted investments in modern platforms. GSA will provide ongoing monitoring and review of projects, and work with agencies to ensure they repay the fund over time. In FY 2018, the Technology Modernization Board evaluated more than 30 proposals totaling over \$400M in project costs and selected seven technology modernization projects to receive upfront funding.

Throughout FY 2018, GSA prioritized the establishment of CoEs focused on increasing cloud adoption, consolidating data centers, optimizing call centers, and improving customer experience. During FY 2018, the CoEs were able to consolidate 21 data centers and partner with two customer agencies to improve their systems and operations. Furthermore, GSA has provided the public with simpler and more secure access to participating websites (e.g., USAJobs.gov) via a single login credential through the Login.gov program. The program was able to improve the online experience of three million users in FY 2018 who accessed Government websites.

As a component of ongoing mission delivery, GSA is continuing to build a robust marketplace of cloud solutions that meet Federal security requirements by increasing the number of cloud authorizations through the FedRAMP program. All CFO Act agencies and more than 140 total agencies are participating in the FedRAMP program, enabling them to safely replace antiquated legacy IT systems with innovative cloud services to meet their critical mission needs.

Performance Goal 3.1.1 - Provide agencies with cloud authorizations to modernize IT portfolios	
Benefit to the Public	Modernized IT portfolios across the Government maximize taxpayer dollars by facilitating service delivery to the public that is more robust, secure, user friendly, and less burdensome to manage. When IT portfolios are modernized, the taxpayer dollar is maximized as modernization becomes the priority over maintenance of costly legacy alternatives with limited capabilities.
Performance Indicator Definition	<p><u>Number of customer agency systems with FedRAMP authorizations (cumulative)</u></p> <p>Measures the efficiency and effectiveness of the FedRAMP program to balance security and speed of operationalizing cloud solutions for agency use. The indicator captures the cumulative volume of authorizations that are processed through the FedRAMP program.</p>
Progress Update	GSA made significant progress in the number of new customer agency systems with FedRAMP authorizations in FY 2018, having added 11 new in the first half of the fiscal year and an additional 22 in the second half. All 24 CFO Act agencies, and over 140 total agencies across all three branches of Government are participating in FedRAMP. There are currently over 60 cloud services in process with agencies for FedRAMP authorization

Number of customer agency FedRAMP authorized systems (cumulative)		
Fiscal Year	Target	Results
2015	N/A	39
2016	N/A	72
2017	N/A	88
2018	110	121
2019	145	N/A
2020	165	N/A
Lead Office: Federal Acquisition Service		

Strategic Objective 3.2: Drive more efficient and innovative Government procurement of technology services.

The United States is a global leader in software and technology. Government must harness its national prowess in technology to not only drive economic growth, but to also improve internal business practices and better serve the public. The acquisition process is a key success factor in Government technology practices.

The Government Accountability Office (GAO) and industry leaders have repeatedly recommended that Government “buy more and develop less” to improve technology outcomes. This requires Government to expand the training and use of IT acquisition cadres as outlined in the Federal Information Technology Acquisition Reform Act and remove barriers to agile acquisition of new technologies. GSA is committed to developing and sharing the talent, best practices, and policy improvements needed to bring about these changes.

Multiple components of GSA play a role in driving this strategic objective. Our staff is identifying and incorporating best practices in technology acquisition and offering hands-on assistance to agencies at every stage of the process, including research and scoping, user research and prototype development, solicitation drafting and technical evaluation, post-award support, and technical assistance during implementation. The skills and knowledge developed in our organization will be intentionally shared and disseminated across the Federal workforce to improve overall management of IT acquisition and operations.

Key Strategies

- A. Provide agencies with the ability to seamlessly acquire and manage compliant software, systems, and infrastructure at best value:
 - a. Make buying and managing commercial off-the-shelf software-as-a-service easier for agencies by improving existing sales channels such as Schedule 70;
 - b. Further develop and improve Schedule 70 to provide Federal, state, and local customer agencies the tools and expertise needed to shorten procurement cycles, ensure compliance, and obtain the best value for innovative technology products, services, and solutions, including buying and managing commercial, off-the-shelf software-as-a-service; and
 - c. Efficiently and effectively transition agency telecommunications and IT infrastructure to the Enterprise Infrastructure Solution (EIS) contract. Utilizing the EIS contract creates a simplified process for agencies to acquire integrated and streamlined solutions while taking advantage of cost reductions through aggregated Government-wide demand.
- B. Assist agency customers in successfully executing a modular contracting approach to enable agile and efficient development of new complex requirements:
 - a. Use our leadership in technology and acquisition to work with agencies to introduce agile development methods into technology procurements, build the necessary skills to solicit and manage technology projects with agile suppliers, and, if needed, guide agency leads through the duration of the project; and
 - b. Continue to procure high-quality, lower-risk products at best value.

Goal Leader	Alan Thomas, Commissioner Federal Acquisition Service
Contributing Programs	<ul style="list-style-type: none"> ● Information Technology Category ● Technology Transformation Services ● Assisted Acquisition Services

Strategic Objective 3.2 – FY 2018 Progress Update

Noteworthy progress has been achieved in driving efficient and innovative Government procurement of technology services, exemplified by substantial growth in assisted technology acquisition business volumes. For example, GSA significantly exceeded its FY 2018 target for assisted technology acquisition volume, meeting strong agency customer demand for our high-quality solutions.

High-volume and innovative contracting solutions like the EIS, Veterans Technology Services 2, Alliant 2, and Alliant Small Business 2 contracts were awarded in FY 2017 and FY 2018. These offerings provide agencies with a complete solution to modernize IT networks and retire legacy infrastructure, enabling them to meet modernization goals established in the PMA.

To ensure that agencies are able to procure high-quality, timely technology services, GSA will further improve Schedule 70 to provide Federal, State, and local customer agencies with the tools and expertise to shorten procurement cycles, ensure compliance, and obtain the best value for innovative technology solutions.

Performance Goal 3.2.1 - Improve agency technology procurement capabilities through acquisition consulting	
GSA provides value to agencies through assisted acquisition solutions that address the full life cycle of complex IT build and delivery. This includes acquisition consulting services to agencies to augment their support staff and obtain high-quality procurement and vendor management. This goal measures the customer satisfaction with these services, highlighting our ability to be a go-to partner for complex technology procurements across the Government.	
Benefit to the Public	GSA works with agencies to ensure that IT systems have the best possible system design and user-centered development techniques. We collaborate with agency IT staff, business programs, and acquisition shops to ensure exceptional financial, contracting, and legal counsel for our acquisitions. Taking these steps reduces risk and provides best value solutions to agency customers and the taxpayer.

Performance Indicator Definition	<p>(a) <u>Volume of assisted technology acquisitions (\$ value)</u></p> <p>Annual dollar volume of assisted acquisitions for the Assisted Acquisition Services program and TTS/Assisted Technology Acquisitions program. Dollar volume is the ceiling amount for new awards.</p> <p>(b) <u>Volume of assisted technology acquisitions (# acquisitions)</u></p> <p>Annual number of assisted acquisitions for the Assisted Acquisition Service program and TTS/Assisted Technology Acquisitions program.</p>
Progress Update	<p>While GSA achieved its FY 2018 financial target, it did not meet the target for the number of assisted technology acquisitions conducted. This is because while GSA awarded fewer projects, it awarded contracts that were more complex and for larger dollar amounts than in the past. Based on the growth experienced throughout FY 2018, GSA re-evaluated projected growth and increased the Business Volume targets for FY 2019 and FY 2020.</p>

(a) Volume of assisted technology acquisitions (billions of \$)		
Fiscal Year	Target	Results
2016	N/A	\$1.54B
2017	N/A	\$3.68B
2018	\$4.29B	\$7.47B
2019	\$7.61B	N/A
2020	\$7.77B	N/A
Lead Office: Federal Acquisition Service		

(b) Volume of assisted technology acquisitions (number of acquisitions)		
Fiscal Year	Target	Results
2016	N/A	333
2017	N/A	422
2018	503	354
2019	364	N/A
2020	382	N/A
Lead Office: Federal Acquisition Service		

Strategic Objective 3.3: Lead implementation of technical standards, policies, and strategies.

Modernizing Government IT will require the Federal Government to rethink how it builds and implements technical standards, policies, and strategies. Federal agencies, the private sector, and other stakeholders need to be actively involved throughout the entire policy development life cycle, to ensure the best outcomes.

Our core principles:

- *Be a trusted Government partner* — Align our mission with that of our Government clients, to continuously improve the effectiveness of Federal IT;
- *Craft long-term solutions* — Foster a culture and history of finding smart IT solutions for complex and challenging cross-agency issues;
- *Leverage Federal scale* — Maximize the purchasing and processing power of the Federal Government to enable faster, cost-effective adoption of new technologies; and
- *Champion the CIO* — Work with agency CIOs to understand, support, and address their most challenging issues.

GSA supports CIOs, IT procurement personnel, and other decision makers with services, expertise, and solutions to address a broad spectrum of Federal IT challenges. We also serve as the hub for Government-wide communities of practice, supporting cross-agency collaboration to solve Government’s most pressing IT challenges. These strategies improve the Federal IT ecosystem, create efficiencies, and reduce burden across Government.

Key Strategies

- A. Assist agencies in understanding and optimizing the value of IT investments, and enable value-driven conversations among agency IT, financial, and business leaders.
- B. Support agencies’ implementation of strong network authentication for employees and contractors to ensure the right individual can access the right resource, at the right time, for the right reason.
- C. Support agencies’ implementation of cost-effective and efficient IT infrastructure solutions, including data center optimization and cloud computing.
- D. Serve as the Federal Government’s principal coordinator for IT accessibility to help Federal agencies adopt universal design principles, and make IT products and services accessible to all.
- E. Support the Government’s web presence with trusted internet transactions, and monitor and report on policy compliance and best practices for Federal websites and digital services.

Goal Leader	Jessica Salmoiraghi, Associate Administrator Office of Government-wide Policy
Contributing Program	Office of Information Integrity and Access

Strategic Objective 3.3 – FY 2018 Progress Update

GSA continues to assist agencies in achieving Government-wide milestones for IT infrastructure optimization and access management, meeting all performance goals in FY 2018. Working alongside agencies, GSA gains insight into agencies’ IT priorities through communities of practice, and provides playbooks, guidance, and technical assistance to help agencies implement solutions. Strong progress continues in facilitating the provision of standardized secure credentials for Government employees and contractors that access Government networks, as evidenced by FY 2018 data center closures that exceeded the target.

<p>Performance Goal 3.3.1 - Provide agencies with the tools and resources to implement IT standards and policies.</p> <p>GSA is committed to helping agencies understand and comply with Federal IT policies and standards. This goal captures our ability to help agencies optimize data centers, and ensure that cybersecurity threats related to identity management are mitigated.</p>	
<p>Benefit to the Public</p>	<p>Clear IT standards and policies result in increased policy compliance, enabling agencies to deliver more effective and efficient services, resulting in Government-wide cost savings and better access to Government information and services for the public.</p>
<p>Performance Indicator Definition</p>	<p>(a) <u>Percent increase of Government-wide tiered data center closures (cumulative)</u></p> <p>Captures the optimization of Federal data centers by including existing data centers that are consolidated or closed in the following priority order:</p> <ol style="list-style-type: none"> 1. Transitioning to cloud services; 2. Migrating to inter-agency shared services or co-located data centers; and 3. Migrating to more optimized data centers within the agency’s data center inventory. <p>The cumulative percentage represents the overall improvement in effectively managing data centers Government-wide.</p> <p>(b) <u>Percent of government employees and contractors that log onto government networks with a standardized, secure credential.</u></p> <p>Mitigates risk of network breach by eliminating weak passwords and enforcing multi-factor authentication. The measure is based on the FY 2018 FISMA PROTECT metric 2.4.1 and aligns with the NIST Cybersecurity Framework.</p>

Progress Update	<p>GSA continues to support the optimization and consolidation of Federal data centers. At the conclusion of FY 2018, there was an 8.95% increase in data center closures, exceeding the 6% target. In FY 2018 second quarter (Q2), some tiered data centers were reclassified as non-tiered. If these data centers had not been reclassified, the end of year actual would have been 11.34%.</p> <p>GSA's Federal Identity, Credential, and Access Management (ICAM) program continues to make progress helping agencies meet key cybersecurity milestones, including those supporting secure network access. The PMA and CAP Goals, released in Q2, highlighted ICAM in the <i>Limit Personnel Access</i> strategy. The performance indicator pivoted slightly to emphasize privileged user access, and set a target of 98% for FY 2020. Performance.gov reports shifted to the new metric and GSA achieved 96% in Q3, an increase of 3% from Q2.</p>
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(a) Percent increase of Government-wide tiered data center closures (cumulative)

Fiscal Year	Target	Results
2015	N/A	N/A
2016	N/A	N/A
2017	N/A	3.55%
2018	6.0%	8.95%
2019	10.0%	N/A
2020	14.0%	N/A

Lead Office: Office of Government-wide Policy

(b) Percent of government employees and contractors that log onto government networks with a standardized, secure credential.

Fiscal Year	Target	Results
2015	N/A	N/A
2016	N/A	72%
2017	N/A	81%
2018	83%	96%
2019	95%	N/A
2020	98%	N/A

Lead Offices: Office of Government-wide Policy and Federal Acquisition Service

STRATEGIC GOAL 4

Design and deliver expanded shared services within GSA and across the Federal Government to improve performance and save taxpayer money.

Mission-support services across Government are challenged by inefficiencies and manual processes, duplicative investments in technology and capabilities, and an inability to consistently modernize technology and business practices. For example, Government-wide benchmarking data shows some agencies are entering nearly all of their vendor invoices manually and paying nearly 100 times more per processed invoice than the standard for electronic invoicing. Similar examples can be cited in each of the key support functions at Federal agencies: human capital, IT support, finance, acquisition, and building services. Inefficiencies take valuable time and resources away from agency missions, impeding the Government's ability to deliver on public priorities. GSA is able to fundamentally change the way Government conducts mission-support services by designing and delivering expanded shared services.

"Shared services" is an industry-leading practice with proven success in consolidating processes, systems, and workforce to reduce costs and deliver common services in a standard way across complex enterprises. This practice also creates opportunities to share specialists and time-tested approaches across agencies. Helping agencies share common services and technology today will mean long-term cost savings for taxpayers, and a Government that is leaner and better equipped. GAO has stated that "moving to shared services can save the Federal Government billions of dollars as well as reduce duplicative efforts, decrease systems upgrades, and free up resources for mission-critical activities." But the Federal Government's efforts to establish and scale up shared services have yielded mixed results, at best.

At GSA, our mission is to provide services to agencies. Our robust supplier relationships and access to leading practices in industry for all support services allow GSA to bring innovative, proven solutions to the Federal Government. GSA's role in Government-wide policy implementation and data analysis is also a key factor in helping agencies overcome barriers to improving their own mission-support operations and adopting shared services. To coordinate these efforts and fully realize our potential, we must develop stronger organizational capabilities to understand customer demand, work with industry to provide efficient and effective supply, and incorporate services from across GSA to satisfy the needs of Federal agencies.

Strategic Objective 4.1: Develop new organizational capabilities to understand customer demand and deliver integrated offerings to support common business processes Government-wide.

The first three goals in this strategic plan focus on advancing and improving GSA's capabilities in real estate, acquisition, and technology to better support agency missions Government-wide. However, our ability to integrate those capabilities into comprehensive life-cycle solutions will create the greatest value for agencies and the American people. To accomplish this goal, GSA will collaborate with customers and improve how our components coordinate to seamlessly meet customer needs.

We will expand our core capabilities and adapt to market demands. Scaling and adaptability are critical to addressing evolving customer needs. Strategic partnership with industry will help create an agile, responsive delivery model. We will also establish a specific business analysis function to conduct a variety of analyses to benefit customers, such as developing business cases, determining optimal bundles of products and services, and researching innovative methods to reduce costs and strengthen service quality.

We will improve our offerings by using performance evaluation and market competition to incentivize our industry partners to deliver high-quality service. Our service processes and pricing will be transparent so our customers can hold us accountable for delivering services that achieve both quality and cost expectations.

Further, GSA will provide leadership for and support of the PMA by assisting with the establishment of a strategic Government-wide framework for improving the effectiveness and efficiency of administrative services. To support implementation of this goal, the Administration established GSA as a co-lead for the *Sharing Quality Services* CAP goal. Among other responsibilities, GSA is expected to help expand the number and use of common solutions across Government to reduce duplication and costs. This approach will also rely on standardized administrative operations and core performance metrics to improve the quality and delivery of shared services.

Key Strategies

- A. Strengthen customer interface capabilities by establishing a data-driven approach to customer engagement and standardizing intake processes to identify and address customer needs:
 - a. Develop a systematic, repeatable, and understandable approach to working with customers;
 - b. Leverage customer relationships to cultivate deep expertise and apply data-validated solutions to address customer problems across the Federal Government; and
 - c. Monitor customer satisfaction at every point in the life cycle and hold employees accountable for customer relationship management.
- B. Develop a comprehensive, integrated menu of options for GSA's product and service offerings:
 - a. Conduct high-level inventory of existing products and services and create a user friendly catalogue of GSA offerings; and
 - b. Recommend service packages (bundles) leveraging the catalogue to meet customer needs, with a focus on small agency lifecycle services as an early bundle.
- C. Develop organizational capabilities to provide products and services, tools, methodologies, and metrics to deliver shared services:
 - a. Grow the talent and skill sets to establish capabilities, including business process engineers, process improvement specialists, data specialists, technologists, and experts in large and complex project management;
 - b. Embed a culture that encourages performance, continual improvement, and entrepreneurship to deliver value to customers;
 - c. Use our technology expertise to deploy interoperable, secure, effective, and efficient technology solutions; and

- d. Work with stakeholders in the executive branch and Congress to identify financial mechanisms that help agencies make the investments needed for technical upgrades, capability development and, where needed, transition to a shared services provider.
- D. Expand the number and use of common solutions to reduce duplication and cost:
- a. Establish and operate a Service Management Office (SMO) to plan and deliver Human Capital shared mission-support services to customer agencies; and
 - b. Assess opportunities for common solutions within core support operations across the Government, including: human resources, financial management, procurement, grants management, operations support, and IT.

Goal Leaders	Alan Thomas, Commissioner Federal Acquisition Service Daniel W. Mathews, Commissioner Public Buildings Service Anahita Reilly, Chief Customer Officer Office of Customer Experience
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Strategic Objective 4.1 – FY 2018 Progress Update

GSA met its goals for designing and delivering high-quality common solutions that satisfy agency customer demands. For example, GSA laid the groundwork to establish an SMO to plan and deliver select shared common solutions across the Government. The SMO will support the mission of the PMA and the implementation of the goals and milestones of the CAP Goal *Sharing Quality Services*, including assessments of expanding common solutions for human resources, financial management, procurement, grants management, operations support, and IT.

Through GSA’s Fleet Program, the agency has taken major strides in FY 2018 to expand common solutions for motor vehicle management. The PMA charges the Federal Government with improving mission-support services by consolidating Federal fleet management, which will reduce taxpayer costs by introducing efficiencies and economies of scale. To achieve these objectives, GSA conducted fleet studies at six agencies in FY 2018, totaling more than 75,000 vehicles, to identify specific opportunities to improve fleet management. The studies included analysis of operational, maintenance, and inventory data to assess whether centrally leasing and managing motor vehicles is more cost-effective than individual agency ownership and management of vehicles. Five additional agency fleet studies will be undertaken in FY 2019. The remaining four agencies have a total of about 2,500 vehicles to be considered for consolidation.

Performance Goal 4.1.1 – Expansion of centralized services (Agency Priority Goal)	
<p>GSA will develop and expand common solutions and service offerings for mission-support services, driving more efficient and effective processes that help agencies maximize mission delivery. Specifically, to eliminate redundancies and reduce Government-wide fleet costs, GSA’s Fleet Program will partner with agencies to study their vehicle inventories to identify savings and efficiency opportunities, reviewing 25,000 vehicles annually in FY 2018 and FY 2019 and consolidating 500 and 5,000 vehicles, respectively, pending study results.</p>	
Benefit to the Public	Centralized fleet management functions provide agencies with savings and benefits of a shared fleet management service.
Performance Indicator Definition	<p><u>Number of agency-owned (non-GSA) vehicles studied and consolidated by GSA</u></p> <p>Vehicle consolidations allow agencies to convert their agency-owned vehicles into GSA’s full life-cycle fleet leasing service. Consolidating agency managed vehicles into the GSA Fleet eliminates redundancies and reduces costs to manage motor vehicle operations. The metrics capture the number of vehicles that GSA plans to assess and consolidate over the next 2 years from multiple customer agencies.</p>
Progress Update	<p>Studies were completed for the Air Force, Army, Army Corps of Engineers, U.S. Department of Energy, and U.S. Department of Veterans Affairs. Interviews and site visits for the U.S. Department of Homeland Security are ongoing.</p> <p>GSA exceeded its performance target of 25,000 by studying 76,238 vehicles in FY 2018. The consolidation target of 500 was also exceeded, as GSA consolidated 1,790 vehicles in FY 2018.</p>

Number of agency-owned (non-GSA) vehicles studied and consolidated by GSA (Studied / Consolidated)		
Fiscal Year	Target	Results
2016	N/A studied N/A consolidated	N/A studied 1,136 consolidated
2017	N/A studied N/A consolidated	N/A studied 911 consolidated
2018	25,000 studied 500 consolidated	76,238 studied 1,790 consolidated
2019	100,000 studied 5,000 consolidated	N/A
2020	5,000 consolidated	N/A
Lead Office: Federal Acquisition Service		

Strategic Objective 4.2: Promote adoption of shared services by agencies through policy, guidance, and benchmarking.

GSA plays a central role in the development of policy, best practices, and strategic planning for mission-support services across Government. GSA’s Shared Solutions and Performance Improvement (SSPI) office has been a leader in educating and helping Government agencies understand the cost and operational benefits of shared services. SSPI has also analyzed the challenges in the current shared service ecosystem and recommended strategies to mitigate risks. SSPI will continue to work with agencies to promote standardization and implement best practices to facilitate agency transitions to shared services operating models.

Key Strategies

- A. Establish and lead cross-agency council(s) to facilitate the sharing of lessons learned, advise GSA leadership on possible shared services, and participate in development of best practices guidance.
- B. Help agencies and the Government to identify sharing opportunities and propose adoption strategies:
 - a. Manage and coordinate the cross-functional development of standard capabilities for mission-support functions where appropriate; and
 - b. Conduct periodic assessments of agencies’ performance of mission-support functions against Government-wide standards and peers to inform policy decisions, opportunities for mission-support improvement, or mitigation of risks.
- C. Assist agencies with their preparation for successful migration to shared services/modernization efforts:
 - a. Leverage the experience of existing Federal communities of practice and industry to revise the SSPI playbook (i.e., best practices), incorporating the various delivery models and assisting agencies with migrations.
 - b. Manage the governance process and adherence to the FIBF templates and delivery of actionable recommendations.

Goal Leader	Jessica Salmoiraghi, Associate Administrator Office of Government-wide Policy
Contributing Programs	Shared Solutions and Performance Improvement (SSPI) Office

Strategic Objective 4.2 – FY 2018 Progress Update

GSA met all the performance goals in this strategic objective by taking a leadership role in establishing Government-wide milestones for shared services in alignment with the *Sharing Quality Services* CAP goal. Some of the Government-wide initiatives include leading a comprehensive readiness assessment of agencies’ maturity with respect to adopting and/or moving to a shared or common service, establishing Government-wide shared services standards and frameworks and a Government-wide award for a software-as-a-service (SaaS) payroll solution. All of these initiatives are progressing according to plan, including GSA’s award of the NewPay SaaS.

Performance Goal 4.2.1 - Reduce barriers to entry to facilitate easier adoption of shared services	
Benefit to the Public	Making it easier to move to shared services will help eliminate redundancy, mitigate risk, and consolidate buying power to reduce costs.
Performance Indicator Definition	<p>(a) <u>Number of CFO act agency services using GSA’s M3 tools and best practices to assess readiness for shared services</u></p> <p>GSA’s Office of Shared Solutions and Performance Improvement (OSSPI) used the M3 Framework to help CFO Act agency services achieve successful outcomes and reduce risk during administrative system modernizations and migrations. M3 provided guidance, tools, and templates -- based on leading practices -- to help CFO Act agency customers improve the likelihood of successful outcomes.</p> <p>(b) <u>Number of business lines with completed business standards and data elements per the Federal Integrated Business Framework (FIBF)</u></p> <p>Strategy 1 of the Sharing Quality Services CAP Goal describes government-wide standardization activities using the FIBF. Standards Leads complete the FIBF with their communities and participate in a cross-functional governance process as defined in the CAP goal. GSA manages the governance process, adherence to the standard templates within the FIBF and measures how many actionable recommendations toward quality control are delivered.</p>
Progress Update	The strategic objective is to promote adoption of shared services by agencies through policy, guidance, and benchmarking. GSA exceeded the goals of this strategic objective by taking a leadership role in establishing Government-wide milestones for shared services in alignment with the Sharing Quality Services CAP goal. Some of the FY 2018 Government-wide initiatives included leading a comprehensive readiness assessment of agencies maturity with respect to adopting and/or moving to shared or common services, establishing Government-wide shared services standards and frameworks, and awarding a Government-wide contract for a software-as-a service payroll solution (NewPay). Each of these initiatives has progressed according to plan. The readiness assessment results indicate how agencies align with Government-wide standards within specific service

areas, informing the demand timeline for shared services.

OSSPI engaged with 31 agency services that used M3 tools as a part of their mission-support modernization/migration efforts over the course of FY 2018. To ensure those 31 entities stay current with what is occurring in the market and with other agencies, over 1,500 updates were made to the tools on the www.ussm.gov website. The M3 Playbook was used by GSA in its HR Links Modernization and is being used by the team supporting the transition of OPM transactional functions to GSA and the NewPay implementation.

OSSPI led the first PMC Readiness Assessment for the 24 CFO Act agencies across nine functional areas (e.g., financial management, travel, and human capital). OSSPI analyzed the results and shared this information with appropriate officials for use in strategic planning. A second PMC Readiness Assessment in different functional areas is planned for FY 2019.

For future success, several challenges will need to be addressed to foster the adoption of shared services, including aligning resources to best support management priorities and agencies taking the steps to adopt shared services.

Number of agencies using GSA’s M3 Tools to assess readiness for shared services		
Fiscal Year	Target	Results
2017	N/A	4
2018	6	31
2019	35	N/A
2020	35	N/A
Lead Office: Office of Government-wide Policy		

Number of business lines with completed business standards and data elements per the Federal Integrated Business Framework (FIBF)		
Fiscal Year	Target	Results
2017	N/A	N/A
2018	N/A	N/A
2019	3	TBD
2020	5	TBD
Lead Office: Office of Government-wide Policy		

Strategic Objective 4.3: Support the overall mission of GSA by investing in our employees and modeling how we deliver internal support services, while providing policy guidance across Government.

To strengthen GSA’s ability to “lead by example” in Government management, it is important that GSA’s support services be among the most efficient and effective in Government. GSA’s CXO functions (acquisition, finance, human capital, IT) will seek to build on recent performance gains, accelerating reforms to streamline operations and align with customer needs. GSA prides itself on understanding how business operations benefit Government. We will look to the very best business organization equivalents for performance comparisons and benchmarks, challenging ourselves to match or exceed their performance.

This includes “practicing what we preach.” When we are advising other agencies on methods to improve their support operations—whether through organizational fixes or migrating to shared services—GSA should adopt a like-minded approach to pursuing efficiency gains and service quality. Our credibility across Government is enhanced when we demonstrate that the solutions we recommend externally are used inside of GSA as well. This is true for the traditional CXO functions and for non-CXO functions that also enable GSA to achieve its mission.

Finally, we recognize the importance of engaging the entire GSA workforce in this mission. For many, the agency’s growing emphasis on providing customers with integrated solutions, life cycle management, and shared services will present both a challenge and an opportunity. It is incumbent on GSA to invest in our workforce, developing the skills, tools, and inspiration for employees to excel at delivering core and emerging services to GSA’s customers and suppliers.

Key Strategies

- A. Improve the performance of GSA’s CXO functions by building on GSA’s previous CXO consolidation initiative and applying the proven shared services principles:
 - a. Conduct a thorough review of previous CXO consolidation to implement lessons learned and drive further performance across GSA’s support functions; and
 - b. Partner with SSPI to assess opportunities for GSA CXO functions to incorporate principles and proven practices from the broader shared services community.

- B. Ensure that GSA’s non-CXO functions deliver effective, efficient, and accountable services to GSA or, as appropriate, across the Federal Government:
 - a. Establish organizational performance plans and service metrics for GSA’s non-CXO functions, oriented around the customers to whom they are accountable; and
 - b. Build connections to and knowledge of non-CXO functions at other Federal agencies to share and adopt proven practices.

- C. Complete a cost and operational review to clearly identify direct and indirect costs; develop management actions to address areas for improvement:
 - a. Develop a methodology for defining and measuring all forms of indirect costs for GSA operations, including service and staff offices; and

- b. Construct method(s) for allocating costs to GSA products and services to better understand their economics and inform pricing strategies.

- D. Engage and support GSA’s workforce to build an organization-wide understanding of how to perform GSA’s core and emerging capabilities as well as model shared services behavior:
 - a. Conduct a comprehensive workforce capability assessment;
 - b. Develop a workforce restructuring plan that aligns capabilities with emerging organizational needs; and
 - c. Provide training on delivery of integrated solutions across the life cycle of products and services.

Goal Leaders	GSA Service and Staff Offices
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Strategic Objective 4.3 – FY 2018 Progress Update

GSA met internal operating goals related to finance, human capital, acquisition, and IT operations. Internal customer ratings of CXO functions have steadily risen from FY 2015 through FY 2018 and are in the top quartile among CFO Act agencies. These results have been achieved by focusing on high-value initiatives related to workforce strategic planning, cloud technology adoption, increasing competition for contracting solicitations, and resource management optimization.

During FY 2018, GSA achieved significant improvements in contract competition rates. Greater competition signals that the supplier base is healthy and that agencies are acquiring high-value services at the best cost. GSA has also taken on a leadership role in the PMA to increase IT spending transparency, as a co-lead with the U.S. Department of Education to encourage Government-wide adoption of Technology Business Management (TBM) methods. GSA is currently using TBM to increase visibility into the costs and benefits of IT expenditures within the agency. Lastly, strong and upwardly trending results from the Federal Employee Viewpoint Survey show that GSA employees feel connected to the agency’s mission and have the tools and resources to succeed.

<p>Performance Goal 4.3.1 - Efficient, effective mission-support services at GSA (CXO and non-CXO functions)</p>	
<p>GSA must ensure that internal operations are efficient and effective to support low-cost, high-quality products and services. This focus on internal excellence is carried forward in how we provide mission-support services to the Government-wide community.</p>	
<p>Benefit to the Public</p>	<p>Effective and efficient GSA internal operations decrease the cost burden to our agency customers when we do business with them, freeing up funds to meet mission objectives for the American public.</p>

<p>Performance Indicator Definition</p>	<p>(a) <u>Total GSA operating cost as a percent of goods and services provided</u></p> <p>For all of GSA’s major products or services: Total operating costs (direct and indirect) divided by total revenues</p> <p>(b) <u>Effectiveness of GSA CXO functions, as measured by customer satisfaction</u></p> <p>From the PMA Benchmarking Initiative’s Customer Satisfaction Survey: Equally weighted composite customer satisfaction score for GSA’s CXO functions (Acquisition, Financial Management, Human Capital, IT and Services).</p> <p>(c) <u>Percent of GSA IT portfolio utilizing cloud technologies</u></p> <p>Divides the number of GSA IT investment line items (from IT Portfolio Summary) that are utilizing cloud technologies by the total number of eligible GSA IT investment line items that could adopt cloud services.</p> <p>(d) <u>Competition rate for GSA acquisitions</u></p> <p>Provided from FPDS source data. Total dollar value of GSA-competed actions divided by total dollar value of GSA-awarded actions; including contracts that GSA provisions through reimbursable agreements with other agencies. Targets set in 80% range due to small business and/or set-aside procurements.</p> <p>(e) <u>Competitive One-Bid rate for GSA acquisitions</u></p> <p>Provided from FPDS source data. Total dollar value of GSA-competed actions with only one bid divided by total dollar value of GSA-competed actions; includes contracts that GSA provisions through reimbursable agreements with other agencies.</p>
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Progress Update	<p>GSA far exceeded the target of 9.20% with an actual of 8.45% for <i>total GSA operating cost as a percentage of goods and services provided</i>. An 8.7% increase in revenue was the largest contributor to metric performance, coupled with a slight decrease in operating costs. This positive result shows that GSA is efficiently managing costs relative to the demand for our goods and services. FAS achieved the largest gains in volumes, primarily from an increased demand for assisted acquisition services.</p> <p>GSA has 47% (43 of 92) of IT investment line items using cloud technologies as reported on the OMB IT Portfolio Summary. The 5% increase was a result of conducting deeper analysis and identifying additional investments as using cloud technologies.</p> <p>GSA exceeded the Competition Rate goal of 80% by achieving 82.6% for FY 2018. This rate is notable compared to an 80.6% overall competition rate for large civilian agencies.</p> <p>The FY 2018 Competitive One-Bid rate was 18.0%, and though short of the goal, this result is slightly better compared to the 17.99% overall one-bid rate for large civilian agencies. Leveraging industry best practices, GSA launched several initiatives to improve market research, including an agency-wide GSA Acquisition College training course, and enhancements to market research tools within the Acquisition Gateway.</p> <p>GSA will review the methodology for calculating the competition metric in FY 2019 to account for the areas where Congress directs GSA to fulfill other public policy purposes, such as with AbilityOne and Federal Prison Industries. Removing these obligations from eligible competitive action would increase GSA’s competition rate target from 80% to 90%.</p>
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(a) Total GSA operating cost as a percent of goods and services provided		
Fiscal Year	Target	Results
2015	9.20%	9.70%
2016	9.65%	9.44%
2017	9.61%	9.25%
2018	9.20%	8.45%
2019	9.00%	N/A
2020	8.90%	N/A
Lead Office: Office of the Chief Financial Officer		

(b) Effectiveness of GSA CXO functions, as measured by customer satisfaction (scale of 1 to 7)		
Fiscal Year	Target	Results
2015	N/A	4.81
2016	N/A	4.96
2017	N/A	5.07
2018	5.15	5.16
2019	5.23	N/A
2020	5.27	N/A
Lead Offices: CFO, OAS, OHRM, and OCIO		

(c) Percent of GSA IT portfolio utilizing cloud technologies		
Fiscal Year	Target	Results
2015	N/A	27%
2016	N/A	42%
2017	N/A	42%
2018	44%	47%
2019	50%	N/A
2020	52%	N/A
Lead Office: Office of the Chief Information Officer		

(d) Competition rate for GSA acquisitions		
Fiscal Year	Target	Results
2015	N/A	82.5%
2016	N/A	80.3%
2017	N/A	81.4%
2018	80.0%	82.6%
2019	80.0%	N/A
2020	80.0%	N/A
Lead Office: Office of Government-wide Policy		

(e) Competitive One-Bid rate for GSA acquisitions		
Fiscal Year	Target	Results
2015	N/A	13.2%
2016	N/A	14.3%
2017	N/A	14.9%
2018	15.0%	18.0%
2019	15.0%	N/A
2020	15.0%	N/A
Lead Office: Office of Government-wide Policy		

Performance Goal 4.3.2 - Highly engaged GSA workforce that is prepared to support and deliver new and expanded offerings	
A workforce that places the customer at the center of daily operations is able to deliver on current needs and provide solutions that meet future requirements. Developing a proactive workforce of this caliber enables successful delivery of new and expanded offerings.	
Benefit to the Public	When we reduce agency burdens and provide high-quality and low-cost services to customer agencies, we enable more efficient and effective delivery of their mission to the public.
Performance Indicator Definition	<p><u>Federal Employee Viewpoint Survey - Connection to GSA's Mission (% positive)</u></p> <p>GSA measures a "Mission Index", which focuses on how connected employees feel to the agency mission and how equipped they are (through training and development) to deliver on that mission.</p> <p>Questions from the U.S. Office of Personnel Management's Federal Employee Viewpoint Survey (FEVS) are used to calculate the "Mission Index." The index comprises FEVS questions in two subcategories: "Mission and Goals" and "Training and Development." Index is calculated by taking the average "% Positive" responses to each of the FEVS questions in the two subcategories.</p>

Progress Update	<p>GSA is committed to helping employees feel connected to the agency mission and to equipping employees, through training and development, to deliver on the mission. In support of this measure, GSA continues to administer a National Employee Engagement Strategy to improve GSA employee engagement that directly impacts this goal through development of Engagement Action Plans. In addition, GSA delivered guidance on the alignment of organizational and employee performance to support employee connectedness to the GSA mission.</p> <p>In FY 2018, GSA launched Workforce Planning enterprise-wide to identify and address gaps between the workforce of today and the human capital needs of tomorrow. GSA completed assessments to define an organization’s desired future state and human capital requirements by conducting workforce analysis, identifying skill gaps, and developing actionable plans that outline the strategies to close the gaps.</p> <p>GSA also completed a review of agency key occupations to determine the most critical core, leadership, and technical skills needed to achieve GSA’s mission. Office-specific workforce action plans were completed on schedule by June 30, 2018; workforce action plans included actions related to improving employee talent development, which will continue into FY 2019. GSA also launched enterprise-wide, monthly micro-learning opportunities to strengthen professional skills and increase employee knowledge of learning resources. Moving forward, GSA will continue to pursue closing skills gaps by developing an enterprise-wide competency management program that builds the capability to design, develop, deploy, and maintain competency models and assessments for major occupations/categories.</p>
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Employee Viewpoint Survey - Connection to GSA's Mission (% positive)		
Fiscal Year	Target	Results
2015	N/A	69.1%
2016	N/A	72.2%
2017	N/A	76.2%
2018	76.0%	77.0%
2019	78.0%	N/A
2020	79.0%	N/A
Lead Offices: GSA Service and Staff Offices		

MANAGEMENT AND PERFORMANCE CHALLENGES

The Government Performance and Results Modernization Act of 2010 requires that Federal agencies identify and address management and performance challenges, which include programmatic or management functions that have greater vulnerability to waste, fraud, abuse, and mismanagement, and areas where failure to perform well could seriously affect the ability of an agency or the Federal Government to achieve its mission or goals. Performance Improvement Officers are responsible for encouraging and advocating greater impact through innovation, increased effectiveness and efficiency, and better customer service.

The U.S. Government Accountability Office (GAO) performs annual audits of GSA's major missions and routinely assesses the agency's progress on management challenges identified on [GAO's High Risk List](#). GAO's High Risk List, including agencies and program areas across the Government, is updated every 2 years and specifies corrective actions GAO believes necessary to improve critical operations and activities. GSA has a leading role in the management of Federal real property, a long-standing challenge on the High Risk List, and has equities in several other Government-wide areas.

GSA addresses reports on major management and performance challenges, and high-risk areas from the GSA Office of Inspector General (OIG). The OIG identified eight management challenges in its [Assessment of GSA's Management and Performance Challenges for Fiscal Year 2019](#). GSA's response to this assessment is included in the [management challenges section](#) of the FY 2018 Agency Financial Report.

GSA's Enterprise Risk Program, Management Control and Oversight Committee, and Investment Review Board also help to identify challenges. These efforts, in addition to consideration of OIG findings and GAO recommendations, provide insights that inform cross-organizational initiatives. On a quarterly and annual basis, GSA tracks progress toward successful completion of performance goals and strategic objectives enterprise-wide.

EVIDENCE BUILDING

GSA will strengthen initiatives to improve effectiveness (mission delivery) and efficiency (cost savings) of Federal Government operations, while increasing information sharing, accountability, and transparency. GSA has established and will continue to build the capacity for using evaluation techniques to drive improved policy efficacy and performance.

DATA VALIDATION AND VERIFICATION

The GSA Chief Financial Officer certified the FY 2018 performance data contained in this report as complete and reliable, as required by the GPRA Modernization Act of 2010. GSA has verification and validation techniques in place which provide reasonable assurance over the completeness and reliability of all performance data contained in this report. These techniques included:

- (1) Maintaining a data dictionary of performance data measures, including data sources, computation methodology, and reliability assessment for each performance indicator;

- (2) Verifying, at least annually, the accuracy and completeness of the information contained in the data dictionary; and
- (3) Validating, at least annually, the measures reported by collecting measure source data and calculation files and applying the calculation methodology defined in the data dictionary.

LOWER-PRIORITY PROGRAM ACTIVITIES

The President's Budget identifies the lower-priority program activities, where applicable, as required under the GPRA Modernization Act, 31 U.S.C. 1115(b)(10). The public can access the volume at: <http://www.whitehouse.gov/omb/budget>.

**U.S. General Services Administration
MANAGEMENT CHALLENGES and GSA ACTIONS
Fiscal Year 2020 Budget Request
CONTENTS**

Management Challenges and GSA Actions 2

Management Challenges and GSA Actions

The sections below summarize the management challenges listed by the GSA Inspector General and initially reported in GSA’s FY 2018 Annual Financial Report on November 15, 2018. In all cases, GSA’s budget addresses each management challenge by providing the necessary funding for the office charged with addressing the challenge.

CHALLENGE #1: Establishing and Maintaining an Effective Internal Control Environment Across GSA

AGENCY ACTION PLAN

GSA agrees that internal controls serve as the first line of defense in safeguarding assets. However, GSA strongly disagrees that the agency has pervasive internal control weaknesses. GSA’s success in the financial audit has resulted in substantial reductions in findings from our independent public accountant (IPA) and no material weaknesses for the past 4 years. We value the insights provided by the OIG in their program audits and reports, and we take timely steps to implement corrective actions.

The GSA Administrator has made addressing audit recommendations an organizational priority, using individual performance plans to hold GSA senior management accountable for strengthening internal controls and improving audit results. In addition, GSA has active participation of senior leadership and the OIG in our internal control oversight team, the Management Control and Oversight Council (MCOC). No significant internal control challenges have been communicated to the MCOC by the OIG in these meetings or in the monthly meetings between the Inspector General, GSA Administrator, and Deputy Administrator. We remain committed and focused on developing a more effective internal control framework across GSA.

Over the last several years, GSA has worked closely with our IPA to develop corrective action plans and has successfully implemented those plans to achieve a significant reduction in findings. GSA’s notifications, findings, and recommendations (NFRs) received from its IPA were reduced to three significant deficiencies by FY 2017. In addition, GSA has not reported a material weakness since 2014, as noted in the table below:

GSA IPA NFRs
FY 2014 - FY 2017

Fiscal Year	Audit Opinion	Material Weaknesses	Significant Deficiencies	Non-Significant Deficiencies	Total
2014	Unmodified	2	37	12	51*
2015	Unmodified	0	9	3	12
2016	Unmodified	0	4	12	16
2017	Unmodified	0	3	7	10

** Beginning in FY 2015, the IPA consolidated similar findings, thereby reducing the total number of NFRs.*

Out of the three significant deficiencies identified in the FY 2017 audit and highlighted by the OIG, two will likely be closed by the IPA in FY 2018, based on their testing and assessment. GSA does not consider them an FY 2019 challenge. In FY 2017, GSA exceeded its apportionment for reimbursable activity and has completed a corrective action plan that led to the closing of this finding in FY 2018. In this instance, customer agencies had sufficient funds to authorize purchases by GSA, but the total amounts exceeded the business forecast that underpinned GSA's reimbursable apportionment. GSA is working with Office of Management and Budget (OMB) to review the apportionment requirements for reimbursable authority. The FY 2017 audit by our IPA also identified select controls around systems access and backups as a significant deficiency and that will continue to be addressed by GSA in FY 2019.

Regarding internal controls for GSA programs and operations, GSA leadership established new audit oversight processes in FY 2018 that holds GSA leadership and management accountable for timely development and implementation of corrective actions. GSA initiated new tracking and data analysis tools to enhance existing processes, leading to improved audit results. These tools form the foundation for data analytics that will enable insight into agency-wide performance.

GSA has demonstrated a strong track record in FY 2018 of responding to OIG audits. As detailed below, 11 of the 18 audits and memoranda noted by the OIG are closed or require no further work. Of the remaining seven, GSA expects to close five by February 2019 and two are waiting on a response from the OIG.

Corrective actions were previously implemented for the following items identified by the OIG:

- Regarding the Federal Acquisition Service's (FAS) control over compliance with the emission standards in the Pacific Rim region, GSA informed the OIG in April 2018 that steps have been taken to prevent future **instances of non-compliance and that all vehicles cited for non-compliance were replaced or otherwise found to be compliant as of July 2017.**
- Under our Corrective Action Plan (CAP) for the Energy Savings Performance Contract (ESPC) White Oak Audit Findings, currently being reviewed by the OIG, we have completed reviews of the modifications identified in the audit report for re-compete possibilities. In addition, we have instituted an internal review **process of any new significant modifications through a Within Scope Determination review/concur process that includes: Office of Acquisition Leadership, Office of General Counsel, National ESPC Program Office, and the Head of Contracting Activity before action is taken. In addition, some training on the areas identified in our CAP have been provided, including Department of Energy, Federal Energy Management Program ESPC Training, and the Competition in Contracting Act. Other areas (like OTFO, Acquisition Plans, and Price Negotiation Memorandum) are under development for training of personnel prior to the end of calendar year 2018. We have also implemented the National ESPC Policy developed by the GSA Central Office to ensure adherence to all applicable Department of Energy policies.**
- Regarding GSA's Computers for Learning (CFL) Program, the FAS Commissioner concurred with the findings on June 30, 2017, and informed the OIG that FAS is leading an interagency effort to improve the CFL program and ensure OIG's recommendations are fully implemented. GSA has completed all steps in the corrective action plan.
- While GSA met five of the six requirements of the Improper Payments Act, we did not meet the 0.25% improper payment target established for the Rental of Space Program in FY 2017. We expect to be fully compliant with the FY 2018 target and do not view this as an FY 2019 challenge. In FY 2018, GSA's proper payment rate for GSA's Rental of Space program was 99.71 percent. Also, OMB has approved our request for relief from improper payment reporting for the Purchase Card Program, as a result of being compliant with the Act for this program for the past 3 years. Therefore, we do not consider purchase card testing or reporting an FY 2019 challenge. A copy of OMB's approval was forwarded to GSA OIG on October 2, 2018.

In conclusion, GSA is committed to strengthening all financial, operational, and programmatic internal controls, and we take all audit findings seriously. GSA aggressively manages its corrective action plans and holds its executives accountable for execution of the plans. We are committed to working with the Inspector General to increase mutual communication about our performance on all audits and identify any control weaknesses that warrant GSA-wide attention.

CHALLENGE # 2: Enhancing Government Procurement

Supporting the Acquisition Gateway

AGENCY ACTION PLAN - Acquisition Gateway

Launched in 2014, the Acquisition Gateway platform evolved from an initial focus on category management to addressing the shortcomings of agency contract writing and management systems. This fills a critical need of the acquisition workforce where FAS is uniquely positioned to create value within the scope of its mission while simultaneously deferring the investment in the platform. This is accomplished through the influenced value gained from access to its solutions and from investment by federal agencies in content and tools.

GSA agreed with the FY 2017 Management Challenge concerns regarding measuring Gateway success based on usage-based metrics such as the total number of users, and additional emphasis was placed on measuring return users as recommended. For example, from September 2017 to September 2018, the Gateway experienced a 27.6 percent increase in 90-day user return rate. At the same time, FAS enhanced its capabilities to track user journeys through the platform and experimented with goals-based measurements of success using advanced analytics to measure desired outcomes of the partner agencies and organizations contributing content and tools to the platform. One initial candidate has been the FAS Policy Library built on the platform in partnership with FAS's Office of Policy and Compliance. Since launch, 129 users have visited the library and 49 of those have viewed two or more policy documents. Once baseline data is collected, targets could be selected for these measures or other related data as determined by the content owner.

Also, FAS carefully considered investment levels relative to potential returns as part of its duty to efficiently steward revolving funds accounts. The Gateway program is currently managed by 7 FTE and the yearly budget has been reduced by over two-thirds since FY 2017. In FY 2018, the Gateway generated in excess of \$1M in cost avoidance/savings from the reusable components inherent to the platform and influenced an estimated \$1B of government acquisition spend. The inherent and influenced value of the platform will be measures of success in FY 2019.

In combination with FAS Customer Relationship Management tools, it is possible to develop analyses demonstrating clear correlations between Gateway usage and agency spend on governmentwide vehicles, including those designated Best in Class (BIC) by the Office of Management and Budget (OMB). Additionally, other agencies, including the Department of Defense's Service Reform Team, have entrusted FAS with additional funding to build modern and efficient tools for their workforce on the Gateway platform to avoid costs associated with running duplicative IT platforms and establishing user bases.

Providing users unbiased information and best practices while facilitating access to FAS's governmentwide solutions represent complementary, not competing priorities. Several agencies, including the Departments of Justice and Treasury, have chosen the platform to host their policy and compliance content due to low resource investment and ease of reaching their workforce. The Gateway also serves as the home of the Office of Federal Procurement Policy's Acquisition Innovation Hub. Concurrently, governmentwide and BIC solutions from all potential government sources are easily available, including FAS. By design, clear indicators separate educational content from editorial and promotional materials. This is similar to how many information sources, including

periodicals and other mass media, contain broad arrays of content to meet the needs of the information consumer while simultaneously supporting revenue generation.

Transforming the Multiple Award Schedules Program Consolidated Schedules

AGENCY ACTION PLAN - Consolidated schedules

GSA kicked off the MAS Reform initiative in FY 2018, completing a detailed discovery phase to better understand the Schedules vehicle, including business trends. This included research related to previous attempts to consolidate portions of the Schedules program (including the Professional Services Schedule consolidation and associated management findings from OIG), conversations about the strengths of the Schedules program, what can be improved upon, and the associated risks. GSA has leveraged existing resources by utilizing a cross functional and integrated project team that includes subject matter experts from the acquisition workforce, systems architecture, finance, policy, customer and stakeholder engagement, and many other disciplines. This has allowed the acquisition workforce to participate and use industry days to have conversations with industry to gain buy-in. GSA has been working closely with multiple members of the systems teams to identify various ways to utilize the current systems with minimal costs to promote consolidation.

At this time, GSA does not foresee any legislative changes necessary to consolidate Schedules. GSA is considering the impact that regulatory and internal acquisition policy changes would have on a Schedules consolidation effort.

With several strategic initiatives occurring simultaneously, FAS understands the need for cross-portfolio integration, communication, and transparency so the workforce has an understanding of each initiative and their implementation objectives. To coordinate these efforts, FAS has dedicated a team to serve as an overarching integrator of the federal marketplace strategy. The integration is designed to ensure the workforce, customers, and industry are kept aware of and have opportunities to participate in meeting the goals of this multi-year effort.

Transactional Data Reporting

AGENCY ACTION PLAN - Transactional Data Report

The Federal Acquisition Service (FAS) and the Office of Government-wide Policy (OGP) reviewed the findings issued in the Transactional Data Report Pilot Evaluation Plan and Metrics Report (Report Number A140143/Q/T/P18004). On June 22, 2018, FAS and OGP provided detailed comments to the GSA Office of Inspector General (OIG), Office of Audits regarding the content of the report and recommendations that was included in the Report. On September 18, 2018, FAS and OGP submitted a Corrective Action Plan (CAP) to OIG. On October 18, 2018, OIG confirmed that the CAP was responsive to the recommendations. FAS and OGP are committed to continue working with and considering input from all stakeholders in implementing the Transactional Data Reporting pilot.

Contract Awarded Labor Category Tool and the Replacement for the Formatted Product Tool

AGENCY ACTION PLAN - Contract Awarded Labor Category Tool and the Replacement for the Formatted Product Tool

GSA takes seriously its commitment to serve as a responsible steward of taxpayer dollars and to provide contracting officials with the policies, tools, data, and materials to award and manage contract vehicles that allow the federal government to make efficient and effective use of a diverse and innovative competitive market to achieve mission success. To achieve this, GSA appreciates that the tools must be reliable and user-friendly, as well as support regulatory guidance and, as appropriate, address the needs of vendors, GSA contracting officials, and federal buyers.

The Contract Awarded Labor Category (CALC) tool was built to augment search capabilities on GSA Advantage and GSA e-Library to quickly and easily visualize labor category priced Schedules data. The tool provides basic pricing intelligence functions, certification and license information (where required and available), security clearance information, and keyword search capabilities. The tool is primarily used by customer agencies to conduct market research about companies who provide services under GSA Schedules contracts, the labor categories and rates are included in those contracts, and as one of the data points in developing estimates for task orders that will be competed under GSA Schedules. In contrast, GSA Schedules contracting officers use the tool as one part of their price analyses when awarding new Schedules contracts with labor category services and exercising options to extend the term of the contract modifications. In FY 2019, the tool will be evaluated as part of a larger effort to rationalize pricing tools being utilized across the organization. Future enhancements to CALC will be evaluated after this work is completed.

The Formatted Product Tool (FPT) was developed to be an enhancement to the existing eOffer/eMod tool used by the vendors to submit Schedules contract offers and modifications to the GSA contracting officials. The intent of the FPT enhancements was to provide an electronic tool that could help vendors and GSA contracting officials alike in important pricing and supply chain activities such as consistently identifying and displaying like or identical products, analyzing current pricing on existing Schedules as well as providing some commercial pricing context. As GSA recognized the need to provide better access to this type of data, a data analytics capability, 4P, was simultaneously developed. The 4P capability uses manual pulls of data from existing capabilities, runs analytical analyses, and provides the intelligence to the GSA contracting officials. However, 4P is not integrated into the legacy eOffer/eMod system. FPT was rolled out per the implementation plan to a small set of vendors in the Mid-Atlantic region's acquisition center. The subset was selected to test the capabilities with a discreet group of trained contracting officials and vendors. After approximately three quarters, GSA determined that FPT was not ready to be rolled out to the broader Schedules population. The business and data rules developed for FPT and for 4P, as well as the experience in design capabilities, will be incorporated into the upcoming initiatives for an FAS enterprise contracting writing system and catalog management tools.

GSA Advantage!

AGENCY ACTION PLAN - GSA Advantage!

GSA is continuously refining GSA Advantage! to improve functionality and content to meet the Federal community's procurement needs, offer commercial vendors access to the Federal market, and continue to be a secure technology platform for all stakeholders. GSA has taken positive actions to solicit input from customer and vendor stakeholders to guide improvement efforts for GSA Advantage!.

For the first time, GSA's annual Customer Loyalty Survey included a stand-alone survey for GSA Advantage!. We solicited customer input on many aspects of the site's user experience and received over 4,700 responses. GSA is now developing action plans to address the main customer pain points identified in the feedback. GSA invited representatives from several large customer agencies (Veterans Affairs, Army, Navy, Marine Corps, and Homeland Security) to a newly established GSA Advantage Customer Advisory Group. The advisory group convenes quarterly to offer a forum for customers to discuss experiences with GSA Advantage! and for GSA to provide updates on key system changes. We are using feedback gained from the forum to inform and prioritize our improvement plan for GSA Advantage!.

In FY 2019, GSA plans to launch a transactional survey to ask customers for input on user experience as they complete their shopping sessions. The data collected will be used to inform and help prioritize investment decisions regarding the enhancement of GSA Advantage!.

We have completed or are in the process of developing several enhancements to GSA Advantage! to improve customer experience. We are also aware that minimum buying requirements are inconvenient for customers using GSA Advantage!. Many of the vendors displaying products on GSA Advantage! have these minimum

requirements as a commercial term and condition of their Schedule contract, which carries forward for display on GSA Advantage!. To reduce the level of dissatisfaction, we are developing a solution to organize search results and product details to help customers quickly identify desired products that are not subject to minimums on GSA Advantage!. In addition, GSA is developing contracting approaches to reduce the incidence of minimum buying requirements on the underlying Schedules and GSA Global Supply contracts.

GSA upgraded a self-help website application, Ask GSA, to allow Advantage and other customers to research and track order status, report a problem, or request information from GSA online, 24 hours a day. To further improve order status availability and accuracy, GSA's contracting officers have developed contract conditions to encourage more vendors to utilize Electronic Data Interchange to provide better order status and visibility for customers.

GSA has deployed other features to keep pace with current technology and e-commerce practices. We developed an "automatic parked cart" feature, allowing customers to add products to a virtual shopping cart prior to completing a purchase, ensuring they can save products to purchase across multiple shopping sessions.

Based on customer feedback, GSA Advantage! now includes suggestive purchasing (e.g., "Customers who bought A also bought B.") that recommends related products to customers based on prior sales and search data. This functionality allows customers to quickly find related products based on the search terms entered.

We are also working to ensure GSA Advantage! is a secure platform for its customers. GSA is adding multi-factor authentication for GSA Advantage! external e-commerce applications, GSA Advantage!, and eBuy. We are committed to managing supply chain risks that could impact national security and have been removed from GSA Advantage! syndicated content referencing products prohibited by legislation and regulation.

GSA is increasing its collaboration with GSA Advantage! customers and has implemented changes in the Advantage e-commerce platform to reflect the feedback we have received. This trend will continue in FY 2019.

Implementing Procurement Through Commercial E-commerce Portals

AGENCY ACTION PLAN - Implementing Procurement Through Commercial E-commerce Portals

GSA and the OMB announced completion of Phase I in March 2018, which included an initial implementation plan with policy recommendations. As part of Phase I, GSA recommended legislative changes the agency views as optimal to begin the implementation of purchasing through e-commerce portals. The FY 2019 NDAA was signed on August 13, 2018, and contained the competition provision that grants GSA the ability to develop ordering procedures deemed compliant with the Competition in Contracting Act. However, our recommendation to increase the micro-purchase threshold to \$25,000 for purchases through the GSA-approved commercial e-commerce portals was not part of the final legislation. In accordance with the legislation, Phase II required market research to inform a path forward.

Phase II (FY 2018/FY 2019) allocates a significant amount of time for market research and consultation with stakeholders across industry and government to learn more about their procurement needs and the role of e-commerce portals. As part of Phase II, a second report is due to Congress in March 2019. Since the submission of the Phase I report, the team has focused on market research with industry, customer agencies, understanding commercial practices, determining policy impacts, and assessing the impact to existing programs. These findings will be part of the Phase II report.

GSA seeks to maintain the balance between existing government buying regulations and commercial buying practices. Over the last year, stakeholder engagement has been a focal point in order to gain an understanding of standard business-to-business e-commerce practices. It has also been an opportunity to collaborate with our agency partners to understand what rules are truly needed and important to the buying process. Our

recommendations to date represent a balanced approach to meeting Congress's direction to follow all commercial terms and conditions while also adhering to existing procurement rules and regulations.

On the basis of research to date, exploring a proof of concept in late 2019 will allow GSA to test the balanced approach in a controlled and structured environment, to include assessing the impacts to pricing and competition. The proof of concept will address in a smaller segment of the federal market limited risk and allow us to test acquisition reform concepts on a smaller scale before any long-term decisions are made. This proof of concept allows GSA to be innovative in its approach and to use the results to bring the federal marketplace more in alignment with a commercial model, including customary terms and conditions. It becomes a means of testing and proving the opportunity for simplification in acquisition.

GSA recognizes the risk of potential programmatic duplication, but also sees potential significant new benefits associated with reducing administrative cost and increasing speed. This program has the potential to, for the first time, introduce competition into the world of micro-purchases. Competition is at the heart of the Section 846 effort, and GSA is committed to creating a dynamic, highly competitive environment through partnerships with multiple commercial e-commerce providers. Additionally, Section 838 of the FY 2019 NDAA further emphasizes the need for competition at the order level, which GSA will address in its ordering procedures. Through the proof of concept, GSA will begin to demonstrate, on a small scale, the benefits of this competitive environment in the form of faster buys, reduced program costs, and the shifting of activities from the acquisition workforce to the program offices. The proof of concept also creates the potential for agencies to gain direct access to their spend data. While harvesting the power of spend data may take time, it will ultimately provide new insights on compliance with micro-purchase requirements and may even be useful in crafting smarter buying strategies.

With several strategic initiatives occurring simultaneously, FAS understands the need for cross-portfolio integration, communication, and transparency so that the workforce has an understanding of each initiative and implementation objective. To coordinate these efforts, FAS has dedicated a team to serve as the overarching integrator of the federal marketplace strategy. The integration is designed to ensure the workforce, customers, and industry are kept aware of and participate in the goals and progress of the end-state improvements of this multi-year effort.

Leading the Transition to Enterprise Infrastructure Solutions Contract

AGENCY ACTION PLAN - Leading the Transition to Enterprise Infrastructure Solutions Contract

GSA continues to partner with agencies and industry to achieve IT modernization and fiscally responsible acquisition of IT infrastructure by leveraging the GSA-awarded EIS contract. GSA has established an action plan to achieve the modernization objectives, address enterprise level transition, incorporate contemporary service delivery models, and deliver overall compliance (security, IT acquisition policy, etc.). To be successful, GSA recognizes that agencies and industry must also serve as strong partners in leading the transition toward IT modernization goals within an aggressive timeframe.

Additionally, the GSA action plan recognizes the challenges identified by the GSA OIG, including agency acquisition planning delays, full service exit, and transition execution. The central objectives of this action plan are to: (1) increase the collaboration within and across agencies and industry; (2) more aggressively leverage the transition to EIS to drive network infrastructure modernization as directed in the President's Report on Federal IT Modernization issued in December 2017; (3) manage in a unique operating environment post EIS-award (e.g., need for dual operations during transition); and, (4) ensure the products and services delivered through EIS address the emerging and growing security challenges of today's operating environment. A primary challenge in achieving these objectives is the time and effort required to complete transition prior to the 2020 expiration of many of the legacy contracts.

Agency transition delays reflect the governmentwide and market-wide nature of these challenges as opposed to isolated agency performance or GSA program management challenges. As cloud computing, software-defined networking, and mobile technology continue to blur the lines between traditional IT infrastructure and networking infrastructure, increased collaboration from all stakeholders is required to define modernization objectives, identify and share transition best practices, and meet the expectations of taxpayers.

The departure from the full service telecommunications delivery model reflects the need for modernization and greater compliance with statutes like FITARA and acquisition guidance. Industry-leading telecommunication firms have indicated a desire to transform from legacy offerings that required local and regional support, and some firms have begun selling off this aging equipment while others have told shareholders that they have goals to eliminate legacy operations by December 2023. Federal budget cycles limit the ability for agencies to immediately move these operational components from local/regional management to an agency-wide CIO, but a 5-year plan to move should adequately address both federal budget cycles and industry's transformation. GSA's Action Plan to Lead EIS Transition addresses the challenges above and has the following components:

1. **Agency Collaboration at Strategic and Tactical Levels:** This includes continued transition support activities to help agencies inventory their infrastructure, develop solicitations, and share best practices regarding solicitation, evaluation, award, implementation, and ongoing management. Over the last 10+ months, GSA has deployed several contractor and internal resources with agencies via its TOA contract to support EIS transition and also reviews the agency solicitation deliverables for scope and modernization measures. These TOA experts identified best practices in emerging technology such as Software Defined Networking, Zero Trust Networking, and unified communication to transform agency operations. GSA's Transition Coordination Center (TCC) is also an enabler for agencies by providing the raw materials of inventory, structured process/tools (e.g., EIS Fair Opportunity Ordering Guide), and project plan templates/ metrics to provide further assistance in their solicitation development. The TCC has also delivered multiple workshops and webinars regarding inventory collection, unified communication, and enterprise solicitation risk management.

A critical agency milestone that remains is to release all solicitations by March 31, 2019. GSA will continue to administer an EIS advisory body called the Infrastructure Advisory Group, which consists of large agency representatives and is co-chaired by a cabinet level CIO. GSA hosts these forums for the purpose of addressing agency concerns and accelerating the identification of successes.

2. **Industry Collaboration:** EIS success requires collaboration and transparency between all industry, agency, and GSA stakeholders. Since the EIS awards, GSA has promoted these attributes via its Interact site, industry events, and collaborative outreach. GSA's action plan will build on the openness and transparency with continued Quarterly Program Management Reviews with individual contractors and bi-annual PMRs with all contractors to ensure that tactical direction and strategic guidance (e.g., OMB/Federal CIO) are understood on a level playing field.

The first major milestone with industry was the completion of all Business Support Systems testing and the bi-annual PMR. An additional example of partnership and GSA's commitment to industry collaboration is the attainment of their FISMA Authority to Operate (ATO) at the moderate level. This milestone is required for any EIS contractor to receive a task order award and begin delivery of services. GSA has formed an ATO Tiger Team whose sole purpose is to assist each contractor in obtaining their ATO in the most expeditious manner possible.

3. **Small Agency Support:** As chartered in the President's Report on IT Modernization, GSA looks to address small agencies lack of acquisition resources and technical expertise to bring best practices and scale in the acquisition of networking services historically purchased through GSA contracts. GSA will offer Assisted

Acquisition Services support with two options to small agencies. One option will offer GSA to award the task order on behalf of the agency and then transfer the awarded task order back to the small agency for administration through close-out. The second option is for GSA to award and administer the task order on behalf of a small agency as a cradle-to-grave assisted acquisition for those agencies unable to administer the task orders themselves. A performance-based acquisition approach will be utilized to maximize industry expertise and to obtain the best technical solution. Industry will be involved early and throughout the process via an Industry day and Pre-Solicitation conference. It is anticipated that GSA will also release a draft RFP in order to partner with and collect feedback from industry.

4. Governmentwide Tools and Forums to Address Governmentwide Problems: Governmentwide Tools and Forums to Address Governmentwide Problems: GSA Conexus and the EIS Pricer that will come online in FY 2019 will enable automated ordering, provisioning, market pricing, and other management functions **needed to oversee purchase, implementation, and management of modern government networks. Although not yet launched, these tools build on the success of the Networkx program and already enabled EIS to be designated BIC due to its use of proven transactional data collection and analysis tools and processes.**

Building on its successful FY 2019 EIS Industry Partner Day and October 4 EIS Contractor PMR, GSA will host events in FY 2019 to further stimulate the market and ensure that sufficient collaboration exists to drive modernization while increasing value to taxpayers. GSA will listen to agency EIS transition managers to develop the agenda and content for these forums, the first of which is anticipated in 2Q FY 2019..

Delivering the System for Award Management

AGENCY ACTION PLAN - Delivering the System for Award Management

The Integrated Award Environment (IAE) Program Management Office (PMO) in GSA continues to focus on product delivery in the System for Award Management (SAM) modernization effort. The first release of beta.sam.gov was delivered in FY 2017, providing users with the ability to search and view public IAE data from one user interface. In FY 2018, GSA transitioned the Catalog for Federal Domestic Assistance to beta.sam.gov and decommissioned the legacy system, consolidated the Contractor Performance Assessment Reporting System (CPARS) and Past Performance Information Retrieval System (PPIRS), and completed technical pre-modernization for the Federal Procurement Data System (FPDS). In FY 2019, GSA will decommission PPIRS, transition Federal Business Opportunities to beta.sam.gov and decommission the legacy system, complete technical pre-modernization for the legacy SAM, migrate both FPDS and SAM to a cloud environment, and complete the FPDS and SAM integration development work into beta.sam.gov to present the legacy systems as candidates for retirement. This sets the stage to launch the new SAM.gov in Q1 FY 2020 and decommission both legacy FPDS and SAM. Our product delivery is monitored continuously by senior GSA management and the IAE governing bodies (OMB, ACE, PCE, FACE, and the IAE CCB). In addition, the GSA OIG team continues to formally monitor the modernization effort (to include cost, schedule, performance, as well as any current technical issues) on a bi-monthly basis.

Dedicated to increasing protection of users and data in FY 2019, GSA will build on the preventative measures and enhanced controls implemented in SAM.gov during FY 2018. GSA continues to actively support the investigative arm of GSA OIG, take action against bad actors, and update SAM.gov functionality to reduce future fraudulent activity. The partnership with GSA's Login.gov team and the GSA OIG investigators is strong. GSA has seen shifts in behavior based on enhanced controls already emplaced and is collaborating on further deterrents. Ongoing SAM.gov work includes modifications to the approach for sharing public data such as reducing the frequency of SAM public data extract publication (from daily to once a month) and removing from public availability any incomplete SAM entity registration data. These two modifications complement additional Application Program Interface (API) controls deployed in FY 2018. GSA believes the additional investment in this area is justified and is planning now for the work so as not to impact or delay the overall modernization schedule.

In FY 2019, GSA plans to competitively award an entity validation services contract that will reduce burden on users, increase operational flexibility, and foster predictable transitions. The government intends to transition to a government-owned and -managed unique entity identifier supported by these entity validation services. GSA received proposals on October 12, 2018, in response to the Request for Proposal (RFP). Award is expected to take place in December 2018. GSA is prepared to complete the SAM.gov system development necessary to transition to the new unique entity identifier and supporting entity validation services in FY 2020. This procurement is part of an overall approach to improve SAM entity registration by consolidating all functions within the boundaries of SAM.gov.

CHALLENGE #3: Maximizing the Performance of GSA's Real Property Inventory

Reducing and Consolidating Space

AGENCY ACTION PLAN - Reducing and Consolidating Space

GSA is leading efforts to improve asset utilization, reduce agency space requirements, effectively manage real property, and reduce our reliance on leased space to save money for the American taxpayer. GSA is helping agencies develop and implement aggressive space reductions while meeting their mission needs.

Since FY 2014, GSA has helped agencies reduce their space by over eight million square feet. In FY 2018 alone, GSA reduced its leased and Federally owned inventory by just over three million square feet.

GSA reduces space, vacancy, and costs through consolidations, co-locations, and disposition opportunities. In developing asset and investment strategies, GSA balances customer need, market dynamics, asset financial performance, asset condition, and value to the taxpayer. Specifically, PBS uses portfolio planning tools and processes, such as the integrated portfolio planning process, national customer strategy and success plans, asset segmentation, and asset repositioning tools. GSA also actively pursues savings on large dollar leases by reducing space, negotiating below market and setting longer term leases. Additionally, GSA has implemented a new requirements gathering process to allow sufficient time to develop cost-efficient housing plans, decrease vacant space, and limit extensions and holdovers. GSA will continue its efforts to review agency Reduce the Footprint plans for long-term real estate planning.

GSA tracks financial performance, cumulative reinvestment needs, fair market value, and the functional replacement value of its assets to develop strategies for every asset in the portfolio. While GSA strives to apply this comprehensive portfolio strategy to help make important decisions about reinvestment and consolidation opportunities, GSA is limited to appropriated funding, which is not enough to carry out all necessary Federal real property reinvestment needs. While GSA takes pride in the comprehensive analysis performed to help guide its portfolio strategy, limitations such as these also factor into the final portfolio decisions. Greater access to move and replication funding to support customer agency moves will help GSA deliver more consolidation projects, resulting in greater savings to the taxpayer.

The \$20 million in consolidation funding PBS received in FY 2018 supported four consolidation projects. When complete, GSA's customers will save \$6 million in annual rental payments, reduce their footprint by approximately 95,000 usable square feet, and save the taxpayer approximately \$4 million in private sector lease payments. In FY 2016 and FY 2017, GSA funded projects to reduce customer annual rental payments by \$28 million and annual lease costs avoidance of \$360 million with consolidation funding. GSA works with customers to optimize space, repurpose or dispose of under-utilized buildings, backfill vacant space, and develop investment strategies based on rigorous evaluation criteria.

Regarding vacant space reporting, GSA's vacancy rate of three percent is significantly lower than the industry average. GSA is planning to amend its internal process to allow agencies to self-report underutilized space in non-cancellable Occupancy Agreements; however, this change will not materially impact PBS's vacancy rate. Once reported as under-utilized and no longer needed, GSA will begin the process of marketing viable space to other agencies. This will involve a non-cancellable occupancy agreement policy change, revised standard operating procedures, training to impacted employees, and communication to customers announcing the change in FY 2019.

GSA works with its customers to better understand their housing needs, while developing asset investment strategies that improves the condition of the Federal portfolio and maximizes utilization to save money for the taxpayer.

Disposing Federal Property

AGENCY ACTION PLAN - Disposing Federal Property

Since FY 2016, GSA has met its disposal target by reducing the overall government footprint by 10.1 million square feet. In FY 2017 alone, GSA disposed of 123 assets generating over \$115 million in proceeds and resulting in a reduction of almost three million square feet. GSA made important strides during FY 2018 in rightsizing the Federal footprint and in developing strong partnerships to pave the way for greater success in the years to come. In FY 2018, GSA disposed of 140 assets governmentwide and generated over \$126 million in proceeds. These disposals resulted in a reduction of 4,918,160 square feet and 2,735 acres from the Federal footprint.

With respect to the Lakewood land disposal, this property's disposal action is on hold as it is subject to litigation brought by a nonprofit organization that provides services to the homeless. The organization is questioning the review of its application by the U.S. Department of Health and Human Services to acquire this property under a no-cost conveyance. With regard to the Federal Assets Sale and Transfer Act of 2016, GSA is awaiting the finalization of the board required under the statute.

Reducing Leasing Costs

AGENCY ACTION PLAN - Reducing Leasing Costs

GSA has taken steps to reduce its overall lease costs, the amount of leased space occupied, and the number of leases in holdover or short-term extension status. Despite taking on new leasing requirements, as agencies with independent statutory authority turn to GSA to fulfill their leasing requirements (e.g., VA and SEC) and requirements that had been previously met through delegation of authority are returned, GSA's Rental of Space budget has stabilized over the past four years (Sources: GSA Congressional Justifications 2015-2019, PBS State of the Portfolio 2015-2019 and PBS External Lease Inventory [GSA.gov]).

Fiscal Year	Rentable Square Feet Leased (in millions)	Rental of Space Budget (in thousands)
FY 2013	194.9	\$5,210,198
FY 2014	193.4	\$5,387,109
FY 2015	190.8	\$5,666,348
FY 2016	187.9	\$5,579,055
FY 2017	190.4	\$5,628,363
FY 2018 (Full Year CR)	187.6	\$5,590,141
FY 2019 (Requested)	TBD	\$5,430,345

To continue to focus on reducing lease costs, in FY 2018 GSA implemented its Lease Cost Avoidance Plan. This plan reduces GSA lease costs by reducing agency space requirements through innovative workplace strategies, negotiating lower lease rates, executing better lease terms, maximizing the backfill of vacant Federal space, leveraging online leasing tools (such as the Automated Advanced Acquisition Platform [AAAP]), and using the GSA Leasing Support Service Contract (GLS) more effectively.

The key to achieving this plan is replacing expiring leases, specifically the largest expiring leases in the GSA portfolio, in a timely fashion at reduced square footages and below market rates. Replacing leases timely begins with gathering client agency requirements earlier. To that end, GSA issued a policy directing the gathering of client agency requirements 12 months sooner (24 months sooner in the case of prospectus level projects). Agency requirements gathering begins 36 months before expiration or 60 months prior to expiration for a prospectus level project. Timely gathering of requirements for expiring leases is a PBS measure that is tracked monthly at the senior leadership level. Focusing on reducing space requirements has resulted in a 2.8 million rentable square feet decrease in GSA's lease portfolio in FY 2018.

Timely replacing leases results in fewer holdovers and extensions. GSA ended FY 2018 with fewer leases in holdover than at the end of FY 2017. At the end of FY 2018, 58 leases (0.7 percent of the inventory) were in holdover status, as compared to 74 (0.9 percent) at the end of FY 2017. GSA tracks and monitors its holdovers monthly.

GSA strives to negotiate leases at below market rates. In FY 2018, the aggregate dollars of GSA-negotiated lease transactions were five percent below market costs for comparable leases, a cost avoidance of \$120.7 million over the term of the lease.

As GSA replaces these expiring leases, it is focused on executing leases with better lease terms. Longer lease terms, where appropriate, reduce lease cost by decreasing the risk of the lease to the financing community, which results in better rates for the Government. Both the full and firm term of GSA leases have continued to increase in the past fiscal years. In FY 2015, 20 percent of leases executed in that fiscal year had a firm term of 10 years or greater; in FY 2018, 35 percent of leases had a firm term of 10 years or greater.

Finally in FY 2018, GSA also increased the use of its workforce multiplier tools: AAAP and GLS. Maximizing the use of these tools enables GSA to replace more leases in a given fiscal year, reducing holdovers, extensions, and lease costs. In FY 2018, GSA increased the number of leases awarded using the AAAP by 140 percent. In FY 2018, 308 leases were awarded in AAAP. Additionally, in FY 2018, GSA increased the number of lease acquisition projects utilizing our broker partners by 61 percent. In FY 2018, 378 projects utilized the GLS contract. GSA will continue to maximize the use of these tools in FY 2019 through its performance metrics.

Administration of Leases

AGENCY ACTION PLAN - Reducing Leasing Costs

GSA has taken steps to improve the lease management program, strengthen communication between stakeholders, and enhance its internal electronic enterprise tools to increase efficiency.

In FY 2017, GSA established the National Lease Occupancy Oversight Review Team and developed a regional self-assessment process for Contracting Officer Representative (COR) Lease Administration in accordance with the PBS Lease Management Desk Guide (LMDG) and other applicable PBS policy and guidance. In FY 2018, each GSA region performed the program self-assessment. GSA assigned each Region to review 25 lease COR files for a total of 275 lease files. The criteria used to select the lease pool included a variety of CORs, a wide geographic area, a broad range of lease effective or expiration dates, and leases with assorted rentable square footage. The self-assessment contained 37 questions regarding proper documentation, including, but not limited

to, lease inspections, disseminating inspection results, inspection follow-up, the cure process, and other required documentation in accordance with current PBS guidance.

Each Region compiled a narrative findings report and corrective action plan, which GSA combined into a national findings report and corrective action plan. GSA communicated the findings and plan to leadership, management, and personnel responsible for oversight of the lease management program. The national corrective action plan includes, but is not limited to:

- Strengthening communication between business lines and partnering, whereby each Region submitted a joint communication plan in August 2018;
- Soliciting management support in reinforcing the use of the LMDG, the Lease Management Tool (LMT), the GSA Real Estate Exchange application, and other applicable tools;
- Delivering a “Leasing Lite Learning” session to communicate the findings and corrective action plan, and promote improved communication using regional communication plans from the leasing and lease management community;
- Updating the Lease Acquisition Training to promote the involvement of the Lease Administration Manager or COR in the acquisition process;
- Updating the 2014 Lease Management Program Training;
- Completing LMT enhancements to implement a revised Lease Inspection Form 500 and the form’s offline capability; and
- Requesting tool workflow and automation enhancements, which include:
 - Requesting to automate COR letters;
 - Requesting to automate the net lease service contract procedure to include Occupancy Agreement updates; and
 - Automating Overtime Utility procedures and checklist.

PBS Lease Administration has been incorporated into the agency-wide FY 2019 Procurement Management Review under the Office of Government-wide Policy oversight.

Meeting the Operations and Maintenance Needs of Federal Buildings

AGENCY ACTION PLAN - Meeting the Operations and Maintenance Needs of Federal Buildings

GSA’s approach to delivering safe, reliable, and functional work environments is focused on the optimization of the GSA operation and maintenance program to mitigate the inherent risk associated with sustained cost reduction efforts.

GSA has taken steps to enhance program oversight and compliance through GSA’s agency-wide maintenance management system (ensuring maintenance accomplishment and service delivery) and transactional customer feedback. The current satisfaction is rated a 4.3 out of 5. To ensure consistent delivery of services across its portfolio, GSA revised the Management Analysis Review System (MARS) to be completed and implemented in FY 2019. In seeking to increase transparency of operation and maintenance expenditures at a granular level, tableau monthly reports are posted on Data to Decisions (D2D). To ensure costs associated with above standard

services are recovered, GSA has reviewed over 4,000 FY 2019 overtime utility estimates for accuracy, resulting in an additional \$1.2 million to be collected. GSA continues to strengthen controls to ensure accurate coding of transactions. There are ongoing efforts to institutionalize approaches and tactics that have proven successful through networking and sharing of best practices, including monthly meetings with Facilities Management and Service Centers communities to share information and best practices.

Seeking to leverage acquisition strategies from a portfolio-wide perspective, GSA is promoting the use of FAS 03FAC schedules. Finally, GSA is making efforts to strengthen vendor alliances through partnering initiative and working closely with AbilityOne and SourceAmerica. GSA agrees with the IG's statement, "The risk that reduced levels of building operations and maintenance could lead to increased costs is especially problematic since the identified repair needs of PBS's building portfolio are already high and growing." One of the Office of Facilities Management's strategic initiatives for FY 2019 is to begin implementation of a five-year plan to gain efficiencies by optimally utilizing acquisition tools and strategies, including aggregation of requirements, while not impacting services. Deferring required annual preventive maintenance is not an acceptable cost reduction strategy.

Ensuring Effective Management of Energy Savings Performance Contracts and Utility Energy Service Contracts

AGENCY ACTION PLAN - Ensuring Effective Management of Energy Savings Performance Contracts and Utility Energy Service Contracts

GSA appreciates process improvement recommendations ensuring effective management of energy savings performance contracts (ESPC) and utility energy service contracts (UESC). Various efforts have been implemented to address these challenges.

With regard to ESPC oversight, GSA has implemented a new Portfolio Review Process to monitor the extent to which ESPC projects are achieving expected savings at both the portfolio and individual levels.

With regard to ESPC Standardization and Process Improvements, GSA has instituted a policy of procuring all new large/complex ESPCs through use of the U.S. Department of Energy (DOE) ESPC Indefinite Delivery/Indefinite Quantity (IDIQ) contracts. The procurement of large/complex ESPCs is now only being performed by the central office ESPC Program Management Office (PMO). Centralized procurement provides GSA the means to standardize contract terms and incorporate ESPC best practices and lessons learned. In rare cases, a region may desire to use a contracting vehicle other than the DOE IDIQ. In these circumstances, the region must provide the centralized ESPC PMO a written justification explaining why it is in the Government's best interest to use a different contract vehicle. If the justification is approved, the acquisition plan for the contract must include a review and approval by the Head of the Contracting Activity. All stand-alone ESPC contracts must include an approved Measurement and Verification (M&V) as part of the contract award.

In addressing ESPC compliance, GSA provided ESPC training to GSA Regions in February 2018. A guidance document entitled, "Operational Guidance and Instructions Outlining Roles, Responsibilities, Administration and Reporting Requirements for Energy Savings Performance Contract (ESPCs)" was provided to regional personnel in January 2018. This guidance addresses building "Hold Status."

With regard to addressing pricing risk, in accordance with DOE contract procedures, ESCO selection is based upon a qualifications competition. To help ensure reasonable pricing at the time of task order award, the selection criteria has been adjusted by GSA to include price components for key cost drivers. To address performance risk the ESPC Portfolio Review Plan process provides program level visibility of government actions and market conditions that pose a risk to achieving the guaranteed energy savings on individual ESPC contracts. In addition, newly procured ESPC contracts include use of DOE Measurement & Verification Guidelines v4.0, which requires ESCOs to document and explain adjustments made to the energy baseline during the performance period and designate

responsibility (ESCO or Government action) for any energy savings shortfalls. The documentation is provided annually in the M&V report. Finally, GSA will electronically identify equipment associated with ESPC contracts within our National CMMS system. This will streamline the process of monitoring ESPC related requirements and ensure that ESPC equipment is not modified, de-commissioned, or removed prior to ESPC contract completion. The enhanced monitoring capability and protection of equipment against unauthorized actions will assist in ensuring Government-caused energy savings shortfalls are minimized.

In order to promote competition and address contracting risk, the PBS National Capital Region instituted new procedures to: (1) formalize contracting officers' documentation of any determination that large change orders are within the scope of the original contract or order; and (2) re-emphasize the need for a justification for an exception to full and open competition or fair opportunity in instances where the change is outside of the scope of the initial contract or order.

PBS continues to adhere to the Limitation of Government Obligation policy, per Procurement Instructional Bulletin 16-01, Rev. 2.0 (Sept. 28, 2016).

UESCs: Mandated Savings Guarantees, Limited Competition, and Sole Source Contracts

UESCs procured after October 2012 require the following elements: (1) energy savings performance assurances or guarantees of the savings to be generated by improvements, which must cover the full cost of the Federal investment for the improvements; (2) measurement and verification of savings through commissioning and retro-commissioning; and (3) competition or an alternatives analysis as part of the selection process prior to entering into a UESC. GSA guidance, entitled "Procuring Energy Management Services with the GSA Area-wide Contract," states that language must be included in the negotiated Authorizations (i.e., Performance Assurance Plans) that secure guarantees of the energy and/or cost savings. If more than one franchised utility company is available in the service area or if the area-wide contract is determined to be non-advantageous, the facility is required by the Federal Acquisition Regulation (FAR) to acquire service via competitive acquisition procedures (i.e., separate contract), allowing all utilities the opportunity to bid for service. If the area-wide contract is determined to provide the best value to the Government in response to the need for energy management services, the process must be documented through the justification and approval process as outlined in the FAR.

CHALLENGE # 4: Prioritizing Agency Cybersecurity

Protection of GSA's Building Control Systems against Cyber Attacks

AGENCY ACTION PLAN -Protection of GSA's Building Control Systems against Cyber Attacks

GSA IT, in partnership with PBS, will continue to enhance the overall security of building systems. These initiatives include: maintaining a full and complete inventory of building management systems; taking a proactive approach to identify and modernize at-risk building systems; targeting high-risk buildings and at-risk technologies investing in the hygiene of the network infrastructure; implementing personnel and technology process improvements; conducting vendor outreach and management; and training the workforce.

GSA IT and the PBS Office of Facilities Management (OFM) currently utilize a Risk Management Framework (RMF) scorecard to identify and prioritize at-risk building systems. In FY 2018, GSA assessed 30 buildings and applied the framework to focus on 17 prioritized buildings. In FY 2019, GSA will apply the RMF scorecard to 40 additional buildings to identify key focus areas for the year, which will include the following activities:

- Categorizes systems and data by that system based on practical impact of the system
- Select and tailor baseline security controls for the system based on potential security impacts
- Implement security controls
- Document how the controls are deployed within the system and operating environment
- Periodically assess the implemented security controls to determine how well the controls are implemented and operating
- Authorize use of the systems based upon a risk-management determination of the actual risk presented by the system
- Regularly monitor and assess selected security controls in the system including:
 - assessing security control effectiveness
 - documenting changes to the system or operating environment
 - conducting security impact analyses of any associated changes
 - reporting the security posture of the system to appropriate stakeholders

GSA will also develop a funding and procurement strategy to address operational risks across the building systems portfolio. This will include identifying and replacing End of Life technology, completing an audit of circuit and network connections to ensure appropriate security controls are in place, and mitigating other potential vulnerabilities through active and continuous diagnostics and monitoring.

Vendor and employee outreach efforts will continue in FY 2019 to ensure products adhere to Federal IT and cybersecurity requirements and that employees understand and respond effectively to building related security vulnerabilities. GSA IT and PBS OFM will hold regular meetings with industry to ensure products meet Federal and GSA security policies and processes. GSA IT will also provide workforce training on cyber hygiene to address issues of sharing passwords and following IT security policies.

In addition to engaging the workforce, GSA IT will continue to partner with PBS to ensure that building system stakeholders are aware of security requirements and the importance of securing GSA facilities against risks and incidents. GSA will provide guidance and language to include in leasing agreements to outline cybersecurity requirements that are in line with existing cybersecurity and IT policy.

Controlling Access to Sensitive Information in GSA Systems

AGENCY ACTION PLAN - Controlling Access to Sensitive Information in GSA Systems

GSA IT will continue to modernize and strengthen its cybersecurity defenses to proactively address known and evolving threats. GSA IT will provide a wide array of cybersecurity services across GSA to protect the agency's sensitive information, while monitoring and responding to threats and breaches to the network. In FY 2019, GSA IT will continue to control access to sensitive information in GSA systems by:

- Working with the system owner to ensure that privileged accounts for applications, databases, and at the operating system level, by FISMA system, have been recertified for proper roles and access.
- Continuing to participate in the DHS Continuous Diagnostics and Mitigation program. As part of the

program, GSA will implement solutions and capabilities supporting the privilege management across the enterprise for all accounts that provide elevated privileges by the end of FY 2020.

- Ensuring that the enterprise infrastructure support contract has Service Level Agreements that meet critical cybersecurity requirements and metrics of the Agency and the Federal Government.
- Continuing to provide ongoing monthly training to the cybersecurity stakeholders responsible for the implementation of key cybersecurity controls within GSA information systems. These topics shall be reviewed continuously based on the emerging threats to GSA information systems.
- Ensuring that Contracting Officers, Contracting Officer Representatives, and program managers verify that the appropriate cybersecurity language is included in all GS AIT contracts, as outlined in GSA policy and procedures.
- Conducting security self-assessments focused around the findings and recommendations from the FY 2018 FISMA and financial audits.
- Reviewing all mobile device management policies and practices for validity against the current threat environment.
- Performing an analysis and developing a plan to implement data at rest encryption for all GSA information systems, including contractor-owned and -operated, that store, process, and transmit Personal Identifiable Information (PII) and financial information.

In addition, GSA will implement new technologies, policy updates, and process improvements to continue decreasing the risk of unintentional mishandling of GSA's data and ensure prompt and effective responses to reported breaches. This will be achieved through the following activities in FY 2019:

- Continuing to provide targeted, role-based training to system owners, program managers, and others responsible for the implementation of key privacy controls within GSA information systems. The training offerings shall be reviewed continuously based on privacy risks identified in GSA information systems.
- Holding a tabletop breach response exercise with the goals of practicing notifying internal stakeholders, escalating an incident as a "major incident," testing the agency breach response procedure, and helping ensure that members of the Full Response Team are familiar with the plan and understand their specific roles.
- Providing the Senior Agency Official for Privacy with a report detailing the status of each breach reported during the previous fiscal year.
- Submitting to the OIG a revised corrective action plan for assignment 180001 to address the elements of the original corrective action plan that the OIG found were not fully implemented.

CHALLENGE #5: Managing Human Capital Efficiently to Accomplish GSA's Mission

AGENCY ACTION PLAN - Managing Human Capital Efficiently to Accomplish GSA's Mission

Agency Action: Continue to conduct enterprise-wide Workforce Planning in support of GSA's Long-Term Workforce Plan and Human Capital Operating Plan

GSA is actively mitigating the risks and challenges associated with GSA's high-retirement eligibility by efficiently managing human capital to accomplish GSA's mission. GSA workforce planning efforts during FY 2018 have targeted these human capital risks, particularly for mission-critical occupations (Acquisition, Financial Management, Information Technology, Program Management, Property Management, Realty, and Human Resources).

In FY 2018, GSA launched workforce planning enterprise-wide to identify and address gaps between the workforce of today and the human capital needs of tomorrow. Partnering with agency Service and Staff Offices (SSO), GSA's Office Of Human Resources Management (OHRM) conducted workforce assessments to define each organization's desired future state and human capital requirements. These involved workforce analyses, skills gap identification, and the development of actionable workforce plans that outline strategies to close the skills gaps. GSA Workforce Planning assessments further confirmed the need to address risks associated with turnover rates and high retirement eligibility, through succession management and knowledge transfer. SSO workforce action plans were completed in Q3 FY 2018. Implementation of workforce action plan strategies has begun and will continue throughout FY 2019. Key workforce planning focus areas for the agency include: retention; organizational design/functional alignment; recruitment/staffing; talent development; succession planning; and performance management. GSA will continue to pursue an annual workforce planning cycle to ensure human capital strategies are updated to reflect the evolving human capital needs of the agency. To maintain expertise in mission-critical occupations, GSA also plans to establish an enterprise-wide competency management program to build critical competencies needed throughout the agency and to support agency succession planning.

CHALLENGE #6: Safeguarding Federal Facilities and Providing a Secure Work Environment

AGENCY ACTION PLAN – Safeguarding Federal Facilities and Providing a Secure Work Environment

The Office of Mission Assurance (OMA) continues to collaborate with the Federal Acquisition Service (FAS), the Public Buildings Service (PBS) and other internal partners to ensure that contractors are properly cleared prior to gaining access to GSA facilities and systems. OMA also conducts ongoing training sessions with GSA Requesting/ Contracting Officials in an effort to increase compliance and streamline the contractor clearance process.

GSA has been working on improving the Facility Security Assessment (FSA) process overall, with a focus on training for GSA employees. In addition to the GSA FSA order with responsibilities for both OMA and PBS, GSA has recently released a FSA plan with actions for future years. To date, hundreds of PBS property managers have attended in-person training offered by the Interagency Security Committee (ISC). GSA and the ISC are also looking into providing GSA with online training modules administered through GSA's Online University that can be offered to a larger group of people while also tracking completion status.

GSA has created a standardized process that governs the distribution and use of Personal Identity Verification (PIV) cards for contractors. This process requires the completion of a background investigation for contractors and outlines a phased-approach that bans the distribution and use of generic facility access cards in GSA-controlled facilities. Further, over the past fiscal years, GSA has worked diligently to improve the tracking and the maintenance of data in GSA's Credential and Identity Management System (GCIMS). GCIMS was updated to capture collection and destruction of GSA Access Cards. A GCIMS user guide was also created for system role holders. The thousands of records were validated after the GSA Office of Inspector General Report was released, and GSA now updates the data on a monthly basis to ensure the most current data is being used.

OMA continues to partner with the Federal Protective Service (FPS) and receives quarterly updates regarding completed FSAs in GSA facilities. The current FSA data that GSA received from FPS (more than 1,400 records)

contained more data points than in the past, including the Facility Security Committee chairperson's contact information, the date of the completed assessment, the assessment presentation date, and the date of the next in-cycle assessment. GSA is surveying property managers to ensure receipt. The FSA collection process will continue to improve in FY 2019 as the GSA/DHS Memorandum of Agreement has just been signed. GSA will receive a digital copy of all FSAs. Creating a gateway for GSA to view and receive the digital FSA from the FPS repository will allow GSA to review, store, and distribute the FSAs as necessary. OMA will continue to have an open dialogue with FPS on the overall FSA process at each step.

CHALLENGE #7: Managing Revolving Funds Effectively

Acquisition Services Fund

AGENCY ACTION PLAN - Managing Revolving Funds Effectively

GSA works to ensure that its revolving funds, including the Acquisition Services Fund (ASF), have revenues to cover expenditures and that the necessary budgetary controls are in place. For the ASF, GSA looks at Net Operating Results and Net Financial Impact (NFI), which determine the ASF's net gain/loss before and after making strategic investments using the fund's accumulated retained earnings. Since its inception in FY 2007, the ASF has generated retained earnings as the result of positive net income in prior years. Over the last few years, GSA has made investments that have drawn down accumulated retained earnings in the short term but should generate a positive financial return in the long run.

The \$8 million loss in FY 2017 is the ASF's financial position after accounting for strategic investments GSA made to enhance its operating posture. This amount is effectively break-even relative to \$10.3 billion in revenue. Because the ASF has fixed costs and fluctuating levels of customer orders, there may be very small net losses on an annual basis. But GSA closely manages the fund so that losses in a given year do not detrimentally affect the overall health of the fund. Additionally, the FAS Commissioner has been working with each of the ASF business lines to ensure full cost recovery of the fund and GSA expects the ASF to break even at the NFI level in FY 2020. FAS is constantly exploring innovative ways to increase business volume, adjust rates, or reduce costs.

The Technology Transformation Services (TTS) under FAS will continue to review and optimize cost structures and business opportunities, including staffing level reviews to assess and optimize billable and non-billable workload. In FY 2019, several focus areas are planned around the ongoing efforts to increase staff utilization rates. These efforts include conducting weekly projections and increasing the management of individuals' utilization performance; continuing to aggressively manage the pipeline of actual and potential work orders to ensure that expenses are managed and the workforce is utilized efficiently; and continuing to expand use of the ASF authorities to secure multi-year interagency agreements with other agencies to maximize staff utilization. A culture of cost recovery and personal accountability will continue to be emphasized and reinforced. Additionally, individual performance plans will be updated to promote focus and accountability on increasing utilization rates driving toward cost recoverability.

Optimization of TTS's cost structure will also include a thorough review of billing rates to customer agencies by conducting market research and pricing analysis to ensure competitive pricing while increasing profitability. TTS will also continue to explore new billing models under ASF authority.

On the cost savings side, TTS will assess travel and training budget allocations to optimize resource levels and execution rates. The organization will continue to explore cost saving measures for travel and further reduce the training budget. TTS will continue to decrease overall impact to weekly utilization rates by limiting simultaneous conference attendance and training.

Finally, in FY 2019, TTS will focus on developing deeper client relationships and partnering on larger and more impactful modernization projects and initiatives. TTS will define and organize our brand internally around a clear

set of complementary service and product offerings. The organization will grow the project pipeline by marketing products and services to attract new customers and highlight industry best practices. By adding new services for existing customer agencies, attracting new customers, and executing plans to expand Centers of Excellence, cost recovery goals in alignment with FAS break-even objectives can be achieved.

Regarding budgetary control issues, GSA exceeded its FY 2017 ASF apportionment limitation with respect to flow-through activity. This activity is related to customer orders where GSA has entered into a reimbursable agreement with agencies to procure goods and services for the customer agency. Orders with GSA are funded out of customer agencies' appropriations to ensure that government funds are available. Agency flow-through obligations are inherently difficult to predict because they fluctuate significantly over time. GSA processed more than \$2.3 billion in flow-through obligations in September 2017, which represented a 30 percent increase over what was recorded in September 2016. This was higher than the anticipated customer orders that had been built into the ASF's apportionment. Even though the ASF obligations were based on valid, funded customer orders, the ASF flow-through apportionment limitation was exceeded.

In response to this, GSA initiated a Corrective Action Plan (CAP) with four actions:

1. Establish monthly monitoring control over apportionment levels, including updates on monthly levels in briefings with OCF and FAS leadership, and create an automated SF-133 report to assist in this process;
2. Develop monthly forecasts for end-of-year apportionment based on historical data and business volume projections;
3. Establish a process for reapportionment, which ultimately leads to a monthly determination by the FAS Budget Director as to whether an adjustment to the apportionment is necessary to be communicated to the GSA Budget Director; and
4. Explore the feasibility of developing and implementing automated preventive system controls in FAS's ordering system to alert users of activity

All four corrective actions have been completed. GSA's auditor has accepted and validated this CAP, and GSA is also working with OMB to allow for flexibility in its apportionment to accommodate the uncertainty surrounding flow-through obligations.

CHALLENGE #8: Implementing GSA's Role Under the Comprehensive Plan for Reorganizing the Executive Branch

AGENCY ACTION PLAN - Implementing GSA's Role Under the Comprehensive Plan for Reorganizing the Executive Branch

GSA agrees that the integration of the U.S. Office of Personnel Management's (OPM) Human Resources Solutions (HRS) organization into GSA offers an opportunity for considerable operational efficiencies while acknowledging that the transition will be challenging. GSA and OPM are committed to conducting the merger in a way that minimizes service disruption for OPM and GSA customers and employees. We are initially focused on ensuring a successful transfer of HRS to GSA, while concurrently, The Executive Office of the President initiates analysis of the potential move of retirement and healthcare benefits. GSA and OPM have delivered the value proposition and qualitative business case for the merger to the U.S. Office of Management and Budget (OMB) and will continue to analyze the most effective way to integrate HRS into GSA while taking into account the Federal employees who use the service. GSA and OPM have developed an initial list of risks and mitigation strategies that we will monitor and implement throughout the transition.

On June 21, 2018, the same day the President’s Reform and Reorganization Plan (Plan) was released, GSA kicked off its Task Force to plan and execute the merger. The GSA Task Force is led by Mary Davie, a senior executive in GSA who has prior experience with large reorganizations focused on fee-for-service federal organizations. The GSA Task Force, which meets weekly as a group, has representation from the Public Buildings Service, the Federal Acquisition Service, and all GSA staff offices. Working with their OPM counterparts and HRS leadership, the Task Force members have developed the transition and implementation plan to move HRS and its supporting functions and technology to GSA. Each functional area (human resources, CFO, CIO, facilities, personnel security, procurement, legal, and administrative support services) has created project plans identifying all required activities and milestones to effect the transition in their respective functional area. The OPM and GSA Task Force leads provide oversight and coordination between the organizations and track project plan activities. In addition, GSA has acquired contract assistance to support strategic planning and ensure successful execution in alignment with recognized best practices and approaches. The June 2018 GAO Framework 18-427 “Key Questions to Assess Agency Reform Efforts” is being used as a guide in this merger.

In addition, OMB has instituted a governance and tollgate process to oversee the merger. Required deliverables include: qualitative value proposition and business case; governance structure, process and membership; legal authority and opinion; communications plan; identification of metrics (both transition and critical-to-quality primary and secondary metrics); implementation timeline with major milestones; interagency agreement between GSA and OPM; 2020 budget submission reflecting HRS as a GSA entity and an estimate of transition costs; and a Presidential Memorandum identifying GSA as the lead agency for federal human capital solutions. All deliverables other than the Presidential Memorandum and the interagency agreement have been completed. GSA, OPM, and OMB have targeted October 1, 2019 as Operations Day 1—the day HRS will operate as a GSA entity. The interagency agreement between GSA and OPM that will outline transition and operations activities prior to and following Operations Day 1 and the Presidential Memorandum are targeted for April 2019. Another seasoned GSA executive, Kay Ely, is leading the development of the interagency agreement.

GSA recognizes the importance of communication, engagement, and change management for all stakeholders. GSA and OPM have created a robust communications plan that includes employees, customers, industry partners, and external stakeholders to ensure they receive accurate and timely information ahead of key dates in the transition and implementation plan to move HRS and its supporting functions and technology to GSA. Examples of internal communications include: weekly briefings to the GSA leadership team; monthly updates provided to all GSA executives; and numerous agency-wide communications through town halls, emails, blog posts, a video communication and shared email inbox. In addition to the July 2018 Homeland Security and Government Affairs (HSGAC) hearing, GSA, OPM, and OMB briefed the relevant authorizing Committees (HSGAC and the House Committee on Oversight and Government Reform) in July, shortly after the release of the Plan. Subsequently, all three entities jointly briefed the authorizing Committee staff and the House and Senate Appropriations staff in September, with a commitment to provide quarterly briefings on the merger’s progress.

GSA recognizes the importance of determining the appropriate organizational structure for HRS within GSA and understands the criticality of successful and timely onboarding of staff. To achieve this, GSA and OPM are undertaking a best business fit analysis to guide placement of HRS products/services/solutions within GSA and to determine other organizational realignments that may increase efficiency and align offerings. The analysis will

include impacts to workforce and customers, and is planned to be completed in early Q2 of FY 2019. As a service provider to federal, state, and local entities worldwide, GSA understands the importance of ensuring a smooth transition of staff in order to minimize or eliminate disruption to customers and the industry partners who do business through us. GSA also has experience with transition of employees, technology, and functions to other agencies and will use that experience and lessons learned to help guide the GSA/OPM merger.

GSA is committed to working with Congress and staff, as well as GAO and OIG, in providing information on the transition and supporting their oversight roles.