

**General Services Administration**

**Annual Performance Plan**

**Fiscal Year 2004**

**U.S. GENERAL SERVICES ADMINISTRATION  
FY 2004 PERFORMANCE PLAN**

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# GSA FY 2004 PERFORMANCE PLAN

## I. Strategic Direction

Creating a successful future at GSA is about redefining GSA and reshaping it into a disciplined, lean, and customer-focused organization that can withstand the test of time. We began in 2000 by redefining GSA's mission, value and goals. We then embarked on an aggressive performance improvement initiative. This is an essential factor in running any large organization. We revisited our performance goals and measures and carefully refined them and in some cases added to them to help us better manage our business processes. At GSA we are building a very disciplined approach – going beyond what is required by the Government Performance and Results Act. We are bringing together the whole agency and incorporating additional accountability into the management process. Each quarter, we determine the progress each organization is making toward its objectives.

Our FY 2003 Performance Plan reflected our more rigorous approach to performance measurement. This Performance Plan is coordinated with the GSA Strategic Plan and integrated with our FY 2004 Budget Request.

GSA's Mission is:

**We help federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies.**

To perform our mission we are executing a number of major strategies. GSA will use these approaches to achieve progress towards the GSA-wide goals over a two-to three-year timeframe.

- Work collegially with other departments and agencies
- Expand e-government
- Acquire, develop, and retain property and systems based on economic analysis
- Recruit, develop, and retain human capital
- Better inform citizens
- Minimize overlap of Service functions
- Broaden the use of electronic transactions
- Forecast and respond to changes in industry
- Encourage small business opportunities
- Conduct comparisons and direct conversions of commercial activities

Our GSA-wide Goals incorporate traditional principles such as good customer service, competitive value, stewardship, fiduciary integrity, and accountability to the taxpayer. These goals are:

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

GSA's Values go hand in hand with our goals. Organizational values represent those beliefs held by an organization's associates which guide the way they conduct themselves on a daily basis and lead them to

principled conclusions during the decision making process. These beliefs guide associates during each “moment of truth.” GSA has five values:

Value 1: Ethics and integrity in everything we do

Value 2: Respect for fellow associates

Value 3: Results orientation

Value 4: Teamwork

Value 5: Professionalism

## **II. Performance Highlights**

### **GSA-wide**

The strategies and GSA-wide Goals are translated into performance goals and measures for each Service and Staff Office. A number of themes run through the individual activities and metrics. For example, GSA will help agencies exploit the benefits of technology, GSA will improve the federal government’s infrastructure, and GSA will enhance the management of human, financial, and information resources. GSA is embarking on a customer relationship management approach for crosscutting management and program delivery and thus envisioning operating as a single agency for mission critical procurement, technology, and property management activities. This will allow GSA Services to establish broader working relationships with our customer agencies while also meeting the traditional day-to-day needs of customers.

We have embarked on effort to consolidate and streamline our information technology business lines in the Federal Supply Service and the Federal Technology Service in to one entity resulting in increased taxpayer savings, better customer service and decreased vendor costs. We are continuing to pursue property management reform legislation to enable the use of modern property management practices government-wide.

GSA sees many new opportunities for refining our approach to meeting customer needs. While federal agencies comprise the majority of GSA’s customers, our client base has grown to include state and local governments, international partners, and thousands of vendors. With the establishment of the Office of Citizen Services and Communications under the President’s Management Agenda, we directly serve the public as well.

### **Public Buildings Service (PBS)**

PBS controls approximately 40% of the federal government’s office space and houses approximately 1 million federal employees of more than 100 federal agencies. PBS manages space in approximately 8,000 properties: 1,700 are government-owned and the remainder is leased from the private sector. More than 400 of the government-owned properties have some historic significance.

The PBS vision is to be recognized as the best public real estate organization in the world. PBS aims to be the provider of choice for federal agencies, to be easy to do business with, to help federal agencies utilize real estate more efficiently, and to provide lasting value. Critical to PBS’s achievement of their vision is their Portfolio Strategy in which they acquire, develop, and retain property based on economic analysis.

PBS generates revenue from the rent it collects from the agencies it houses. These revenues, deposited in the Federal Buildings Fund (FBF), are used to pay the expenses of operating PBS buildings, reimbursing lessors, and managing our business. The balances are available for reinvestment in

maintaining and modernizing our assets and for new capital investment such as new construction and acquisition.

### **Federal Supply Service (FSS)**

FSS leverages the purchasing power of the federal government to provide federal agencies with best value in commercial products and services. FSS programs provide customers with economical, efficient and effective service delivery, saving agencies time and administrative costs. The FSS business lines, commercial acquisition and supply, vehicle acquisition and leasing, travel and transportation, and property management programs, incorporate new technology and other innovations to enhance business practices and processes. While doing so they encourage small business opportunities.

Through the Federal Supply Schedules Program, FSS provides customers with access to more than 4 million professional services and commercial products. Ordering through the GSA Advantage! Website broadens the use of electronic transactions. FSS offers Management Organizational and Business Improvement Services (MOBIS) contracts that provide process improvement, problem resolution, planning surveys, and project management and training services.

The business of FSS is entirely dependent on customer revenues. With few exceptions, its services are non-mandatory, so FSS must compete for customer loyalty. They must forecast and respond to changes in industry. Just as in the private sector, customers must be satisfied or they will seek other alternatives.

### **Federal Technology Service (FTS)**

FTS provides local and long-distance telecommunications services, information technology (IT) solutions, and information security services to support customers' needs. They must forecast and respond to developments in a number of rapidly changing industries.

FTS' two business lines are Network Services and IT Solutions. Network Services provides end-to-end telecommunications services supporting local and long-distance federal users. FTS provides switched services through more than 400 local telecommunications systems that offer customers state-of-the-art products and services. The local telecommunications program achieves savings through the Metropolitan Area Acquisitions (MAA) and the Washington Interagency Telecommunications System (WITS). Within long distance, the FTS2001 program provides federal agencies integrated voice, data, video, and wireless telecommunications.

The IT Solutions business line is a fully cost-reimbursable information technology solutions provider to federal agencies. IT Solutions offers virtually all types of IT products and services, primarily through contracts with private sector firms.

## **Office of Governmentwide Policy (OGP)**

OGP provides guidance, information, and interagency coordination to make government-wide administrative processes more efficient. OGP develops policies and identifies and disseminates best practices in information technology, real and personal property management, travel and transportation policy, and acquisition. As a result of its work in the area of best practices, OGP is also developing and promoting performance measurement systems for government-wide use. OGP organizes collegial groups of federal agencies to address improvement initiatives, such as improving the skill levels of acquisition professionals and IT leaders.

## **Office of Citizen Services and Communications (OCS)**

OCSC provides for citizen-centered activities including leadership and support for electronic government initiatives and for the operation of the official federal portal, FirstGov. Here citizens can electronically access information services of federal, state, and local governments. Through the integration of the Office of FirstGov and the Federal Consumer Information Center, GSA will provide citizens with one-stop access to federal services via the Internet, through a toll free national contact center, and publications. OCS is working collaboratively with federal agencies and key customer groups to implement customer focused business models and emerging electronic tools enabling a customer-centric electronic government.

## **III. Management Scorecard**

Working with the President's Management Council, OMB has developed an Executive Branch Scorecard. This measures agencies' performance according to a simple red-yellow-green scale against each of the five governmentwide initiatives contained in the President's Management Agenda. Here is a brief discussion of where GSA stands on the five initiatives:

Human Capital: GSA has prepared an agency-wide Human Capital strategic plan. This plan, among other issues will outline the actions GSA will take to meet the challenges of an aging workforce, many of whom are eligible for retirement.

E-Government: GSA established a Program Management Office to coordinate GSA's five E-Gov initiatives. We have also recognized significant IT security weaknesses and submitted an updated report with plans to remedy them. Finally, GSA addressing enterprise-wide IT issues such as an IT architecture, an IT strategic plan and common enterprise-wide software solutions.

Competitive Sourcing: Competition studies and planning for conversions are currently underway to implement the FY 2003 competition plan. GSA has created an internal Competitive Sourcing Team, consisting of representatives from across the agency to plan for and oversee GSA's competitive sourcing activities.

Financial Management: GSA is on schedule for implementation of PEGASYS, the new core accounting system. This initiative also requires that GSA implement a performance management system and demonstrate the integration of the performance and financial systems. GSA 's performance management system, called the Performance Measurement Tool is currently being implemented.

Budget and Performance Integration: GSA has developed an integrated Budget/Performance submission for FY 2004. In developing this document, GSA has provided for a review of preliminary performance plans by the Administrator before the budget preparation. This will help coordinate goals, targets, and resources requested.

## GUIDE TO PERFORMANCE MEASURES

<b>Performance Goals</b>	<b>Performance Measures</b>	<b>Baseline</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>See Page</b>
<b><u>Provide Best Value for Customer Agencies and Taxpayers</u></b>					
Improve annual ordering official satisfaction 70% in FY 2004. (PBS)	% of ordering officials that rate their business dealings with PBS as 4 or 5 on a 5 point scale.	59%	68%	70%	22
Improve customer satisfaction level to 85.25% in owned space surveyed by FY2004. (PBS)	% of tenants that rate PBS-owned and operated services as satisfactory or better	80%	85%	85.25%	24
Keep the cost for new GSA leased office space at or below each of the four market ranges being tracked. (PBS)	Cost for leased space relative to the market (weighted average for 4 categories)	11.0%	14.25%	14.5%	38
Achieve a customer satisfaction level of 85.5% in lease space surveyed in FY 2004. (PBS)	% of customer satisfaction in leased space tenants	80%	85%	85.5%	41
Improve customer satisfaction scores from the FY 2003 baseline by 2%. (PBS)	Realty services satisfaction survey	N/A	70%	72%	43
Maintain a 90% tenant satisfaction rating in newly constructed buildings. (PBS)	Improve customer satisfaction in newly constructed buildings	90%	90%	90%	52
Increase value to the customer; provide creative solutions, innovative services and products. (FSS)	Growth in Federal agency usage of FSS programs (Business Volume in \$ Billion)	\$22.5 billion	\$28.3 billion	\$31.9 billion	90
Increase customer satisfaction, indicating progress in service delivery at best value. (FTS)	% of customers indicating satisfaction on annual customer survey	74%	75%	77%	116
Increased customer awareness for value-added products and services provided to the federal agencies. (FTS)	Number of identified opportunities at federal agencies and number of successes	N/A	N/A	250 75	117
Foster competition to benefit federal agencies by promoting quality services at lower prices. (FTS)	% task and delivery orders subject to fair opportunity process	70%	≥80%	≥80%	118

<b>Performance Goals</b>	<b>Performance Measures</b>	<b>Baseline</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>See Page</b>
Assist customers in achieving savings in the acquisition of products and services. (FTS)	Cumulative cost savings below commercial discounted services:				129
	SVS	\$32.8M	\$186.5M	\$186.5M	
	DTS		\$171.0M	\$171.0M	
	FRS		\$142.0M	\$142.0M	
	ATM		\$42.0M	\$42.0M	
	IPS		\$2.0 M	\$2.0 M	
	Cumulative cost savings in major metropolitan areas	\$33.5M	\$46M	\$82M	133
Ensure adoption of Federal Premier Lodging Program (FPLP) within the 77 target markets to meet federal travelers' needs, reducing overall government spending. (OGP)	Dollar savings to government over corporate rate	\$5.03M	\$24.75M	\$27.00 M	146
Move federal agencies to commercial payment processes for mail to drive agencies to be more strategic in their operations. (OGP)	% of federal mail payments to USPS through commercial processes	16%	20%	80%	148
	\$ value of payments to USPS made through commercial processes	\$165M	\$190M	\$900M	148
Expand use of performance-based contracting to increase government efficiency.(OGP)	% of GSA contract dollars reported as performance-based contracts	15%	30%	40%	149
Support authentication needs for egov initiatives. (OGP)	Number of egov initiatives with completed authentication needs assessment and determined solution sets	6	22	24	151
	Number of egov initiatives using the gateway or common solution	2	6	12	151
Facilitate the consistent use of XML for federal egov initiatives. (OGP)	Number of egov initiatives adopting XML recommendations	3	5	12	153



Performance Goals	Performance Measures	Baseline	FY 2003	FY 2004	See Page
Provide consolidated, fully integrated end-to-end travel service government-wide. (OGP)	Number of travel arrangements fully completed in the consolidated, fully integrated e-Travel	N/A.	N/A	.5 million	154
Increase the number of agency programs using OGP-facilitated performance measures. (OGP)	Number of agency programs that use OGP-facilitated performance measures	58	330	350	155
Reduce government-wide cost of collecting contract award data. (OGP)	% of transactions received using machine-to-machine interface	N/A	N/A	10%	157
Develop a single government face to citizens who need timely and consistent responses & information about government programs & enable the federal government to become more citizen-centric. (OCSC)	Enhanced communication channels available government-wide	N/A	1 Basic e-mail system	4 comm channels	170
	Agency participation in signed Partnership Agreements (PA) and Reimbursable Agreements (RA)	N/A	10 PA 3 RA	20 PA 6 RA	
Increase access to government for all audiences. (OCSC)	Number of multi-channel contacts with public per year	23.2M	144M	166M	172
Provide expertise to improve web site development and achieve common shared solutions for egov initiatives. (OCSC)	Tax dollars saved by Federal agencies as of result of shared Web infrastructure and services	9B	18B	30.6B	174
Participate formally in the governance structure of all egov and Homeland Security initiatives that have State/local implications. (OCSC)	Number of egov initiatives with State/local implications that the Office of Intergovernmental Solutions is part of the governance structure	N/A	6 of 12	8 of 13	175
	Desired level of State, Local and international participation in Federal IT projects	N/A	75%	80%	175
Improve position of GSA as valuable information resource for all audiences. (OCSC)	Process improvements and management reforms implemented	8	13	14	176
		14	14	14	
	Number of GSA.gov web site page views	34M	37M	40M	176

<b>Performance Goals</b>	<b>Performance Measures</b>	<b>Baseline</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>See Page</b>
Meet OMB targets for study and/or direct conversion of commercial FTE's as reported on GSA FAIR Act Inventory. (OPI)	# of FTE positions studied \$ saved	398 FTE \$2.185M	703 FTE \$1.905M	750 FTE TBD	214
<b><u>Achieve Responsible Asset Management</u></b>					
Reduce the cost escalation rate for repair and alterations projects to 1%. (PBS)	% of cost escalation on repair and alteration projects	(1%)	3%	1%	61
Increase overall potential revenue to 93.3% in FY 2004. (PBS)	% potential revenue received	92.4%	93.0%	93.3%	69
Increase Funds from Operations to \$1.51 billion in FY 2004 (PBS)	Funds from Operations	\$0.98B	\$1.44B	\$1.51B	71
Reduce the amount of non-revenue producing space to 10.4% in the government owned inventory. (PBS)	% of non-revenue producing space in government owned inventory	13.5%	11.5%	10.4%	73
Reduce the amount of non-revenue producing space in the leased inventory to 2.9% in FY 2004. (PBS)	% of non-revenue producing space in government owned inventory	3.7%	3.0%	2.9%	75
Increase the percentage of government- owned assets with an ROI of at least 6% to 68% in FY 2004. (PBS)	% government- owned assets with an ROI of at least 6 percent	54%	62%	68%	77
Increase the percentage of government- owned assets achieving a positive FFO (Funds from Operations). (PBS)	% of government-owned assets achieving a positive FFO.	74%	82%	87%	79
Provide a secure IT environment. (CIO)	Percent high-risk vulnerabilities resolved within the 30-day of report	83%	100%	100%	192
<b><u>Operate Efficiently and Effectively</u></b>					
Provide cleaning services in office and similarly serviced space at a cost of 3.9% below private sector benchmarks. (PBS)	Cleaning costs in office and similarly serviced space	5%	4%	3.9%	26

<b>Performance Goals</b>	<b>Performance Measures</b>	<b>Baseline</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>See Page</b>
Provide maintenance services in office and similarly serviced space at a cost of 3% or more below private sector benchmarks. (PBS)	Maintenance costs in office and similarly serviced space	7%	6%	3%	28
Provide utilities in office and similarly serviced space at a cost of 30% or more below private sector benchmarks. (PBS)	Utility costs in office and similarly serviced space	30%	32%	30%	30
Increase the percentage of construction projects on schedule to 84% in FY 2004. (PBS)	% Construction projects completed on schedule	75%	80%	84%	46
Reduce the cost escalation rate for construction projects to 3% in FY 2004. (PBS)	% of escalation on prospectus projects	6%	4%	3%	49
All new buildings to be LEED certified. (PBS)	Improve percentage of new buildings LEED registered	N/A	100%	100%	54
Improve the percentage of repair and alteration projects on schedule to 84% in FY 2004. (PBS)	% of R&A construction projects on schedule	75%	83%	84%	58
Reduce operating costs. (FSS)	Operating Cost per \$100 business volume	\$1.88	\$1.73	\$1.59	94
Provide timely and effective telecommunications service. (FTS)	Average number of days to complete contract modifications for FTS2001 and for Crossover	FTS 35 Crossover 38	FTS 36 Crossover 54	FTS 32 Crossover 49	131
Improve acquisition processes and methods to reduce time to award for local telecommunications. (FTS)	Average number of days to complete contract modifications	43	60	45	134
Cost savings and cost avoidance. (FTS)	Total number of local service lines supported by FTS	N/A.	N/A	746,800	135
Provide timely and effective service delivery. (FTS)	% of time negotiated completion date for local network service is met or bettered	N/A.	85%	90%	136
Improve acquisition processes and methods to reduce time to award task orders for IT solutions. (FTS)	% of negotiated award dates for services and commodities that are met or bettered	≥91%	≥90%	≥90%	139

<b>Performance Goals</b>	<b>Performance Measures</b>	<b>Baseline</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>See Page</b>
Provide competitive prices to customers (FTS)	% of dollar savings between Independent Government Cost Estimates (IGCE) and award amounts.	5.5%	≥6%	≥7%	141
Improve clarity of OGP policies, regulations, and guidelines to increase efficiency of government management and operations. (OGP)	Number of significant regulations and guidelines updated.	3	38	25	158
Increase sharing of management systems to allow for better decision-making, accountability, and cost avoidance. (OGP)	Number of agency programs that use OGP shared management systems to support decision-making	378	191	200	159
Implement President's Management Agenda for competitive sourcing (identifying and competitively sourcing or directly converting commercial functions). (OGP)	% of OGP Fair Act inventory competed or directly converted	0%	10%	10%	160
Increase the percentage of vendor invoices received by Electronic Data Interchange through the Internet. (CFO)	% of electronic invoices received.	12%	50%	60%	186
Increase the percentage of vendor payments by electronic media such as EFT and purchase card. (CFO)	% of invoices paid electronically	62%	81%	85%	187
Improve Capital Planning and Investment control and implementation process. (CIO)	% of major IT investment projects that are within 10% of planned cost and schedule	82%	100%	100%	194
Improve Capital Planning and Investment control and implementation for the 5 GSA led egov initiatives. (CIO)	% of the major 5 GSA led egov initiatives IT investment projects that are within 10% of planned cost and schedule	N/A	100%	100%	195
Provide secure, reliable, and cost effective IT infrastructure services. (CIO)	% customer satisfaction	84%	95%	95%	197

<b>Performance Goals</b>	<b>Performance Measures</b>	<b>Baseline</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>See Page</b>
<b><u>Ensure Financial Accountability</u></b>					
Ensure accurate forecasting and cost management to leverage operations and optimize pricing. (FSS)	Planned vs. Actual Cost	2.38%	0% +/- 3%	0% +/- 3%	101
	Direct cost as percent of revenue.	7.86%	7.31%	6.99%	102
	Total cost as percent of revenue.	94.84%	96.92%	96.56%	103
	Planned vs. actual revenue	4.04%	0% +/- 3%	0% +/- 3%	104
Increase business volume. (FTS)	% growth in business (revenue)	14.6%	9.1%	7.2% (+/-2.5%)	119
Achieve net operating results to increase retained earnings in IT fund for future capital investment. (FTS)	Net Operating Results	\$22.26M	\$14.96M	\$24.81M	120
Implement business process efficiencies to reduce cost of delivering products. (FTS)	Direct Operating Expenses as a % of Gross Margin	59%	49%	48%	121
Ensure full cost recovery of operations. (FTS)	Contribution Index	1.58	1.09	1.10	122
Meet all requirements to maintain a clean opinion on GSA's financial statements (CFO)	Receive clean opinion on financial statements.	100%	100%	100%	188
Eliminate material weaknesses and reportable conditions for financial and non-financial components identified by the agency's third party auditor. (CFO)	Zero internal control material weaknesses (financial and non-financial components)	0	0	0	189

<b>Performance Goals</b>	<b>Performance Measures</b>	<b>Baseline</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>See Page</b>
<b><u>Maintain a World-Class Workforce and World-Class Workplace</u></b>					
Maintain an overall score that places PBS in the top 75 <sup>th</sup> percentile of government agencies. (PBS)	Improve results from the Gallup Q12 survey as compared to the previous year's results	65 <sup>th</sup> percentile	75 <sup>th</sup> percentile	75 <sup>th</sup> percentile	35
Improve customer productivity scores from the FY 2003 baseline by 2%. (PBS)	Improve Realty Transaction Survey, Productivity	N/A	67%	69%	44
Increase grand mean score from 61 <sup>st</sup> percentile to 75 <sup>th</sup> percentile by FY 2004. (FSS)	Results from Gallup Q12 associate engagement survey	61 <sup>st</sup> percentile	70 <sup>th</sup> percentile	75 <sup>th</sup> percentile	108
Recruit, hire, develop, and retain a highly skilled workforce. (FTS)	% of IDPs updated annually and documented	81%	90%.	95%	124
	Ave # of training hours completed in mission critical areas of acquisition, technology, business, and project management	38	50	60	125
Increase FTS associates engagement with FTS work environment. (FTS)	Rank in the 75 <sup>th</sup> percentile in the Gallup Q12 survey	64 <sup>th</sup> percentile	70 <sup>th</sup> percentile	75 <sup>th</sup> percentile	126
Achieve 55 <sup>th</sup> percentile ranking in the Gallup Q12 Survey. (OGP)	Percentage ranking in the Gallup Q12 Survey	34 <sup>th</sup> percentile	55 <sup>th</sup> percentile	60 <sup>th</sup> percentile	161
Increase participation at OGP supported educational venues and activities to increase workforce efficiency. (OGP)	Number of participants at OGP supported educational venues and activities.	47,500	38,000	41,000	162
Develop a competency-based assessment process for GSA acquisition workforce. (OGP)	Number of GSA 1102s who complete competency assessment process	N/A	250	710	164
	% of GSA 1102's who fully qualify under Clinger Cohen	24%	35%	70%	164
Transform OCSC into a world-class work workforce and a world-class workplace. (OCSC)	Achieve a grand total mean score at the 75 <sup>th</sup> percentile	N/A	TBD	TBD	178

<b>Performance Goals</b>	<b>Performance Measures</b>	<b>Baseline</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>See Page</b>
Rank in the 75 <sup>th</sup> percentile in the Gallup Q12 Survey. (CFO)	Increase CFO grand total mean score from the 67 <sup>th</sup> percentile to the 75 <sup>th</sup> percentile	67 <sup>th</sup> percentile	75 <sup>th</sup> percentile	75 <sup>th</sup> percentile	190
Rank in the 65 <sup>th</sup> percentile in the Gallup Q12 survey. (CIO)	Increase the CIO grand total mean score to rank in the 65 <sup>th</sup> percentile	57 <sup>th</sup> percentile	65 <sup>th</sup> percentile	65 <sup>th</sup> percentile	198
Improve the value of GSA's OnLine University. (CPO)	% Increase registrations.	2,276 registered	15%	15%	200
Develop and implement strategies to address skill gaps in Mission Critical Occupations (MCO). (CPO)	Reduce Gaps in MCO's	TBD	TBD	TBD	202
Rank in the 75 <sup>th</sup> percentile in the Gallup Q12 survey. (CPO)	Increase grand total mean score from the 67 <sup>th</sup> to the 75 <sup>th</sup> percentile	67 <sup>th</sup>	67 <sup>th</sup>	75 <sup>th</sup>	204
Develop a stronger linkage between organizational and individual performance. (CPO)	Develop new performance appraisal system linking appraisals to performance metrics	N/A	100% Execs	100% Mgrs	205
<b><u>Carry Out Social, Environmental, and Other Responsibilities as a Federal Agency</u></b>					
Improve energy reduction in standard facilities to 27.5% below the FY 1985 baseline in FY 2004. (PBS)	% reduction in energy consumption from FY 1985 baseline	17.3%	25%	27.5%	33
Reduce environmental risks in selected federal facilities. (PBS)	Reduce environmental risk index	N/A	Establish baseline	3%	64
Increase customer agency support of government-wide socioeconomic goals. (FSS)	% socioeconomic business volume	30%	33%	33%	111
Achieve and maintain an appropriate level of procurements with small business. (FTS)	% of procurements with small business as compared to total prime contracts.	37%	31%	31%	123
Provide accessible vendor product information to federal agencies to support Section 508 procurement requirements to achieve an IT environment accessible to all citizens. (OGP)	Number of vendors with templates on the "Buy Accessible" database	22	400	500	166

<b>Performance Goals</b>	<b>Performance Measures</b>	Baseline	FY 2003	FY 2004	See Page
Work with OPM to increase % of federal employees who telework. (OGP)	% of federal employees who telework	2.6%	5.0%	6.0%	167
Disseminate strategic information messages to all audiences. (OCSC)	Move strategic messages to industry standards	N/A	1/3 Positive 1/3 Neutral 1/3 Negative	1/2 Positive 1/4 Neutral 1/4 Negative	180
Meet or exceed goal of providing contracting opportunities to small businesses. (OSBU)	Achieve or exceed GSA-wide small business procurement goals	41.5%	40%	N/A*	210

\* Procurement goals set by Small Business Administration



## IV. PUBLIC BUILDINGS SERVICE

In support of GSA's mission, the Public Buildings Service (PBS) provides its customers with quality work environments that enable Federal agencies to better serve the public. PBS is the largest public real estate organization in the nation and provider of workspace and workplace solutions to over 100 Federal agencies.

Following the September 11th attacks, GSA heightened security levels with increased scrutiny of tenants, vehicles, visitors and packages. PBS is buying additional state-of-the-art technology that will enhance PBS's ability to operate in and deploy to high alert locations. Security personnel are receiving counter terrorism training, and contract guard services have improved through more stringent eligibility requirements and enhanced training and testing. The Federal Protective Service will be transferred to the Department of Homeland Security and the current high level of security services will be continued following the transfer.

PBS believes in results. To mark progress against objectives, it develops, implements and monitors performance measures that drive its behavior. By managing for results, PBS can more efficiently and effectively construct, lease, secure, manage and maintain the workplaces it provides.

The PBS has formulated a long-term strategy to improve the services it delivers and develop the skills of its associates. The result will be better service to customers and lower costs. These improvements are intended to reduce costs and improve the customer satisfaction level and productivity of its customers. This long-term strategy includes (1) Human Capital, (2) Workplace Solutions Strategies, and (3) Portfolio Strategy to achieve the desired results. Stated performance targets through FY 2007 have been developed to measure progress.

The PBS Human Capital Initiative is in progress and intended to sharpen the skills of GSA associates so they more precisely match the organization's needs and contribute to achieving the long-term Strategic Goals. One of GSA's goals is to assist customer agencies improve efficiency and effectiveness. To this end, GSA is developing an agency-wide Human Capital Strategy that will give GSA associates the tools they need to offer clients suggestions and better meet client needs. The effect of the PBS Human Capital Strategy will be to develop the skills of GSA associates at-large so they can better serve the needs of our clients.

The PBS Workplace Solutions Strategy goal is to increase customer productivity by anticipating and fulfilling customer needs. An employee's workplace influences their ability to do their job and their productivity. It is GSA's responsibility to offer efficient and productive workplace solutions that help Federal clients meet their goals. GSA has a long-range plan that will transition the GSA from simply being a "Landlord" to being a working partner with Federal agencies in defining effective and efficient workplace solutions that better accommodate worker and customer agency requirements. The effect of the Workplace Solutions Strategy will be to assist Federal clients in becoming more productive.

The PBS Portfolio Restructuring Initiative is underway to better align the portfolio with GSA's mission to deliver a superior workplace for the Federal worker and a superior value for the taxpayer. Increased focus will be placed on high performing assets. Older, more expensive to maintain and, lower performing assets will be disposed of. This Portfolio restructuring will improve the quality of GSA buildings and the productivity of Federal workers.

The outcome goals PBS has for the strategy is to develop a portfolio of assets that are being used at their highest and best use and support our client agencies to achieve their mission.

“Highest and best use” is defined as the use that should be made of a property, as it exists. The restructuring effort will optimize resources by focusing on the financial and physical performance of each asset in the portfolio and prioritizing reinvestment dollars for financially performing assets, provide quality workplaces and increased customer satisfaction, and increase sustainability of historical and culturally significant landmarks.

The Portfolio Restructuring Initiative undertakes a comprehensive assessment of public buildings to best align the portfolio with the GSA/PBS mission. The assessment is part of GSA's systematic implementation of an overall strategy to focus limited resources on performing assets and to ensure assets are being put to highest and best use. The systematic assessment of the physical condition and financial performance includes diagnostic testing to determine financial viability and Federal need for each asset in the portfolio. PBS then categorizes the assets in the portfolio to identify those capable of generating enough cash flow to fund their own operations, repairs, and capital needs. For under performing assets, PBS will workout or dispose of those assets that are not capable of generating enough cash flow to fund their own operations, repairs, and capital needs. These assets will be considered candidates for a "watch-list" for possible workout or disposal action. Strategies for watch-list properties may include disposals, exchanges, public private partnerships, out-leases and renegotiation of Occupancy Agreements. An existing property should be renovated or retained as-is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would be more than offset the cost of demolishing the existing building and constructing a new one. To sum, this assessment will help PBS make realistic portfolio decisions. It will identify assets with poor financial performance and reinvestment needs that exceed the limited financial resources of the Federal Buildings Fund.

Finally, restructuring will also enable PBS to focus reinvestment on retained properties-those for which cash flows are sufficient to keep the asset in good condition to improve; (1) the appearance and operation of the property, and (2) customer satisfaction. A successful restructuring of our program will enhance seven of our performance measures. We have developed long-term targets for these performance measures to determine if our portfolio strategy implementation is successful. The performance measures and 2007 targets are provided below:

Performance Measure	2007 Target
Percentage of government-owned assets with a positive FFO	96%
Percentage of government-owned assets with an ROI of at least 6 percent	86%
Increasing FFO	\$1.60 billion
Percentage of non-revenue producing space in government owned buildings	9.7%
Tenant satisfaction-owned	85%
Ordering officials rating	73%
Realty services transaction survey, productivity	TBD

While continuing to improve the financial results of the inventory and the satisfaction of customers and tenants, PBS is increasing its focus on providing quality workplaces and expert solutions.

PBS will leverage the resources that can best perform this task, its associates. PBS associates are acquiring additional skills and expertise in the areas of business, customer and project management to enable them to exceed customer expectations. Every associate will have skills in at least one management area, and depending on the work they perform they may be versed in all three.

Business managers determine the best asset mix between owned and leased buildings that provide productive space to customers. Additionally, business managers are responsible for developing new products and services based on recommendations from customer managers.

Customer managers provide information on the wants and needs of customer agencies. Customer managers will create and maintain a relationship with customers allowing PBS to recommend workplace solutions that enhance the customer's ability to perform their mission.

Project managers ensure that all projects stay on schedule and within budget. They are responsible for working with business and customer managers to ensure that projects meet both financial and customer requirements.

### **Organization of the PBS Section**

The PBS Performance Plan is divided into 5 responsibility segments that are consistent with its budget request. Each segment is linked to one or more of GSA's Strategic Plan goals and objectives. The budget is linked at the responsibility segment level rather than to each measure. These segments are briefly described below.

#### PBS Building Operations

This segment describes building operating costs related to cleaning, maintenance, utilities, protection, staff support and associated measures.

#### PBS Rental of Space

This segment describes the leasing of space to house tenants that cannot be accommodated in PBS's owned inventory and associated measures related to cost, cost recovery and customer satisfaction.

#### PBS Construction and Acquisition of Facilities

This segment describes efforts related to the acquisition of new space through construction or purchase and measures related to the cost effective and efficient delivery of new space buildings.

#### PBS Repairs and Alterations

This segment describes efforts related to the repairs and alterations of space, infrastructure rehabilitation and measures related to the impact on the Federal Buildings Fund.

#### PBS Financial Management

This segment describes income sources to the Federal Buildings Fund (FBF), the ability of the fund to generate a contribution for capital investment, and associated measures.

### **Terms**

PBS performance goals are discussed on the following pages. Among the terms used in this discussion are:

**Long Term Performance Goal:** a three to five year target level of performance, expressed as a tangible, measurable objective, against which actual achievement can be compared. It is a quantitative standard, value or rate, and can be either outcome or output oriented.

**Annual Performance Goal:** a single fiscal year target for level of performance, expressed as a tangible, measurable objective, against which actual achievement can be compared. It is a quantitative standard, value or rate, and can be outcome or output oriented.

**Performance Measure:** a particular value, characteristic, or comparison used to measure or assess outcome or output.

## Data

In order to track and assess performance, PBS uses data from a handful of internal and external sources. Certain data sources support multiple performance goals. Instead of repeating that information throughout this report, it is referenced to the information below in the verification and validation segments for various performance measures. If a particular data source supplies data to only a single measure, it will be discussed with that measure.

The **National Electronic, Accounting and Reporting (NEAR)** System was GSA's corporate accounting system, and was the foundation for all PBS financial data prior to FY 2003. In FY 2003, the Pegasys System was adopted to provide GSA with extensive functionality to record financial planning and purchasing events, as well as account receivable, account payable, disbursement and, budgeting activities.

Pegasys data is reliable and accurate and is subject to audit by the Inspector General. GSA's independent auditor, PriceWaterhouseCoopers, performs an annual audit. This audit has produced an unqualified opinion for thirteen consecutive years. Financial data is subject to extensive in-house staff reviews, analysis, and system edits. As a result of these verification methods, GSA's financial data used in the performance measures is valid within a very high degree of certainty.

The **System for Tracking and Administering Real Property (STAR)** is the primary source of real property data. The accuracy of STAR data has improved significantly over the past year, and will continue to improve. Two data accuracy measures were implemented as part of internal monthly performance reporting which has been quite effective in reducing errors and missing data. The first measure crosschecks data within STAR for logic and consistency errors. The second measure, based on a random sampling of STAR data, ensures that critical fields in STAR accurately reflect information in source documents. Arthur Andersen, Inc. is assisting in the development processes and procedures to permanently reduce the number of errors in STAR through a single-point-of-entry process. Also, PBS is currently re-measuring buildings to compile a database of graphical spatial data and to validate the accuracy of assignment and inventory data.

The **Gallup Organization** provides data for the customer satisfaction measures. The Gallup Organization, one of the world's largest management consulting firms, brings its core expertise in the areas of measurement and analysis of people's attitudes, opinions, and behavior to satisfaction measures. Gallup employs several types of data verification methods including a parallel processing method for its automated reports. This process uses both electronic matching and manual proofing of the data; randomly verifying that a certain proportion of scanned and manually keypunched surveys are 100 percent accurate. Gallup's analysis indicates that PBS can expect a 95 percent statistical confidence level in this data.

To measure customer satisfaction among tenants, Gallup uses a survey tool developed in conjunction with the International Facility Management Association (IFMA). The customer satisfaction survey is performed in approximately one-third of PBS's building inventory annually (approximately 4,500 owned and leased buildings are surveyed every three years) The following buildings are not included in the survey; delegated buildings, buildings with no occupants, postal space leases and, buildings with less than 20 occupants.

Through the Gallup Organization, PBS has implemented a measure of agency ordering officials satisfaction with PBS services. Started in FY 2001, Gallup conducts the ordering official survey through phone interviews. Survey results are compiled and analyzed by Gallup, and shared with PBS.

There are two PBS enterprise applications for tracking progress of major new construction and repairs and alterations (R&A) projects. For capital budgeting, PBS uses **Pro Forma Investment Analysis**, a financial application to analyze projects on planned expenditures of fixed assets, with future cash flows estimated for 25 years. Project information, such as rent start date and project cost, is used to capture the impact of changes on the original project financials.

For tracking construction and repairs and alterations project information, PBS uses **Project Information Portal (PIP)**, a web-based application. This system is intended to link project managers, executives, and PBS in an integrated, web-enabled framework to track enterprise-wide information on the current capital construction program. In addition to the schedule, PIP application also captures the updated project budget information from Capital Projects Website, a supplement to the PBS accounting system, and obligations from the Pegasys System on a daily basis. PIP application is used in conjunction with **Inventory Reporting Information System (IRIS)**, the enterprise application for tracking R&A work inventory.

In addition, PBS National Headquarter staff works with regional project and program managers to track major projects from initial planning through final occupancy.

### **Budget Links**

The budget is linked at each of the five responsibility segments. The organization of budget exhibit FBF-3 from the FY 2004 Budget Request was modified for the purposes of this plan so dollars could be attached to the appropriate programs. The following summary shows how the budget is presented in the performance plan.

**General Services Administration  
PUBLIC BUILDINGS SERVICE**

**FEDERAL BUILDINGS FUND  
RESPONSIBILITY SEGMENTS  
FY 2004 BUDGET REQUEST**

(dollars in thousands)

	<b>OPERATIONS</b>	<b>OPERATIONS</b>	<b>CAPITAL</b>	<b>CAPITAL</b>	<b>TOTAL</b>
	Government - Owned	Government - Leased	Construction & Acquisition	Repairs & Alterations	
Construction and Acquisition	\$0	\$0	\$400,568	\$0	\$400,568
Basic Repairs and Alterations	\$328,500	\$36,500	\$0	\$0	\$365,000
Line Item Repairs and Alterations	\$0	\$0	\$0	\$647,729	\$647,729
Installment Acquisition Payments	\$0	\$0	\$169,745	\$0	\$169,745
Redemption of Debt	\$0	\$0	\$54,256	\$0	\$54,256
Rental of Space	\$0	\$3,388,187	\$0	\$0	\$3,388,187
Building Operations	\$1,212,013	\$174,050	\$95,998	\$126,647	\$1,608,708
• Building Services	\$842,135	\$93,571	\$0	\$0	\$935,706
• Protection	\$0	\$0	\$0	\$0	\$0
• Salary and Administration					
- Staff Support (excludes Protection	\$273,550	\$43,854	\$57,056	\$57,056	\$431,516
- Protection Staff	\$0	\$0	\$0	\$0	\$0
• Technical Services, space planning	\$0	\$11,203	\$15,223	\$38,732	\$65,158
• Information Technology	\$35,039	\$11,680	\$8,302	\$15,442	\$70,463
• Centralized Services	\$61,289	\$13,742	\$15,417	\$15,417	\$105,865
Reimbursable	\$521,310	\$451	\$88,756	\$76,876	\$687,393
<b>TOTAL</b>	<b>\$2,061,823</b>	<b>\$3,599,188</b>	<b>\$809,323</b>	<b>\$851,252</b>	<b>\$7,321,586</b>

## **PBS BUILDING OPERATIONS**

This section includes goals and measures related to the operational management of the buildings and properties. These measures allow PBS to evaluate operational spending and customer satisfaction. Measuring GSA's cost to operate facilities and comparing it to operating costs in comparable private sector buildings indicates that PBS provides value for the taxpayer and PBS's tenants. The customer satisfaction surveys provide PBS valuable information to improve its relationship with customers.

PBS is keenly aware of the impact of building operating services on both the satisfaction and productivity level of tenant agencies. PBS seeks to provide services in a cost effective manner such that customer satisfaction and productivity are not adversely impacted. At the end of FY 2002, cleaning costs were 5 percent below the private sector costs and maintenance and utility costs were 7 percent and 34 percent below respectively, for an overall operating cost of 17 percent below the private sector.

### **PERFORMANCE GOALS LINK TO STRATEGIC PLAN**

GSA Strategic Goal:	Operate Efficiently and Effectively
GSA Strategic Objective:	Increase emphasis on managing operating costs, including GM&A costs.
GSA Strategic Goal:	Provide Best Value for Customer Agencies and Taxpayers
GSA Strategic Objective:	Assess customer satisfaction trends and take actions for continuous improvement.
GSA Strategic Goal:	Carry Out Social, Environmental & Other Responsibilities as a Federal Government Agency
GSA Strategic Objectives:	Reduce energy consumption in Federal facilities. Develop a model work environment for the future that is efficient, fully accessible, healthy, comfortable and economical.

### **PBS PERFORMANCE MEASURES**

Customer Satisfaction – Ordering Officials  
Customer Satisfaction – Tenants in Owned Space  
Cleaning Costs in Office and Similarly Serviced Space  
Maintenance Costs in Office and Similarly Serviced Space  
Utility Costs in Office and Similarly Serviced Space  
Percent Reduction in Energy Consumption from FY 1985 Baseline

**PBS Building Operations**

GSA Strategic Goal	Provide Best Value for Customer Agencies and Taxpayers
GSA Strategic Objective	Assess Customer Satisfaction Trends and Take Actions for Continuous Improvement

**Long Range Performance Goal**

**Achieve an overall ordering official satisfaction of 73% by FY 2007.**

**Annual Performance Goal**

**Improve annual ordering official satisfaction to 70%.**

PBS has gathered satisfaction data on building tenants since 1994 and has made great strides in improving tenant satisfaction. The satisfaction of tenants is extremely important in making decisions about how to operate buildings, prioritize repairs and alterations and provide quality space in a timely manner.

PBS also recognizes that another group of customers is key to its future success. That group, referred to as ordering officials, includes customer agency employees that represent their agencies in ordering services and workspace from PBS. This group is the best judge of how well PBS is meeting the expectations of its customer agencies and providing the best value. In FY 2001, with the help of The Gallup Organization, PBS surveyed 468 agency ordering officials, via telephone interviews. This survey will enable PBS to further assess how it adds value to customer agencies and help identify areas of improvement. These customers were asked questions concerning their satisfaction with PBS products and services and the value PBS provided on a variety of items, including: service delivery, leasing, facility management, construction and alteration, security and problem resolution. Historically, Gallup's average score range for customer engagement surveys is 40% to 60% satisfied. In FY 2002, PBS scored at the high-end of this range with 66% overall satisfaction. The results are being studied to identify what drives ordering official satisfaction and what improvements can be made to the survey process. In FY 2003, PBS will survey again and these results will be compared to FY 2002 scores to help determine feasible expectations for future years. Targets may need to be reset depending on PBS' performance in FY 2003.

**Measure**

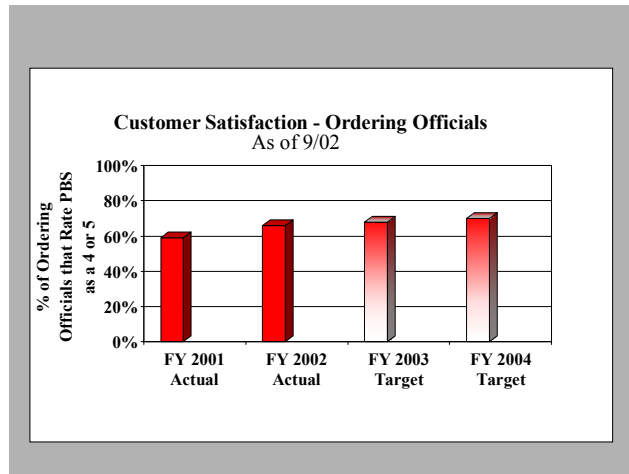
Customer satisfaction - ordering officials

**Target**

Percentage of ordering officials that rates their business dealings with PBS as a 4 or 5 on a 5-point scale

FY 2001 Actual	59%
FY 2002 Actual	66%
FY 2003 Target	68%
FY 2004 Target	70%





### Strategies

PBS has designated National Account Executives and Regional Account Managers. They will work with clients to understand their changing organizations and workspace requirements to make it easier for them to do business with PBS, and provide smart advice about their real estate portfolios.

### Budget Link

Data not available at this time

### Verification/Validation

Source: The Gallup Organization  
Ordering officials survey

The Gallup Organization and the ordering official survey are discussed in the Data section of this plan.

**PBS Building Operations**

GSA Strategic Goal	Provide Best Value for Customer Agencies and Taxpayers
GSA Strategic Objective	Assess Customer Satisfaction Trends and Take Actions for Continuous Improvement

**Long Range Performance Goal**

**Maintain an overall customer satisfaction rating of 85%.**

**Annual Performance Goal**

**Improve customer satisfaction level to 85.25% in owned space surveyed.**

PBS provides, in a timely manner, quality space that is responsive to agency requirements. PBS has partnered with The Gallup Organization to assess customer satisfaction levels and determine how well PBS is meeting its goal to provide best value for customer agencies and taxpayers. Gallup polls the tenants in half of PBS's eligible building inventory each year using a customer satisfaction survey developed in conjunction with the International Facilities Management Association (IFMA).

The annual customer satisfaction scores and targets in the FY 2004 Performance Plan for owned space represent two years of survey data. Previously, annual scores were reported for surveys done in the fiscal year. By changing to the dual-survey reporting scheme PBS is able to show a customer satisfaction score for its entire inventory versus half. For example, the 1998 score represents the 1997 and 1998 survey results on the entire inventory. Starting in 2003, PBS will survey one-third of its inventory annually.

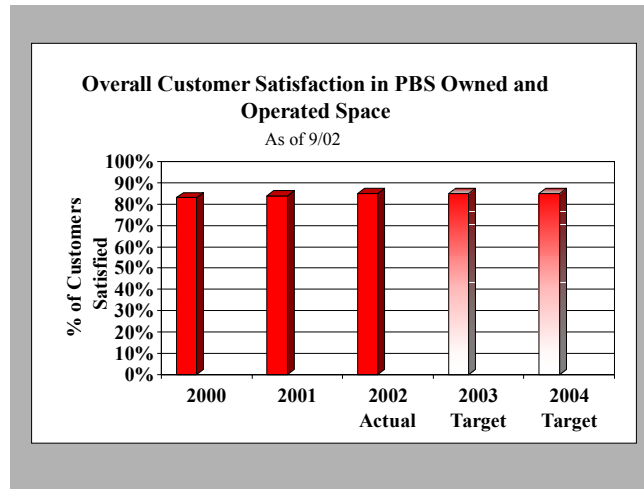
**Measure**

Customer satisfaction in owned space - tenants

**Target**

Percentage of customers (tenants) that rate PBS owned space services as satisfactory or better:

FY 1998 Actual	80%
FY 1999 Actual	83%
FY 2000 Actual	83%
FY 2001 Actual	84%
FY 2002 Actual	85%
FY 2003 Target	85%
FY 2004 Target	85.25%



### Strategies

Utilize training in customer satisfaction action planning at the field and regional office levels to target problem areas within individual buildings and discuss tactics that can be employed to improve scores.

Encourage building managers with high customer satisfaction scores to share those business practices that have helped attain these high scores with other building managers nationwide.

Use focus groups, at the building level, to better understand what is needed to improve customer satisfaction.

### Budget Link

Data not available at this time

### Verification/Validation

Source: The Gallup Organization  
IFMA customer satisfaction survey

The Data section discusses The Gallup Organization and the IFMA customer satisfaction survey as data sources.

## PBS Building Operations

GSA Strategic Goal	Operate Efficiently and Effectively
GSA Strategic Objective	Assess Customer Satisfaction Trends and Take Actions for Continuous Improvement

### Long Range Performance Goal

**Provide cleaning services in office and similarly serviced space at a cost of 3% below private sector benchmarks.**

### Annual Performance Goal

**Provide cleaning services in office and similarly serviced space at a cost of 3.9% below private sector benchmarks.**

By controlling cleaning costs, PBS helps keep its operating costs below the industry average, provides tenants with quality workspace, and contributes to the capital program, thus operating efficiently and effectively. PBS has developed several sophisticated benchmarks to monitor and compare operating costs with those in equivalent private sector buildings.

### Measure

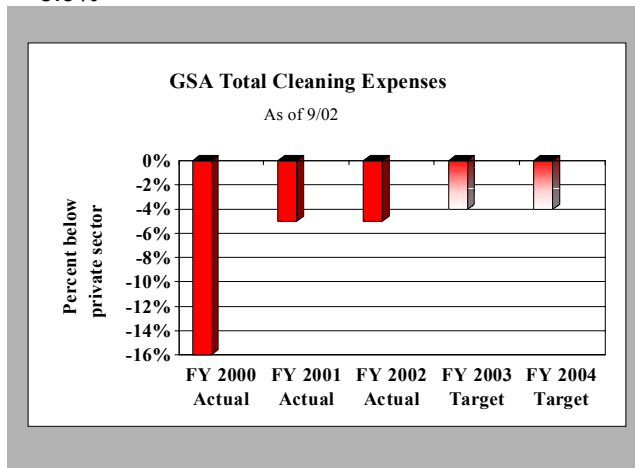
Cleaning costs in office and similarly serviced space

### Target

Cleaning service in PBS is typically provided by sheltered workshops mandated under the Javits-Wagner-O'Day Act. PBS recognizes that there is a premium associated with these programs but will deliver the service at private sector benchmarks. PBS is committed to these social endeavors and actively pursues the goals set forth in legislation.

Percentage difference between GSA's cleaning costs per rentable square foot for office and office-like space and private sector costs.

FY 2001 Actual	5%
FY 2002 Actual	5%
FY 2003 Target	4%
FY 2004 Target	3.9%



**Strategies**

Participate with industry groups on operating costs to learn about and adopt new conservation methods.

Keep abreast of changes and trends in the service provision industry and contractor approaches.

Meet energy conservation goals established by law and Executive Order.

Pursue commercial buying practices including simplifying specifications and performance-based contract approaches.

**Budget Link**

	FY 2002	FY 2003	FY 2004
Building Operations	\$223,587	\$235,783	\$248,635
TOTAL	\$223,587	\$235,783	\$248,635

**Verification/Validation**

Source: Pegasys  
The Building Owners and Managers Association's Experience Exchange Report (BOMA EER)

The Data section discusses the Pegasys System as a data source.

The Building Owners and Managers Association (BOMA) is an advocacy group for the real estate industry, a federation of 94 local associations whose members own or manage more than 6 billion square feet of downtown or commercial properties and facilities across America. BOMA is recognized for its expertise in the field of real property, frequently testifying before Congress and working with property holding agencies. The Experience Exchange Report is a database that contains building operations statistics on more than 4,000 buildings throughout the United States. It is used extensively in the private sector and it is considered an accurate source for industry operating data that is comparable to PBS's data.

**PBS Building Operations**

GSA Strategic Goal	Operate Efficiently and Effectively
GSA Strategic Objective	Assess Customer Satisfaction Trends and Take Actions for Continuous Improvement

**Long Range Performance Goal**

**Provide maintenance services in office and similarly serviced space at a cost of 2% below private sector benchmarks.**

**Annual Performance Goal**

**Provide maintenance services in office and similarly serviced space at a cost of 3% or more below private sector benchmarks.**

By controlling maintenance costs, PBS helps keep its operating costs below the industry average, provides tenants with quality workspace, and contributes to the capital program, thus operating efficiently and effectively. PBS has developed several sophisticated benchmarks to monitor and compare operating costs with those in equivalent private sector buildings.

**Measure**

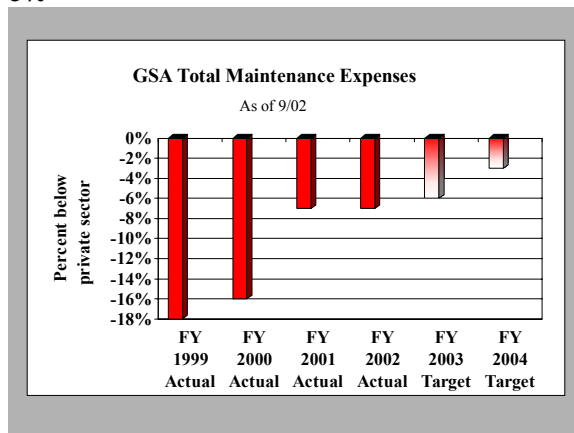
Maintenance costs in office and similarly serviced space

**Target**

An assessment of the condition of the PBS building inventory is currently being performed to determine the magnitude of the repairs and alterations inventory. PBS's strategy for the repairs and alterations program is to improve the condition of the inventory and ensure PBS's continuing ability to provide a quality workplace for its customers.

Percentage difference between GSA's maintenance costs per rentable square foot for office and office-like space and private sector costs.

FY 2001 Actual	7%
FY 2002 Actual	7%
FY 2003 Target	6%
FY 2004 Target	3%



**Strategies**

Participate with industry groups on operational costs to learn about and adopt new conservation methods.

Keep abreast of changes and trends in the service provision industry and contractor approaches.

Meet energy conservation goals established by law and Executive Order.

Pursue commercial buying practices including simplifying specifications and performance-based contract approaches.

**Budget Link**

	FY 2002	FY 2003	FY 2004
Building Operations	\$245,655	\$256,340	\$286,079
TOTAL	\$245,655	\$256,340	\$286,079

**Verification/Validation**

Source: Pegasys System

The Building Owners and Managers Association's Experience Exchange Report (BOMA EER)

The Data section discusses the Pegasys System as a data source.

The Building Owners and Managers Association (BOMA) is an advocacy group for the real estate industry, a federation of 94 local associations whose members own or manage more than 6 billion square feet of downtown or commercial properties and facilities across America. BOMA is recognized for its expertise in the field of real property, frequently testifying before Congress and working with property holding agencies. The Experience Exchange Report is a database that contains building operations statistics on more than 4,000 buildings throughout the United States. It is used extensively in the private sector and it is considered an accurate source for industry operating data that is comparable to PBS's data.

**PBS Building Operations**

GSA Strategic Goal	Operate Efficiently and Effectively
GSA Strategic Objective	Increase Emphasis on Managing Operating Costs, Including GM&A Costs

**Long Range Performance Goal**

**Provide utilities in office and similarly serviced space at a cost of 29% below private sector benchmarks.**

**Annual Performance Goal**

**Provide utilities in office and similarly serviced space at a cost of 30% or more below private sector benchmarks.**

By controlling utility costs, PBS helps keep its operating costs below the industry average, provides tenants with quality workspace, and contributes to the capital program, thus operating efficiently and effectively. PBS has developed several sophisticated benchmarks to monitor and compare operating costs with those in equivalent private sector buildings.

**Measure**

Utility costs in office and similarly serviced space

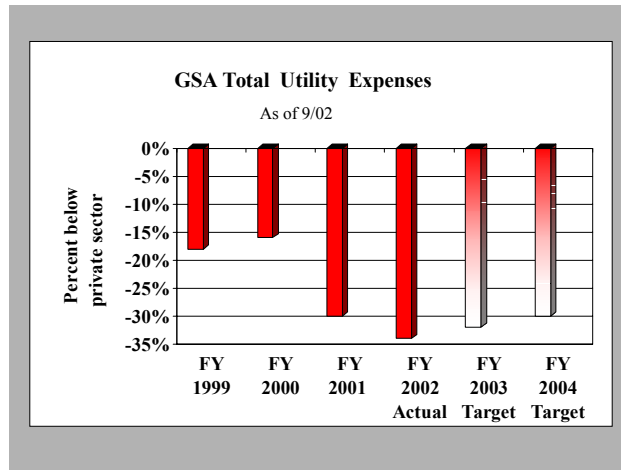
**Target**

Utility costs are targeted at 32 % below private sector levels in office and office-like space for FY 2003. This target coincides with the energy consumption goal (26% reduction from the 1985 baseline). PBS utility costs are being reduced somewhat faster than consumption as opportunities for bulk power buying and purchasing of "green power" (which is not considered in consumption measurements) are utilized.

Percentage difference between GSA's utility costs per rentable square foot for office and office-like space and private sector costs.

FY 2001 Actual	30%
FY 2002 Actual	34%
FY 2003 Target	32%
FY 2004 Target	30%





**Strategies**

Participate with industry groups on operating costs to learn about and adopt new conservation methods.

Keep abreast of changes and trends in the service provision industry and contractor approaches.

Meet energy conservation goals established by law and Executive Order.

Pursue the best value for energy commodity purchases (gas and electricity) in deregulated markets.

Pursue commercial buying practices including simplifying specifications and performance-based contract approaches.

**Budget Link**

	FY 2002	FY 2003	FY 2004
Building Operations	\$304,145	\$325,696	\$342,448
TOTAL	\$304,145	\$325,696	\$342,448

**Verification/Validation**

Source: Pegasys  
The Building Owners and Managers Association’s Experience Exchange Report (BOMA EER)

The Data section discusses the Pegasys System as a data source.

The Building Owners and Managers Association (BOMA) is an advocacy group for the real estate industry, a federation of 94 local associations whose members own or manage more than 6 billion square feet of downtown or commercial properties and facilities across America. BOMA is recognized for its expertise in the field of real property, frequently testifying before Congress and working with property holding agencies. The Experience Exchange Report is a database that contains building operations statistics on more than 4,000 buildings throughout the United States. It is used extensively in the private sector and it is considered an accurate source for industry operating data that is comparable to PBS’s data.

As PBS reduces BTU consumption per square foot, a reduction in utility costs (see PBS Performance Measure: "Percent Reduction in Energy Consumption from FY 1985 baseline") can be expected.

## PBS Building Operations

GSA Strategic Goal	Carry Out Social, Environmental, and Other Responsibilities as a Federal Government Agency
GSA Strategic Objective	Reduce Energy Consumption in Federal Facilities

### Long Range Performance Goal

Meet the conservation goal to reduce energy consumption for standard facilities by 30% by FY 2005 and 35% by FY 2010 from the FY 1985 baseline.

### Annual Performance Goal

Improve energy reduction in standard facilities to 27.5% below the FY 1985 baseline.

PBS is a responsible steward of the environment and is committed to implementing energy-saving solutions that improve the energy efficiency of operations and save taxpayer dollars. PBS will continue to use environmentally safe and sustainable energy sources where possible and economically feasible.

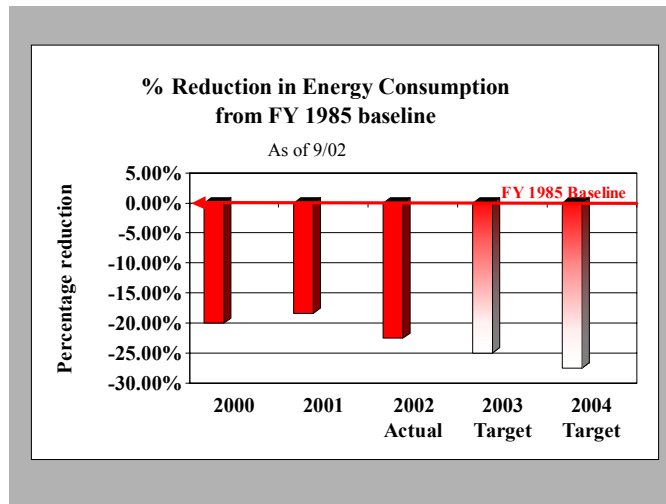
### Measure

Percent reduction in energy consumption from FY 1985 baseline

### Target

Percentage reduction from FY 1985 baseline

FY1999 Actual	17.3%
FY 2000 Actual	20.0%
FY 2001 Actual	18.4%
FY 2002 Actual	22.5%
FY 2003 Target	25.0%
FY 2004 Target	27.5%



## Strategies

Pursue design and construction methods that result in GSA facilities achieving external environmental recognition through EPA's Energy STAR program, and U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) ratings.

Maximize use of alternative financing contract mechanisms to reduce energy use and cost by publishing GSA's established programs and providing guidance on how to use these programs.

Bulk buying and experimentation with distributive technologies.

Implement renewable energy projects at Federal installations and facilitate the siting of renewable resource generation on Federal land.

Purchase energy generated from new renewable energy sources.

Incorporate energy efficiency requirements into relevant acquisitions.

Adopt and apply the sustainable design principles to the siting, design, and construction of new facilities or major renovations.

Provide training to appropriate personnel on energy management.

Establish water management plans for facilities and implement water conservation best management practices.

## Budget Link

	FY 2002	FY 2003	FY 2004
Repairs and Alterations	\$695	\$8,000	\$5,000
Building Operations	\$3,418	\$3,682	\$3,561
TOTAL	\$4,113	\$11,682	\$8,561

## Verification/Validation

Source: Pegasys  
Energy Usage and Analysis System (EUAS)

The Data section discusses the Pegasys System as a data source.

The Energy Usage and Analysis System gathers utility cost and consumption information from the Pegasys System. The staff of the EUAS Center verifies each new data entry from hard copy utility bills and tracks every utility bill in every building where GSA pays a utility bill. Most agencies sample a subset of their building inventory and project energy consumption over the entire inventory. The EUAS Center also reviews billing data to ensure that GSA is paying the correct rate.

Several additional data checks are made monthly. Regional energy coordinators review billing data in the EUAS System and building managers certify a statistical sample of data monthly. A utility accrual profile has been established for each utility account and every bill that is received that falls outside the accrual tolerance is reviewed and certified for payment by building personnel. Discrepancies are reported back to the EUAS Center for correction and staff members work directly with utility companies to correct billing records. Through these processes, PBS is confident that the data in the EUAS System is extremely accurate.

## **PBS Building Operations**

GSA Strategic Goal	Maintain a World Class Workforce and World Class Workplace
GSA Strategic Objective	Maintain a Positive and Productive PBS Work Environment

### **Long Range Performance Goal**

**Maintain a high overall score on the Gallup Q-12 Survey.**

### **Annual Performance Goal**

**Maintain an overall score that places PBS in the top 75<sup>th</sup> percentile of Government agencies.**

PBS' greatest resource is its associates. The enhanced interest and engagement of all associates is important in the effort to improve PBS efficiency and its effectiveness in meeting customer expectations. To this end, PBS has retained The Gallup Organization to apply its Q-12 survey to the organization. The Q-12 survey measures 12 associate parameters and assesses their impact on productivity, turnover, profitability and, customer satisfaction. By comparing annual results, PBS is able to identify strengths that can be applied across the Service and weaknesses that need to be addressed.

The survey has been conducted three times and is intended to measure associate's engagement in the workplace and ability to improve performance. PBS has achieved an overall score that exceeds the 75<sup>th</sup> percentile for all Government agencies, achieving a "best in class" rating. Best practices have been identified and are being applied throughout PBS.

### **Performance -Measure**

Results from Q-12 Survey are compared to previous year's results.

#### **Target**

FY 2000 Actual	3.55 (Gallup 75 <sup>th</sup> percentile Government score = 3.78)
FY 2001 Actual	3.75 (Gallup 75 <sup>th</sup> percentile Government score = 3.72)
FY 2002 Actual	3.80 (Gallup 75 <sup>th</sup> percentile Government score = 3.72)

### **Strategies**

Develop and implement Action Plans for work groups to improve engagement of associates.

Apply identified Best Practices throughout the PBS to improve associate productivity and effectiveness.

Maintain a high level of associate participation in the Q-12 process (currently 92%).

**Verification/Validation**

Independent Q-12 Survey administered

## **PBS RENTAL OF SPACE**

PBS is committed to providing the best workplace solutions for its Federal clients. When clients' space requirements cannot be met by available federal space, GSA leases the needed space at competitive rates from the private sector. Leasing activities provide PBS with the flexibility to acquire space for customers and to release that space back into the market when it is no longer needed.

Leasing operations provide for funding recurring payments for existing and replacement lease contracts, temporary expansion space in support of major repairs and alterations projects, relocations from Federal buildings due to forced moves, and relocations due to health and safety conditions. Unanticipated demand during a fiscal year for expansion space for new or expanded agency programs is provided under GSA's indefinite authority provision.

PBS provides workspace for Federal agencies in over 6,600 leased properties. Currently, leased space accounts for 46 percent of the total space inventory by square footage, and more than 50 percent of the employees housed are in leased space. In recent years, the time and cost to deliver leased space to agencies and provide services at a level comparable to those of private real estate services has been dramatically reduced. To continue a high level of service to federal client agencies with fewer PBS associates, PBS has contracted with a number of private real estate firms to help the government lease space in local markets and provide such services as lease administration and renegotiations, tenant representation, requirements development, market surveys, and out-leasing.

The goals for Leasing Operations are to provide leased space for client agencies at or below the cost of equivalent space obtained by the private sector, and improve the percentage of satisfied customers.

### **PERFORMANCE GOALS LINK TO STRATEGIC PLAN**

GSA Strategic Goal:	Provide Best Value for Customer Agencies and Taxpayers
GSA Strategic Objectives:	Assess customer satisfaction trends and take actions for continuous improvement. Procure goods and services for customers at competitive prices.

GSA Strategic Goal:	Operate Efficiently and Effectively
GSA Strategic Objective:	Increase emphasis on managing operating costs, including GM&A operating costs.

### **PBS PERFORMANCE MEASURES**

Cost of Leased Space Relative to Market  
Customer Satisfaction – Tenants in Leased Space  
Realty Services Transaction Survey, Satisfaction  
Realty Services Transaction Survey, Productivity

**PBS Rental of Space**

GSA Strategic Goal	Provide Best Value for Customer Agencies and Taxpayers
GSA Strategic Objective	Procure Goods and Services for Customers at Competitive Prices

**Long Range Performance Goal**

**Provide leased space for client agencies below the cost of equivalent space obtained by the private sector.**

**Annual Performance Goal**

**Keep the cost for new GSA leased office space at or below each of the four market ranges being tracked.**

PBS’s objective is to lease space in the market that provides the best value for leasing dollars. Best value is not always the space offered at the lowest price. Often, building amenities, space features and a number of other factors can make building tenants more productive and efficient. Space that makes tenants marginally more productive may be a better value than space at significantly lower costs. For that reason, PBS has changed the annual performance target to reflect that the new leases of class A and class B space, whether inside or outside central business districts, on the whole be at or below the average cost of private sector leases in those same categories. By procuring leased space at competitive prices PBS ensures that it is meeting its goal to provide the best value for customer agencies and taxpayers.

**Measure**

Cost of leased space relative to market

**Target**

The new target will compare lease costs in four categories. These categories include:

- Class A space inside a Central Business District (CBD)
- Class A space outside a CBD
- Class B Space inside a CBD
- Class B space outside a CBD

PBS uses the Society of Industrial and Office Realtors’ definition for Central Business District and Class A and B space.

Central Business District is defined as space located near the historical urban core, commonly associated with traditional government and financial districts in most cities.

Class A is defined as space in an excellent location, high-quality tenants, high quality finishes, well maintained, and professionally managed.

Class B is defined as space in a good location, professionally managed, fairly high-quality construction and tenancy. Class B buildings generally show very little functional obsolescence and deterioration.

- FY 2001 Actual Below the industry average in each of the 4 categories
- FY 2002 Actual Below the industry average in each of the 4 categories
- FY 2003 Target B below the industry average in each of the 4 categories
- FY 2004 Target Below the industry average in each of the 4 categories

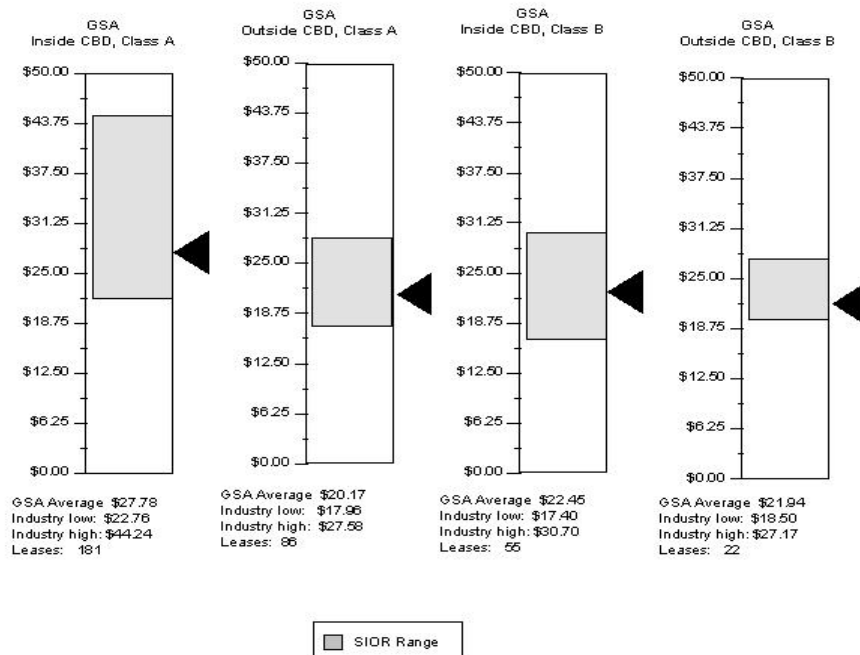


The target is the weighted average for the 4 (four) above categories:

FY 2001 Actual	11.0%
FY 2002 Actual	14.0%
FY 2003 Target	14.25%
FY 2004 Target	14.5%

Performance is determined by calculating the average of the aggregate square footage costs in new GSA leases and comparing it to the median of aggregate square footage costs in private sector leases in each of the four categories.

**FY2002 Actual**



**Strategies**

Maintain a PBS staff that is knowledgeable of market conditions.

Partner with contract brokers to free up PBS resources to better manage customer relationships and the overall leasing program.

Compare lease offers with industry benchmarks as a starting point for negotiations.

Provide price expectations to contract brokers in terms of benchmark prices.

Use market surveys to “comparison” shop for the best price in a market area.

Use published market sources (e.g. Black's Guide) to get a better understanding of area markets.

Benchmark tenant alteration construction cost against cost guides (e.g. Mean's cost data).

Use PBS's newly designed solicitation for offers (SFO) for tenant alterations where practical.

Use the expedited leasing process (where net lease cost is less than \$100,000) where appropriate.

Work with lessors to meet National Fire Safety requirements at a minimum of additional cost.

Work with agencies to maximize the value of their space, yet control costs.

### **Budget Link**

	FY 2002	FY 2003	FY 2004
Building Operations	\$66,565	\$55,242	\$55,557
Rental of Space	\$208,333	\$317,420	\$319,651
TOTAL	\$274,898	\$372,662	\$375,228

### **Verification/Validation**

Source: STAR  
Society of Industrial and Office Real Estate Markets (SIOR),  
Logistics Management Institute (LMI)

The Data section discusses STAR as a data source.

The SIOR commercial network and its publications are valuable tools in determining current trends and market rates from which GSA can benchmark. Member professionals who work in each reported market develop the market information used by SIOR.

LMI is a private non-profit organization that provides management consulting, research, and analysis to governments and other non-profit organizations. The participation of LMI as a data provider for this measure expands PBS's effort to validate STAR data. LMI employs several filters and data verification methods after preliminary results are collected from STAR. Regional offices are given the opportunity to re-check the final posted data for inaccuracies. The resulting lease data that is collected is valid with a reasonable degree of certainty.

**PBS Rental of Space**

GSA Strategic Goal	Provide Best Value for Customer Agencies and Taxpayers
GSA Strategic Objective	Assess Customer Satisfaction Trends and Take Actions for Continuous Improvement

**Long Range Performance Goal**

**Achieve an overall customer satisfaction rating of 85.5% in FY 2004 and maintain this level.**

**Annual Performance Goal**

**Achieve a customer satisfaction level of 85.5% in lease space surveyed.**

PBS provides, in a timely manner, quality space that is responsive to agency requirements. PBS has partnered with The Gallup Organization to assess customer satisfaction levels and determine how well PBS is meeting its goal to provide best value for customer agencies and taxpayers. Gallup polls the tenants in half of PBS's eligible lease inventory each year using a customer satisfaction survey developed in conjunction with the International Facilities Management Association (IFMA).

The annual customer satisfaction scores and targets in the FY 2004 Performance Plan for leased space represent two years of survey data. Previously, annual scores were reported for surveys done in the fiscal year. By changing to the dual-survey reporting scheme PBS is able to show a customer satisfaction score for its entire inventory versus half. For example, the 1998 score represents the 1997 and 1998 survey results on the entire inventory. In 2003, PBS will begin surveying one-third of its inventory annually.

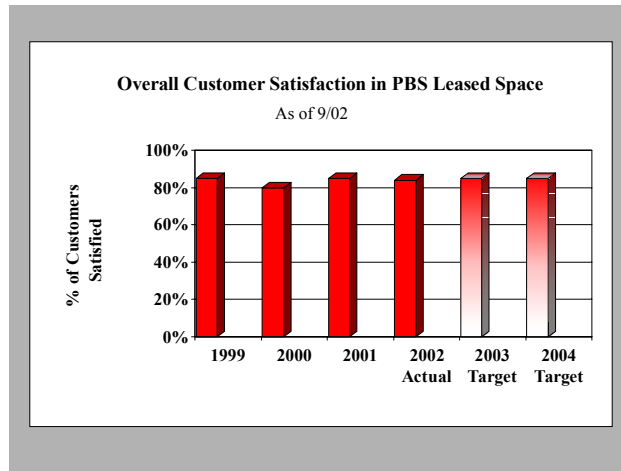
**Measure**

Customer satisfaction in leased space - tenants

**Target**

Percentage of tenants that rate PBS leased space services as satisfactory or better:

1998 Actual	80%
1999 Actual	85%
2000 Actual	80%
2001 Actual	82%
2002 Actual	84%
2003 Target	85%
2004 Target	85.5%



### Strategies

Utilize training in customer satisfaction action planning at the field and regional office levels to target problem areas within individual buildings and discuss tactics that can be employed to improve scores.

Encourage realty specialists with high customer satisfaction scores to share those business practices that have helped attain these high scores with other specialists nationwide.

Use focus groups, at the building level, to better understand what is needed to improve customer satisfaction.

### Budget Link

Data not available at this time

### Verification/Validation

Source: The Gallup Organization  
IFMA customer satisfaction survey

The Data section discusses The Gallup Organization and the IFMA customer satisfaction survey as data sources.

**PBS Rental of Space**

GSA Strategic Goal	Provide Best Value for Customer Agencies and Taxpayers
GSA Strategic Objective	Assess Customer Satisfaction Trends and Take Actions for Continuous Improvement

**Long Range Performance Goal**

**By FY 2007, improve customer satisfaction of realty services by 10% from FY 2003 baseline.**

**Annual Performance Goal**

**Improve customer satisfaction scores from the FY 2003 baseline by 2%.**

As a provider of choice, PBS needs to ensure that it provides value to the leasing process and that it meets customer expectations. PBS does not have a method to determine if it provides space when its customers need it. This measure is a transaction-based survey of customer agencies that request space from PBS. It will determine if PBS provides quality space that assists customers in performing their mission and if the space is provided by the date requested. The survey will be conducted through short telephone interviews.

**Measure**

Realty services satisfaction survey

**Target**

FY 2002 Target	---
FY 2003 Target	70%
FY 2004 Target	72%

**Strategies**

Partner with contract brokers to free up PBS resources to better manage customer relationships and the overall leasing program.

Partner with lessors by providing them with GSA Customer Satisfaction expectations at the time of lease award.

Continued support of the National Account Executive program to better educate our customers in improved business practices and processes to meet their space needs.

**Budget Link**

Data not available at this time

**Verification/Validation**

Source: PBS Headquarter associates will perform the survey. Results will be maintained in a web-based database.

**Rental of Space**

GSA Strategic Goal	Maintain a World Class Workforce and World Class Workplace
GSA Strategic Objective	Assess Customer Satisfaction Trends and Take Actions for Continuous Improvement

**Long Range Performance Goal**

**By 2007, improve customer productivity of Realty Services Transactions by 10% from FY 2003 baseline.**

**Annual Performance Goal**

**Improve customer productivity scores from the FY 2003 baseline-by 2%.**

As a provider of choice, PBS needs to ensure that it provides value to the leasing process and that it meets customer expectations. PBS has developed a survey that asks customers if the PBS provided space improves their ability to accomplish their mission, in terms of productivity. PBS performs this transaction-based survey on new space requests completed for customer agencies. The survey is used to determine whether PBS contributes to meeting customer goals.

**Measure**

Realty Services Transaction Survey, Productivity

**Target**

FY 2002 Target	---
FY 2003 Target	67%
FY 2004 Target	69%

**Strategies**

Partner with contract brokers to free up PBS resources to better manage customer relationships and the overall leasing program.

Partner with lessors by providing them with GSA Customer Satisfaction expectations at the time of lease award.

Continued support of the National Account Executive program to better educate our customers in improved business practices and processes to meet their space needs.

**Verification/Validation**

Source: PBS Headquarter associates will perform the survey. Results will be maintained in a web-based database.

## **PBS CONSTRUCTION AND ACQUISITION OF FACILITIES**

PBS surveys the housing needs of client agencies and the availability of Federal housing in communities nationwide. Construction projects are recommended to meet new housing needs of an agency or to consolidate several dispersed agencies with long-term housing requirements.

PBS's experience has shown that a construction and ownership solution for special purpose and unique facilities, such as courthouses and border stations, is often the best housing solution because these facilities are not readily available in the real estate market.

These expenditures are justified by the same stringent return on investment (ROI) analysis used to justify repairs and alterations expenditures. By applying a Treasury-based "hurdle rate" of 6.1 percent, the non-prospectus construction projects are geared to invest the government's resources wisely.

The goals of Construction and Acquisition of Facilities program are timely completion of construction projects, minimization of cost overruns, and meeting customer needs. The construction program of special purpose and unique facilities provides customers with quality workspace that has been built specifically for their individual requirements. Project and relationship management will enhance PBS's ability to provide facilities that maximize customer's productivity.

PBS revised the internal controls on the methodology of this measure to more realistically assess if projects are on schedule to be completed on time and within budget.

### **PERFORMANCE GOALS LINK TO STRATEGIC PLAN**

GSA Strategic Goal:	Operate Efficiently and Effectively
GSA Strategic Objective:	Manage projects to provide space and services efficiently and effectively.

GSA Strategic Goal:	Provide Best Value for Customer Agencies and Taxpayers
GSA Strategic Objectives:	Assess customer satisfaction trends and take actions for continuous improvement.

### **PBS PERFORMANCE MEASURES**

Construction Projects on Schedule  
Percent Escalations on Construction Projects  
Customer Satisfaction – Tenants in Newly Constructed Buildings  
LEED Certified Buildings

## PBS Construction and Acquisition of Facilities

GSA Operate Efficiently and Effectively  
Strategic Goal

GSA Manage Projects to Provide Space and Services Efficiently and Effectively  
Strategic Objective

### Long Range Performance Goal

Increase Improve the percentage of construction projects on schedule to 87% by FY 2007.

### Annual Performance Goal

Increase the percentage of construction projects on schedule to 84% in FY 2004.

PBS financial projections include rental income from new construction projects as of the anticipated date of occupancy. It is, therefore, critical that projects be completed on time so that they can begin to generate expected revenue. This measure shows the percentage of projects completed on schedule, weighted by cost. This measure will use an earned value technique to assess construction project performance on all projects of more than \$10 million.

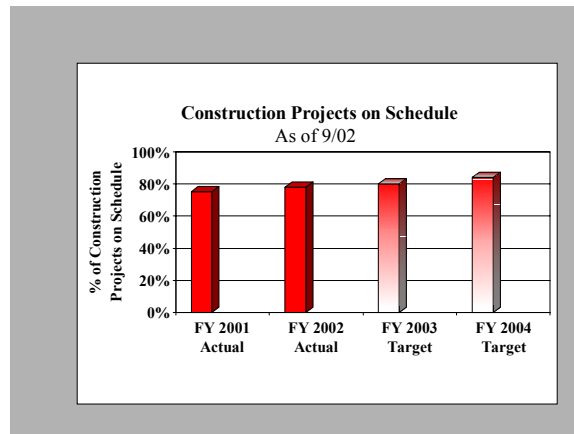
### Measure

Construction projects on schedule expressed as a percentage

### Target

#### % of Construction Projects on Schedule

FY 2001 Actual	75%
FY 2002 Actual	78%
FY 2003 Target	80%
FY 2004 Target	84%



### Strategies

Improve the quality control of project management through a proactive approach of better strategic planning and anticipating changes.

Improve contact and communication with customers for their changing needs and customer satisfaction, with major emphasis on meeting the Project schedule.



Limit project changes that cause delays by obtaining up-front commitments from client agencies on scope, schedules, and costs.

Maintain and improve management information systems that provide project managers with better real time information about project status.

Use the Technical Committee to oversee and review the project changes for extraordinary circumstances, such as “Excusable Delays” as allowed by FAR, for changing PBS commitments to Congress.

Employ innovative construction bid techniques.

Utilize past performance in the selection of contractors.

Select the appropriate delivery system for each project.

Manage the design process effectively to ensure that the project can be constructed on budget and on schedule.

Utilize in-house construction expertise to conduct constructability reviews and budget control reviews.

Perform “Construction Peer Reviews” at approximately 10 percent completion for all large or special projects.

Employ learning from revised Post Occupancy Evaluation Program.

Perform 90% reviews of construction projects to evaluate success of projects and prepare lessons learned for consideration on future projects.

Perform monthly evaluations of A/E and Construction Management and Construction contractors and prepare final performance evaluation of construction contractor.

Institute an overall portfolio strategy for PBS.

Implement a web-based program to streamline GSA’s building evaluation reports and link this program to the existing work tracking system, IRIS (Inventory Reporting Information System) to eliminate double entry and improve data accuracy.

Improve contact and communication with customers.

Optimize the inventory tracking system to better track the inventory of work items that will improve operational efficiency, asset management, and project management and data accuracy.

Form a Technical Committee to oversee and review project changes for extraordinary circumstances, such as “Excusable Delays” as allowed by FAR, for changing commitments to Congress.

Select the appropriate delivery system for each project.

Utilize in-house and contract repairs and alterations expertise to conduct project reviews.

**Budget Link  
(In \$000)**

	FY 2002	FY 2003	FY 2004
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New Construction	\$649,999	\$528,530	\$376,303
Building Operations	\$29,818	\$31,478	\$32,065
TOTAL	\$679,817	\$560,008	\$408,368

**Verification/Validation**

Source: Project Information Portal (PIP) and Pegasys

The Data section discusses PIP and Pegasys as a data source.

## PBS Construction and Acquisition of Facilities

GSA Operate Efficiently and Effectively  
Strategic Goal

GSA Manage Projects to Provide Space and Services Efficiently and Effectively  
Strategic Objective

### Long Range Performance Goal

**Reduce the cost escalation rate for construction projects to 1% by FY 2007.**

### Annual Performance Goal

**Reduce the cost escalation rate for construction projects to 3%.**

PBS manages the capital program within budgets provided by Congress. Projects are considered within budget until PBS escalates or requests a reprogramming or additional appropriations for the project that raises total project cost above the original appropriation amount. By concentrating on the financial aspects of repair and alteration projects, PBS helps to ensure that taxpayers are getting the best value.

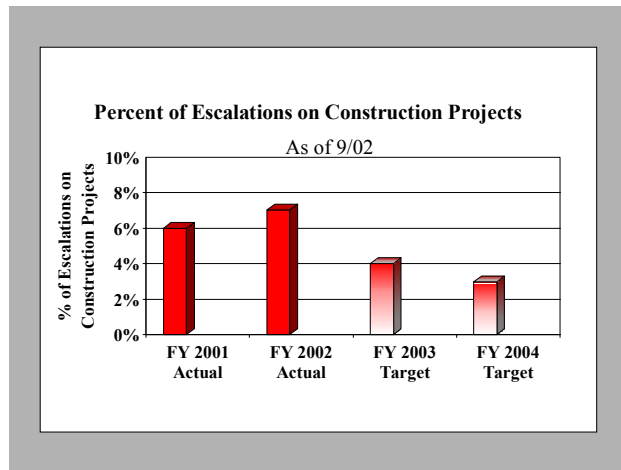
### Measure

Percent of escalations on construction projects

### Target

#### % of escalations on construction projects

FY 2001 Actual	6%
FY 2002 Actual	7.0%
FY 2003 Target	4%
FY 2004 Target	3%



### Strategies

Improve the quality control of project management through a proactive approach of better strategic planning and anticipating changes.

Improve contact and communication with customers for their changing needs and customer satisfaction. Major emphasis on meeting the Project schedule.

Limit project changes that cause delays and increase costs by obtaining up-front commitments from client agencies on scope, schedules, and costs.

Maintain and improve management information systems that provide project managers with better real time information about project status.

Form a Technical Committee to oversee and review the project changes for extraordinary circumstances, such as “Excusable Delays” as allowed by FAR, for changing commitments to Congress.

Utilize past performance in the selection of construction contractors.

Select the appropriate delivery system for each project.

Manage the design process effectively to ensure that the project can be constructed on budget and on schedule.

Perform “Construction Peer Reviews” at approximately 10 percent completion for all large or special projects.

Perform 90% reviews of construction projects to evaluate success of projects and prepare lessons learned for consideration on future projects.

Employ learning from revised Post Occupancy Evaluation Program.

Perform monthly evaluations of A/E and Construction Management and Construction contractors and prepare final performance evaluation of construction contractor.

Limit project changes that cause cost escalations by obtaining up-front commitment from client agencies on scopes, schedules, and costs. Completing projects within budget allows PBS to realize the return on investment expected.

Use design options that allow us to scale back a project to adjust for reductions to budget or bids higher than estimates.

Continue PBS commitment to its Design and Construction Excellence programs that reflect industry practice in the contracting and management of construction. PBS no longer relies on low bid contracting as it moves towards best value methods. These include selection of contractors based on evidence of qualifications and a demonstrated, consistent ability to properly coordinate work on large projects, as well as a solid track record of dealing with scope, budget and schedule.

Implement cost escalation study results started in 2001 and identify good practices.

Select the appropriate delivery system for each project.

Utilize in-house and contract repairs and alterations expertise to conduct project reviews.

Utilize past performance in the selection of repairs and alterations contractors.

Perform reviews of repairs and alterations projects to evaluate success and prepare lessons learned for consideration on future projects.

**Budget Link  
(In \$000)**

	FY 2002	FY 2003	FY 2004
New Construction	\$26,514	\$28,629	\$24,265
Building Operations	\$29,818	\$31,479	\$32,065
TOTAL	\$56,332	\$60,108	\$56,330

**Verification/Validation**

Source: Pegasys System

The Data section discusses the Pegasys System as a data source.

## PBS Construction and Acquisition of Facilities

GSA Strategic Goal	Provide Best Value for Customer Agencies and Taxpayers
GSA Strategic Objective	Assess Customer Satisfaction Trends and Take Actions for Continuous Improvement

### Long Range Performance Goal

Maintain a 90% tenant satisfaction rating in newly constructed buildings.

### Annual Performance Goal

Maintain a 90% tenant satisfaction rating in newly constructed buildings.

PBS achieves and maintains a high level of customer satisfaction with tenants in newly constructed buildings through providing quality products and services at competitive prices while achieving significant savings for Federal agencies and providing best value. PBS has higher customer satisfaction expectations of newly constructed buildings than it does for owned and leased buildings in its inventory. Although there was a drop in customer satisfaction levels in FY 2000, PBS continues to set targets using the FY 1998 baseline.

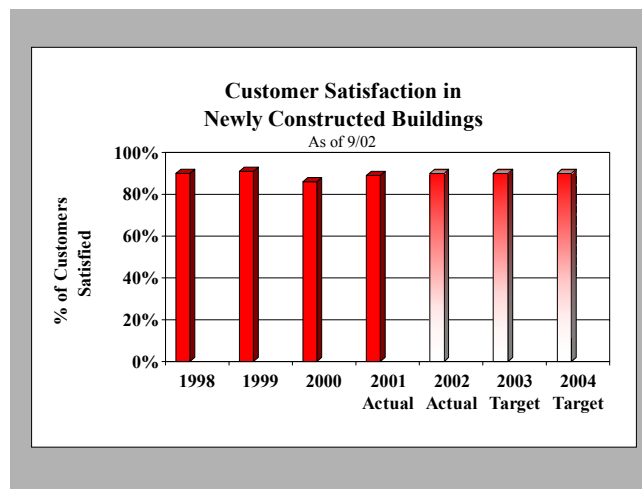
### Measure

Customer satisfaction – tenants in newly constructed buildings

### Target

Percentage of satisfied customers.

FY 1998 Actual	90%
FY 1999 Actual	91%
FY 2000 Actual	86%
FY 2001 Actual	89%
FY 2002 Actual	90%
FY 2003 Target	90%
FY 2004 Target	90%



## **Strategies**

Utilize customer satisfaction action plan training at the field and regional office levels to target problem areas within individual buildings and discuss tactics that can be employed to improve scores.

Encourage building managers and project managers whose buildings have high customer satisfaction scores to share those business practices that have helped attain these high scores with other managers nationwide.

Use focus groups, at the building level, to better understand what is needed to improve customer satisfaction.

Use the American Society for Testing and Materials (ASTM) Serviceability Standard to determine what agencies' customer requirements are for productive workspace.

Evaluate newly constructed buildings using a post occupancy evaluation survey to determine the usability of new buildings for PBS customers.

## **Budget Link**

Data not presently available

## **Verification/Validation**

Source:           The Gallup Organization  
                      IFMA customer satisfaction survey

The Data section discusses The Gallup Organization and the IFMA customer satisfaction survey as data sources.

## **PBS Construction and Acquisition of Facilities**

GSA Strategic Goal	Operate Efficiently and Effectively
GSA Objective	Manage Projects to Provide Space and Services Efficiently and Strategically

### **Long Range Performance Goal**

**All new buildings to be “LEED” certified, Silver Level.**

### **Annual Performance Goal**

**All new buildings to be “LEED” certified.**

Leadership in Energy and Environmental Design (LEED) is a self-assessing system designed for rating new and existing commercial, institution and high-rise residential buildings. LEED, developed by the U.S. Green Building Council (USGBC), is the premier green building rating system in the industry. It evaluates environmental performance from “whole building” perspective over a building’s life cycle, providing a definitive standard for what constitutes a green building. The term “Green Building,” used interchangeably with the term “Sustainable Design,” describes facilities that are located, designed, constructed and operated to consider impact to the natural environment, use natural resources efficiently, improve building performance, and address the health and comfort of building occupants.

GSA utilizes the LEED Green Building Rating System as a goal in design criteria in order to help apply principles of sustainable design and development to facilities projects. The LEED certification is also a measure of GSA’s success in meeting the sustainable design goals found in:

- Executive Order 13123 (Greening the Government through Efficient Energy Management)
- Executive Order 13101 (Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition)
- Executive Order 13148 (Greening the Government Through Leadership in Environmental Management).

As the first Federal agency to officially join the USGBC in January 2001, GSA currently has 19 projects registered as working toward LEED ratings – more than any other organization in the country. These projects have succeeded in maintaining an optimal balance of cost, environmental, societal and human benefits while meeting the needs of the client agency.

Some examples of these success stories include the Alfred A. Arraj U. S. Courthouse Annex in Denver, Colorado. This courthouse recently received a LEED ‘Gold’ rating. The courthouse is expected to consume about 43% less energy than a baseline building.

The LEED Certified Annex Building for Social Security Administration in Woodlawn, Maryland is predicted to achieve a 25% savings in energy over a baseline model. The LEED Certified U.S. Courthouse and Federal Building in Youngstown, Ohio was commended for exemplary performance in Innovation and Design for the use of over 60% locally manufactured materials, reducing transportation costs and supporting the local economy. The Oklahoma Federal Campus, which will house several agencies, was designed with an underfloor air and utility distribution system that will save on reconfiguration costs as agencies move and other office changes occur.

Beginning in FY 2003, all new construction and major repair & alteration projects must be registered with USGBC working towards LEED Certification, with a target level of Silver. The result and benefits will include reduced operating costs, reduced waste, conservation of natural resources, positive community relationships, increased building value, increased occupant productivity, and increased occupant satisfaction.



**Measure**

LEED certified buildings

**Target**

Percentage of new buildings LEED registered

FY 2002 Target	LEED Project Initiated
FY 2003 Target	100% of new projects
FY 2004 Target	100% of new projects

**Strategies**

Adopt LEED certification standards developed by the U.S. Green Building Council (USGBC). These standards rate a building's design and efficiency in terms of site, water use, energy consumption, material use and indoor environmental quality.

Register new buildings for LEED certification with the USGBC at start of project.

Design building with LEED certification as an objective. Document construction process to assemble data required for USGBC submission.

Submit documentation to USGBC certifying that required prerequisites have been met.

**Budget Link**

Not available at this time.

**Verification/Validation**

GSA will submit compliance documentation to the U.S. Green Building Council to obtain LEED certification rating for each new building.



## **PBS REPAIRS AND ALTERATIONS**

PBS's objective is to provide consistent levels of quality space and services that meet the mission-related needs and expectations of client agencies housed in owned capital assets. The Repairs and Alterations (R&A) program funds the necessary work to keep PBS's building inventory in a proper state of repair, modernize outdated space and facilities, improve health and safety, recapture vacant government-owned space, and address other special program needs. The strategic plan gives priority to investment in existing Government-owned assets to maintain their economic value; ensures continuing ability to house Federal agencies and support their mission requirements; and enables GSA to charge market-comparable rent rates sufficient to permit needed reinvestment in these assets over their life cycle.

The repair and upgrade of these assets are always top priority for capital funds. Without sufficient funds to properly maintain and modernize buildings, PBS will fail in its stewardship role and the value of this government resource will decline. Repairs and Alterations funds are separated into two distinct budget activities, the line item and basic programs.

The line item program provides funding authority for repairs and alterations projects that require prospectus approval. The FY 2004 prospectus limitation within a building is \$2.29 million. The basic program is designed to ensure day-to-day operational continuity of assets in GSA's portfolio. The basic program includes work in buildings below the prospectus threshold for basic repairs, health and life-safety, vacant space recapture, and PBS special programs. This program funds PBS's efforts to improve the GSA brand through First Impressions, Retail Tenant Services, Protection projects, Construction Excellence, and initiatives to reduce non-revenue producing space. This program is essential for preserving PBS's capital assets between major reinvestments.

The line item alteration program, combined with the basic program, is budgeted at approximately 2.6 % percent of the Functional Replacement Value (FRV) of the owned inventory. The facilities under PBS's stewardship have a FRV of approximately \$38.8 Billion (estimated). This amount falls in the range of the funding level recommendation by the National Research Council and is consistent with private sector practice.

### **PERFORMANCE GOALS LINK TO STRATEGIC PLAN**

GSA Strategic Goal:	Operate Efficiently and Effectively
GSA Strategic Objective:	Manage projects to provide space and services efficiently and effectively
GSA Strategic Goal	Achieve Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and optimize government's return on investment
GSA Strategic Goal:	Carry Out Social, Environmental & Other Responsibilities as a Federal Government Agency
GSA Strategic Objectives:	Reduce the environmental financial liability in Federal facilities.

### **PBS PERFORMANCE MEASURES**

Repair and Alteration Projects on Schedule  
Percent Escalations on Repair and Alteration Projects  
Environmental Risk Index

## **PBS Repairs and Alterations**

GSA Strategic Goal	Operate Efficiently and Effectively
GSA Strategic Objective	Manage Projects to Provide Space and Services Efficiently and Effectively

### **Long Range Performance Goal**

**Improve the percentage of repair and alteration (R&A) projects on schedule.**

### **Annual Performance Goal**

**Improve the percentage of repair and alteration projects on schedule to 84% in FY 2004.**

PBS financial projections include rental income from new R&A (repair and alteration) projects as of the anticipated date of occupancy. It is, therefore, critical that projects be completed on time so that they can begin to generate expected revenue. This measure shows the percentage of projects on schedule, weighted by cost. This measure will use an earned value technique to assess major R&A project performance on all projects of more than \$10 million.

PBS is learning much from the Construction Excellence program that provides high quality construction for the best value using the best business practices. Most new lessons learned from this construction program can be applied directly to the smaller Repair and Alterations projects.

This program emphasizes completing projects on time and within budget. The current success of this program improves the quality of the design product and enhances working relationships with the customers and construction contractors. PBS now uses construction research organizations to improve PBS performance and provides recognition for quality construction.

PBS now uses an effective web based project information system to track schedules and budgets throughout the life of a project. A new comprehensive estimating tool identifies all project support costs for more accurate budgets.

Pre-project planning is emphasized for early identification of project goals and scope. The use of construction expertise during design is helping to verify constructability, estimates, and schedule. Best value source selection procedures, using past performance as an evaluation criteria, are being used to procure construction contractors in lieu of low bid contracting. At phased intervals throughout construction, peer reviews using a team of private sector consultants, are conducted on major projects to identify potential problems early and assure positive project team relations.

PBS has intensified the focus on project management training in several functional business lines and is measuring success in this area. Project managers are also encouraged to become certified by the Construction Management Association of America (CMAA).

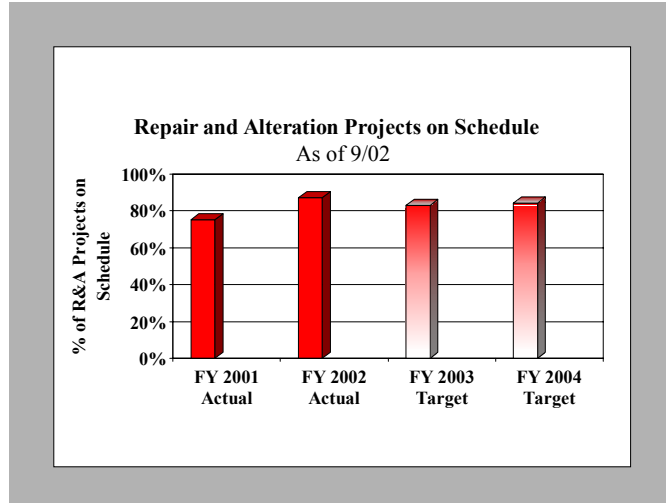
### **Measure**

Construction projects on schedule expressed as a percentage

## Target

### % of Repair and Alteration Projects on Schedule

FY 2001 Actual	75%
FY 2002 Actual	87%
FY 2003 Target	83%
FY 2004 Target	84%



## Strategies

Improve the quality control of project management through a proactive approach of better strategic planning and anticipating changes.

Improve contact and communication with customers for their changing needs and customer satisfaction. Major emphasis on meeting the Project schedule.

Limit project changes that cause delays by obtaining up-front commitments from client agencies on scope, schedules, and costs.

Maintain and improve management information systems that provide project managers with better real time information about project status.

Use the Technical Committee to oversee and review the project changes for extraordinary circumstances, such as "Excusable Delays" as allowed by FAR, for changing PBS commitments to Congress.

Employ innovative construction bid techniques.

Utilize past performance in the selection of contractors.

Select the appropriate delivery system for each project.

Manage the design process effectively to ensure that the project can be constructed on budget and on schedule.

Utilize in-house construction expertise to conduct constructability reviews and budget control reviews.

Perform “Peer Reviews” at approximately 10 percent completion for all large or special projects-

Employ learning from revised Post Occupancy Evaluation Program.

Perform 90% reviews of repair and alteration projects to evaluate success of projects and prepare lessons learned for consideration on future projects.

Perform monthly evaluations of A/E and repair and alteration contractors and prepare final performance evaluation of these contractors.

Institute an overall portfolio strategy for PBS.

Implement a web-based program to streamline GSA’s building evaluation reports to improve operational efficiency by linking this program to GSA’s work tracking system , IRIS (Inventory Reporting Information System to eliminate double entry and insure data accuracy.

Improve operational efficiency by linking the above referenced web-based program to the existing work tracking system, Inventory Reporting Information System (IRIS). It will eliminate double entry and insure data accuracy.

Utilize Asset Business Plans and the new R&A Decision Model to improve the financial decisions and establish budget priorities.

Improve contact and communication with customers.

Optimize the inventory tracking system to better track the inventory of work items that will improve operational efficiency, asset management, and project management and data accuracy.

Form a Technical Committee to oversee and review project changes for extraordinary circumstances, such as “Excusable Delays” as allowed by FAR, for changing commitments to Congress.

Select the appropriate delivery system for each project.

Utilize in-house and contract repairs and alterations expertise to conduct project reviews.

Perform reviews of repairs and alterations projects to evaluate success and prepare lessons learned for consideration on future projects.

**Budget Link  
(In \$000)**

	FY 2002	FY 2003	FY 2004
Repairs and Alterations	\$437,366	\$543,982	\$537,862
Building Operations	\$29,818	\$31,479	\$32,065
TOTAL	\$467,184	\$575,461	\$569,927

**Verification/Validation**

Source: Project Information Portal (PIP) and Pegasys Systems.  
The Data section discusses PIP and Pegasys as a data source.

## PBS Repairs and Alterations

GSA Strategic Goal	Achieve Responsible Asset Management
GSA Strategic Objective	Conserve Taxpayer Investment in Real and Personal Property and Optimize Government's Return on Investment

### Long Range Performance Goal

Maintain the cost escalation rate for repair and alteration projects at the 1% level.

### Annual Performance Goal

Reduce the cost escalation rate for repair and alteration projects to 1.0%.

PBS manages the capital program within budgets provided by Congress. Projects are considered within budget until PBS escalates or requests a reprogramming or additional appropriations for the project that raises total project cost above the original appropriation amount. By concentrating on the financial aspects of repair and alteration projects, PBS helps to ensure that taxpayers are getting the best value.

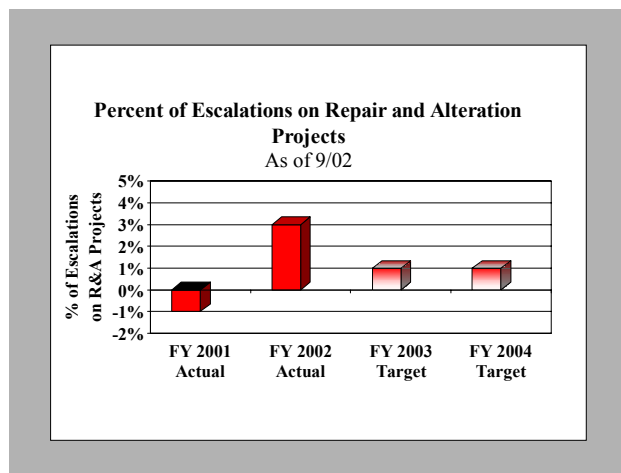
### Measure

Percent of escalations on Repair and Alteration projects

### Target

#### % of escalations on Repair and Alteration projects

FY 2001 Actual	(1%)
FY 2002 Actual	3%
FY 2003 Target	1%
FY 2004 Target	1.0%



### Strategies

Improve the quality control of project management through a proactive approach of better strategic planning and anticipating changes.

Improve contact and communication with customers for their changing needs and customer satisfaction. Place major emphasis on meeting the Project schedule.

Limit project changes that cause delays and increase costs by obtaining up-front commitments from client agencies on scope, schedules, and costs.

Maintain and improve management information systems that provide project managers with better real time information about project status.

Form a Technical Committee to oversee and review the project changes for extraordinary circumstances, such as “Excusable Delays” as allowed by FAR, for changing commitments to Congress.

Utilize past performance in the selection of construction contractors.

Select the appropriate delivery system for each project.

Manage the design process effectively to ensure that the project can be constructed on budget and on schedule.

Perform “Construction Peer Reviews” at approximately 10 percent completion for all large or special projects.

Perform 90% reviews of construction projects to evaluate success of projects and prepare lessons learned for consideration on future projects.

Employ learning from revised Post Occupancy Evaluation Program.

Perform monthly evaluations of A/E and Construction Management and Construction contractors and prepare final performance evaluation of construction contractor.

Limit project changes that cause cost escalations by obtaining up-front commitment from client agencies on scopes, schedules, and costs. Completing projects within budget allows PBS to realize the return on investment expected.

Use design options that allow us to scale back a project to adjust for reductions to budget or bids higher than estimates.

Continue PBS commitment to its Design and Construction Excellence programs that reflect industry practice in the contracting and management of construction. PBS no longer relies on low bid contracting as it moves towards best value methods. These include selection of contractors based on evidence of qualifications and a demonstrated, consistent ability to properly coordinate work on large projects, as well as a solid track record of dealing with scope, budget and schedule.

Implement cost escalation study results started in 2001 and identify good practices.

Select the appropriate delivery system for each project.

Utilize in-house and contract repairs and alterations expertise to conduct project reviews.

Utilize past performance in the selection of repairs and alterations contractors.

Perform reviews of repairs and alterations projects to evaluate success and prepare lessons learned for consideration on future projects.



**Budget Link**

	FY 2002	FY 2003	FY 2004
Repairs and Alterations	\$28,735	\$39,001	\$31,679
Building Operations	\$29,818	\$31,479	\$32,065
TOTAL	\$58,553	\$70,480	\$63,744

**Verification/Validation**

Source: Pegasys System

The Data section discusses the Pegasys System as a data source.

## **PBS Repairs and Alterations**

GSA Strategic Goal	Carry Out Social, Environmental, and Other Responsibilities as a Federal Government Agency
GSA Strategic Objective	Reduce the Environmental & Other Responsibilities as a Federal Agency

### **Long Range Performance Goal**

**Achieve an overall measurable reduction in workplace environmental risks in federal facilities.**

#### **Annual Performance Goal**

**Reduce environmental risks in selected federal facilities.**

PBS is responsible for providing workplaces that are environmentally healthy, safe, and in compliance with federal, state, and local environmental and safety laws and regulations. All PBS properties must address routine, recurring environmental and safety mandates, such as ensuring safe drinking water, underground storage tank leakage, stack emissions, asbestos, lead based paint and client agency activities.

A number of GSA owned properties pose a certain environmental risk as documented in the estimating our financial liability for environmental contamination. In the majority of these cases the properties were transferred to GSA from DOD, and/or the properties were contaminated by our client agencies such as laboratories or firing ranges. A small number of properties were contaminated from the activities on adjacent properties.

In general, these risks do not require immediate action, and PBS manages them routinely to protect the health and safety of our tenants, our staff, our neighbors, the general public, and the environment. Yet there are costs associated with managing the risks, and benefits associated with reducing them. Reducing risks will improve workplace safety and health, reduce environmental compliance costs, increase the marketability of our space to prospective tenants, facilitate property disposal efforts, and demonstrate leadership.

For the FY 2004 Performance Plan, PBS will calculate an environmental risk index (ERI) to identify and assess environmental risks in PBS properties. The specific calculation for the ERI is under development, but it will build upon existing PBS risk assessment methodologies. PBS already assigns risk assessment codes to environmental conditions on the basis of the severity of the potential hazard and the probability that it will result in a release or exposure. We also have extensive information on the environmental conditions present on our properties. During FY 2003, we will finalize the methodology for calculating the ERI, validate its use, establish information management procedures, and build a baseline from a sample of properties.

#### **Measure**

Environmental risk index

#### **Target**

FY 2003 – Set Baseline Reduce the ERI in PBS owned buildings by 3% in FY 2004.

To establish a baseline in FY 2003, PBS will calculate the ERI in at least 165 government-owned and operated buildings, based on anticipated risk from the environmental liability assessment

performed in 2000 and 2001. The intent is to establish the baseline through assessing about 10 percent of the owned inventory.

Our goal is to assess an at a minimum, an additional 30 percent of the owned inventory in each of the next three fiscal years, so that the entire owned inventory will have been assessed by FY 2006.

### **Strategies**

Develop and implement an ERI that includes risk assessment/assignment criteria and definitions.

Identify and prioritize environmental risks.

Ensure that budgets for major repair and alteration projects include sufficient funds to remediate environmental risks.

Conduct training on the ERI and how environmental risks can be addressed in major renovation and construction projects.

Develop and deploy an ERI database and data collection methodology and tools.

Maintain a PBS staff that is knowledgeable of environmental risks and risk assessment methods.

### **Budget Link**

	FY 2002	FY 2003	FY 2004
Repairs and Alterations	\$29,829	\$61,924	\$73,188
Building Operations	\$ 9,596	\$ 9,681	\$ 9,823
TOTAL	\$39,425	\$71,605	\$83,011

### **Verification/Validation**

Regional and field personnel will conduct the ERI assessments. A Central Office review team will validate data on an annual basis.



## **PBS Financial Management**

Capital Investment is required to maintain and mold PBS assets into superior workplaces and facilitate customer agencies' ability to fulfill their missions. PBS must adequately provide for this capital investment through the revenue that it generates, balanced against prudent expenditures through responsible asset management. PBS has worked hard since initiating the Linking Budget to Performance program to reinforce this "portfolio view" among managers and associates as they make day-to-day decisions that impact the bottom line.

In FY 2003, PBS is introducing a Potential Revenue measure to assess the potential revenue that can be generated from the inventory if all space was occupied and all customers were paying market rent. This potential revenue number will be compared to the actual revenue collected to assess the percentage of potential revenue being realized. Maximizing Potential Revenue is an improvement upon PBS's traditional non-revenue producing space measures since it is expressed in terms of real dollars and takes into consideration space for which PBS does not receive market rent. This measure will allow PBS to more accurately assess long-range goals and targets for improvement. Potential Revenue includes actual revenue plus estimated revenue from the combination of vacant space, space under alteration, committed space, PBS-occupied space, space where tenants receive reduced rent and other minor revenue opportunities.

### **PERFORMANCE GOALS LINK TO STRATEGIC PLAN**

GSA Strategic Goal	Ensure Financial Accountability
GSA Strategic Objective	Ensure accurate financial forecasting
GSA Strategic Goal	Achieve Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and optimize government's return on investment

### **PBS PERFORMANCE MEASURES**

The performance measures in this segment show revenue and gauge the financial health of PBS.

#### **Funds from Operations**

Potential Revenue

Funds From Operations

Percentage of Non-Revenue Producing Space in Government Owned Inventory

Percentage of Non-Revenue Producing Space in Leased Inventory

Percent of Government Owned Assets with a Return on Investment of at least 6%

Percent of Government Owned Assets Achieving a Positive Funds from Operations

*Budget Information for past, current and future fiscal years*

	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Request	2004 Request
Revenue	\$5.4 billion	\$5.7 billion	\$5.9 billion	\$6.0 billion	\$6.2 billion	\$6.7 billion

\* Excludes Indefinite Authority associated with Pennsylvania Avenue Activity (PAA) and International Trade Center (ITC)

\*\* Excludes Indefinite Authority associated with PAA, ITC, and Rental of Space

**PBS Financial Management**

GSA Strategic Goal	Achieve Responsible Asset Management
GSA Strategic Objective	Conserve Taxpayer Investment in Real and Personal Property and Optimize Government’s Return on Investment

**Long Range Performance Goal**

**Increase the percentage of potential revenue collected by PBS to 94% in FY 2007.**

**Annual Performance Goal**

**Increase overall potential revenue to 93.3%.**

Collecting the revenue PBS estimates is important, but maximizing the percentage of potential revenue it collects serves to maximize the use of government-owned and existing leased space that, in turn, maximizes contribution for capital investment. The potential revenue measure shows what percent of PBS’s potential revenue from the inventory is producing revenue for the Federal Buildings Fund. It is also a means of measuring how fully PBS is utilizing its assets and meeting its objective to conserve taxpayer investment. PBS will never be able to capture 100% of the potential revenue because there will always be some vacant space, space under alteration, and PBS-occupied space in the PBS inventory. However, PBS will target the potential revenue measure to levels equivalent with the long-term goals for non-revenue producing space. The formula outlined below represents the potential revenue of the PBS inventory.

**Measure**

Potential Revenue

The potential revenue is calculated as follows:

POTENTIAL REVENUE = ACTUAL REVENUE + LOST REVENUE from Vacant Space, Committed Space, Space Under Alteration, PBS-occupied space, Agencies not paying full rent and other unbilled space.

This is calculated by multiplying the appropriate rental rate by the square footage of every space assignment and block of non-revenue producing space in the PBS inventory.

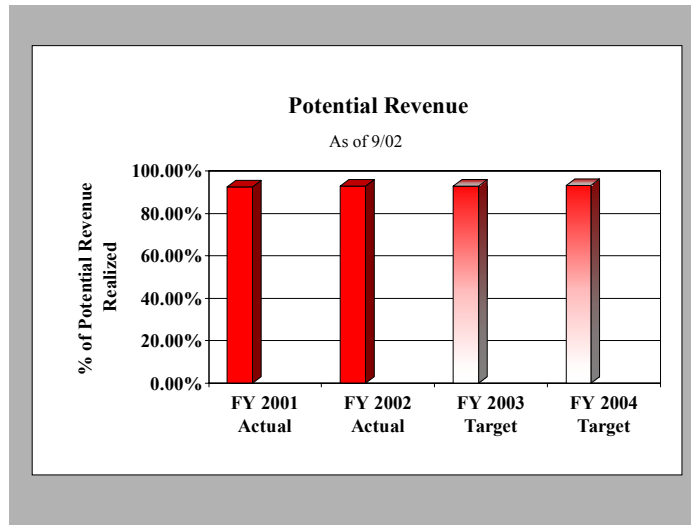
The percent of potential revenue received is calculated as follows:

$$\text{PERCENT POTENTIAL REVENUE RECEIVED} = \frac{\text{ACTUAL REVENUE RECEIVED}}{\text{POTENTIAL REVENUE}}$$

**Target**

FY 2001 Actual (original)	88.7% of potential revenue
FY 2001 Actual (revised)	92.4% of potential revenue
FY 2002 Actual	92.7% of potential revenue
FY 2003 Target	93.0% of potential revenue
FY 2004 Target	93.3% of potential revenue

*Note: The FY 2001 actual score was revised to reflect new measure methodology. Previously, the average billed amount per leased building for was used. Now the measure uses the actual billed amount for leased space to get a more accurate score.*



**Strategies**

Reduce the amount of space occupied by PBS.

Convert space under alterations to revenue producing space quickly.

Begin rental stream on vacant space that is promised to an agency.

Expedite future tenant occupancy.

Continue to use occupancy agreements as a tool to help eliminate gaps between the time when space becomes available and when a revenue stream begins.

**Budget Link**

	FY 2002	FY 2003	FY 2004
Repairs and Alterations	\$404,312	\$367,340	\$365,000
Building Operations	\$3,567	\$4,372	\$4,116
<b>TOTAL</b>	<b>\$407,879</b>	<b>\$371,712</b>	<b>\$369,116</b>

**Verification/Validation**

Source: STAR  
The Data section discusses this system as a data source.



## PBS Financial Management

GSA Strategic Goal	Achieve Responsible Asset Management
GSA Strategic Objective	Conserve Taxpayer Investment in Real and Personal Property and Optimize Government's Return on Investment

### Long Range Performance Goal

Increase Funds from Operations to \$1.6 billion in FY 2007.

### Annual Performance Goal

Increase Funds from Operations to \$1.51 billion.

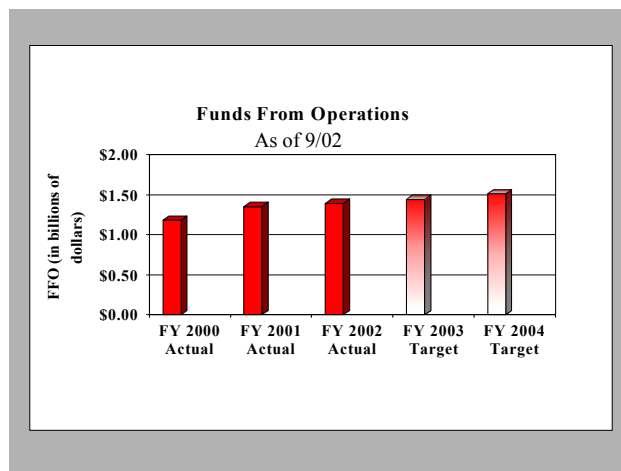
### Measure

Funds From Operations

### Target

FFO is calculated as revenue minus funded operating expenses (net cost plus depreciation). FFO is an indicator of funding available for our capital investment program.

FY 1998 Baseline:	\$0.98 billion
FY 1999 Actual:	\$1.26 billion
FY 2000 Actual:	\$1.18 billion
FY 2001 Actual:	\$1.35 billion
FY 2002 Actual:	\$1.39 billion
FY 2003 Target:	\$1.44 billion
FY 2004 Target:	\$1.51 billion



### Strategies:

Targeted efforts of PBS's regional staffs to improve their performance against the measures that impact FFO (e.g. non-revenue producing space, operating costs, indirect costs, data accuracy, etc.).

Strong partnering efforts with PBS's service providers at the local and national levels allow PBS to reduce the cost of doing business, particularly in operations.

**Budget Link**

	FY 2002	FY 2003	FY 2004
Building Operations	\$53,163	\$73,454	\$74,797
TOTAL	\$53,163	\$73,454	\$74,797

**Verification and validation:**

Source: Financial data is from Pegasys and square footage data is taken from STAR. See the Data section for a discussion of these systems.

## **PBS Financial Management**

GSA Strategic Goal	Achieve Responsible Asset Management
GSA Strategic Objective	Conserve Taxpayer Investment in Real and Personal Property and Optimize Government's Return on Investment

### **Long Range Performance Goal**

**Reduce the amount of non-revenue producing space in the government-owned inventory to 9.7% in FY 2007.**

### **Annual Performance Goal**

**Reduce the amount of non-revenue producing space to 10.4% in government-owned inventory.**

### **Measure**

Percentage non-revenue producing space in government-owned inventory

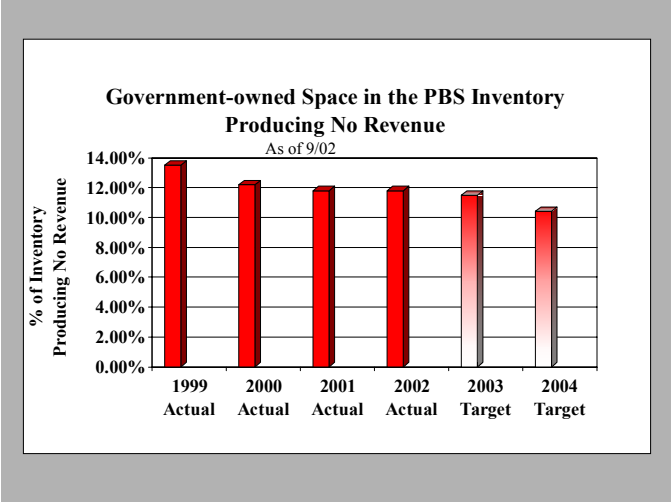
Non-revenue producing space includes space under alteration, space occupied by PBS, and vacant available space. Government-owned space that does not produce revenue reduces the percentage of potential revenue PBS can collect which, in turn, directly affects funds available for capital improvements.

### **Target**

Percentage of non-revenue producing space in government-owned inventory

FY 1999 Actual	13.5%
FY 2000 Actual	12.2%
FY 2001 Actual	11.8%
FY 2002 Actual	11.8%
FY 2003 Target	11.5%
FY 2004 Target	10.4%

As stated in the 2003 Performance Plan, the Federal Supply Service (FSS) determined that it had excess capacity in its stock program. At that time, FSS was closing all forward supply points and two distribution centers. These supply points and distribution centers total approximately 2,7 million square feet or roughly ten percent of total non-revenue producing space. PBS is absorbing these vacant warehouses in fiscal years 2002 and 2003 and therefore raising its targets for fiscal years 2004 and 2005. These warehouses will be difficult to dispose of because they are largely unmarketable outside of the federal arena. In most instances they were built over thirty years ago and no longer reflect modern design and specifications.



**Strategies**

Aggressively market vacant warehouse space.

Convert vacant space under alteration into vacant available or assigned space as quickly as possible.

Realign space assignments within owned buildings to consolidate small portions of vacant space into larger marketable blocks.

Continue to use occupancy agreements as a tool to help eliminate gaps between the time when space becomes available and when a revenue stream begins.

Review underutilized properties and determine, analyze and implement prudent alternatives.

Utilize outleasing opportunities.

**Verification/Validation**

Source: STAR

The Data section discusses this system as a data source.

## **PBS Financial Management**

GSA Strategic Goal	Achieve Responsible Asset Management
GSA Strategic Objective	Conserve Taxpayer Investment in Real and Personal Property and Optimize Government's Return on Investment

### **Long Range Performance Goal**

**By FY 2007, achieve a 2.7% level of non-revenue producing space in leased inventory.**

### **Annual Performance Goal**

**Reduce the amount of non-revenue producing space in the leased inventory to 2.9%.**

Leased space that is not occupied reduces the percentage of gross potential revenue PBS can collect. This directly affects funds available for capital improvements. Non-revenue producing space includes space under alteration, space occupied by PBS, and vacant available space.

### **Measure**

Percentage of non-revenue producing space in leased inventory

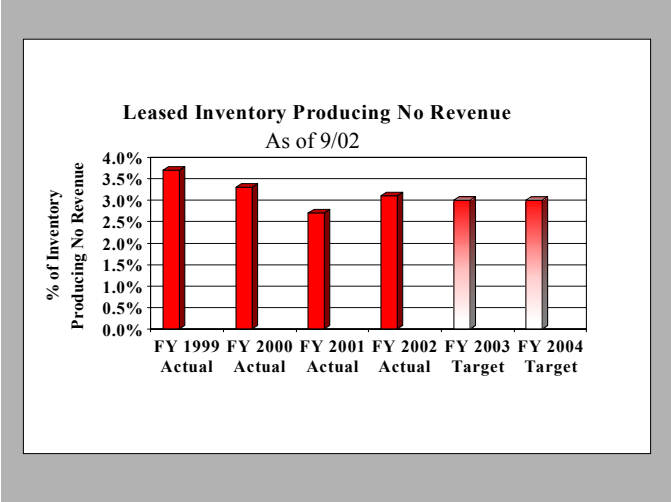
Non-revenue producing space includes space under alteration, space occupied by PBS, and vacant available space.

### **Target**

PBS has established a new long-range performance goal of 3.0 percent. In 2002, PBS did not meet the 2003 performance goal of 3.0%. Considering this industry data, PBS's 2.9% non-revenue producing space target is healthy and ambitious.

Percentage of non-revenue producing space in leased inventory

FY 1999 Actual	3.7%
FY 2000 Actual	3.3%
FY 2001 Actual	2.7%
FY 2002 Actual	3.1%
FY 2003 Target	3.0%
FY 2004 Target	2.9%



**Strategies**

Plan tenant expansions and downsizing more effectively to minimize vacant space.

Buy out leases when cost effective and move tenants to vacant owned space.

Utilize outleasing opportunities.

Market vacant space where possible and where government owned vacant space is not available.

**Verification/Validation**

Source: STAR

The Data section discusses this system as a data source.

PBS Financial Management

GSA Strategic Goal	Achieve Responsible Asset Management GSA
GSA Strategic Objective	Highest and Best Use of Portfolio

**Long Range Performance Goal**

**Increase the percentage of government owned assets with an ROI of at least 6% to 86% by FY 2007.**

**Annual Performance Goal**

**Increase the percentage of government-owned assets with an ROI of at least 6 percent to 68%.**

Beyond increasing the percentage of assets achieving a positive FFO, PBS is making an effort to increase the percentage of assets with an ROI of at least 6 percent. This goal is in keeping with the PBS strategy to focus its limited resources on performing assets. It is PBS' intent to create a portfolio in which all of our assets will eventually fall into the top, "performing" tier of the three tiers used to classify each of our buildings. The assets in this top tier all maintain an ROI of at least 6 percent; they are solid financial performers that fulfill the long-term needs of the customers. The top tier buildings are able to generate enough money to fund their own operations, repairs, and capital needs, thereby providing quality workspace to the customer and best value to the taxpayer.

**Measure**

Percentage of Government-Owned Assets with an ROI of at least 6 Percent

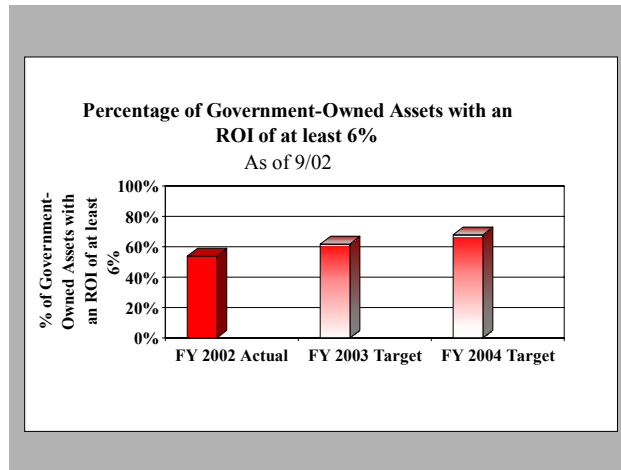
ROI is calculated as follows:

$$\text{Return on Investment} = \frac{\text{Net Operating Income}}{\text{Fair Market Value}}$$

$$\% \text{ Assets with an ROI of at least 6 Percent} = \frac{\# \text{ of Buildings with an ROI of at least 6\%}}{\text{Total \# of Buildings}}$$

**Target**

FY 2002 Actual	54%
FY 2003 Target	62%
FY 2004 Target	68%



### Strategies

The strategy for increasing the percentage of government-owned assets with an ROI of at least 6 percent is the same as that for increasing the percentage of assets achieving a positive FFO. Assets that are non-performing or under-performing will be placed on a watchlist and dealt with accordingly. Strategies for resolving non- or under-performance issues include the following:

Exchange of the current asset for a higher performing space.

Disposal of non-performing assets from the inventory.

Renegotiation of rents resulting in an increased FFO.

Use of Section 111 leases (historic outleasing).

Conveyance of the asset to tenants.

Use of cost containment.

### Verification/Validation

Source: Financial data is from Pegasys and square footage data is taken from STAR. See the Data section for a discussion of these systems.



**PBS Financial Management**

GSA Strategic Goal	Achieve Responsible Asset Management
GSA Strategic Objective	Highest and Best Use of Portfolio

**Long Range Performance Goal**

**Improve financial aspects of the PBS inventory.**

**Annual Performance Goal**

**Increase the percentage of government-owned assets achieving a positive FFO.**

Responsible asset management is one of GSA's primary goals. To this end, GSA is conducting an all-encompassing review of public buildings as part of an overall strategy to focus limited resources on performing assets that have a continuing federal need. The first step in this strategy includes a diagnostic testing or "tiering" of the buildings to evaluate the physical condition and financial performance of each building in the PBS portfolio. Following this assessment, buildings will be placed in one of three categories: Performing, Under-performing, or Non-Performing. Beginning with non-performing assets, buildings will be assigned to a watchlist until their performance status can be resolved through workout or disposal. By increasing the percentage of buildings with a positive FFO, PBS will continue its effort to maximize the financial performance of retained assets by creating a self-sustaining inventory that will result in an improved quality of space for our customers and superior value for taxpayers.

**Measure**

Percentage of Government-Owned Assets Achieving a Positive FFO

FFO is calculated as follows:

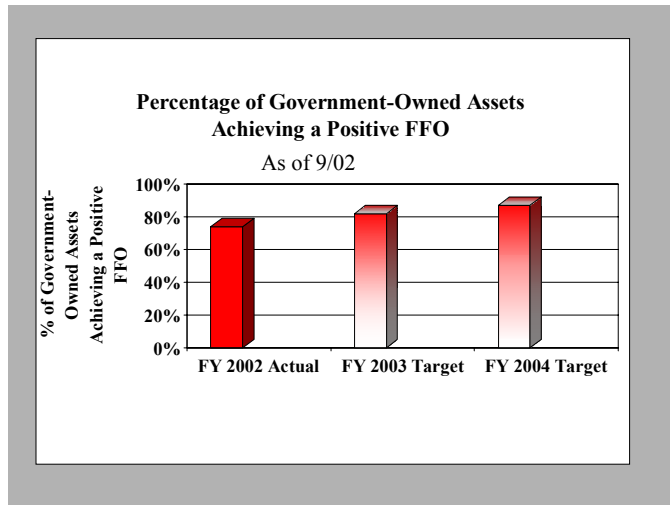
$$\text{Funds from Operations} = \text{Revenue} - \text{Total Funded Expenses}$$

The percentage of government-owned assets achieving a positive FFO is calculated as follows:

$$\% \text{ Assets Achieving a Positive FFO} = \frac{\# \text{ of Buildings Achieving a Positive FFO}}{\text{Total \# of Buildings}}$$

**Target**

FY 2002 Actual	74%
FY 2003 Target	82%
FY 2004 Target	87%



### Strategies

Non-performing and under-performing assets will be placed on a watchlist, and may be subject to any of the following actions:

Exchange of the current asset for a higher performing space.

Disposal of non-performing assets from the inventory.

Renegotiation of rents resulting in an increased FFO.

Use of Section 111 leases (historic outleasing).

Conveyance of the asset to tenants.

Use of cost containment.

### Verification/Validation

Source: Financial data is from Pegasys and square footage data is taken from STAR. See the Data section for a discussion of these systems.

## MANAGEMENT CHALLENGES AND SOLUTIONS

PBS is continuing to strive to be the best public real estate organization in the world. The GSA Inspector General together with the General Accounting Office and the Senate Governmental Affairs Committee has identified some of PBS's "Management Challenges." PBS associates are addressing the management challenges outlined below:

### 1. Verification and Validation of Data

#### Spatial Validation

Our spatial validation efforts, which began in FY 2000, are intended to significantly improve the origination and management of spatial data. As of November, 2002, we have re-measured and validated 590 buildings. These efforts have significantly improved our billing and space assignment accuracy. We expect continued improvement as we continue this effort and integrate it into our everyday work process.

#### Data Accuracy

Though we have made improvements in the quality of our data, we have developed a statistically valid random sampling program to check the accuracy of STAR data against source documents. We have contracted with a private sector firm who has extensive experience in both statistical sampling and data audit and verification. This approach will assess the effectiveness of our efforts, and help us target future data improvement initiatives.

GSA is also implementing a single point-of-entry (SPE) system in all of its regions to further improve the accuracy of the data in STAR.

### 2. Improve the Measurement of our Building Security Program

For the last several years, both the Inspector General and the General Accounting Office have recommended that GSA develop outcome-oriented goals and measures for its building security program. As with a number of other measures, we have attempted to gather comparative private sector data to compare to our data. This has not been effective for two reasons. First, we provide a different level of security than private sector companies because of the tenants we house and the security required. This makes meaningful comparisons difficult. Secondly, if we could determine how to adjust for differing levels of security, there is still the lack of credible security-related data for comparison purposes.

We have made several attempts at defining an outcome measure related to security, and recently developed a promising concept. We have redefined the Federal Protective Service function from "improving security" to "threat reduction." Using a newly developed Regional Threat Assessment methodology, we are now able to quantify the threat level. This will enable us to assess the impact of the security countermeasures we implement on our overall threat level.

Following the September 11<sup>th</sup> attacks, GSA has further built-upon earlier efforts to insure the safety of our tenants and facilities. State-of-the-art technology such as x-ray scanners, and communication megacenters with nationwide alarm monitoring and radio dispatch capability have enhanced our ability to operate in and deploy officers and contract guards to high threat areas. GSA has integrated security enhancements into the design and construction of all new projects.

We are also reaching out to our tenants and conducting classes on crime prevention and how to manage threats, such as those posed by anthrax. We have provided information on safe mail

handling procedures, how to identify suspicious packages, what to do in the case of chemical, biological or bomb threats and contact information for life-threatening emergencies.

### 3. Repairs and Alterations

PBS has completed the Building Managers based assessment of deficiencies for all of its owned assets using the (level 2) software product acquired in FY2001. To improve on the quality of the assessments performed, PBS initiated a new round of more detailed/accurate assessments (level 3), which involves the participation of PBS' professional Engineers and Architects, and a PBS Corporate decision to discontinue the level 2 assessments has been made. The target date to complete the new building assessments for the entire owned inventory is October 2003. This assessment tool is designed to enhance the overall PBS' strategic (long term) planning capabilities through the periodic (bi-annual), and the consistent (standard) application of the tool to supply a macro level value of asset deficiencies/liabilities which is regarded as an initial filter in determining asset strategy and in developing the short-term program needs. Results from the tool are also used to analyze and stratify for the entire portfolio on a gross basis.

Improvements to the PBS' short-term planning and budgeting capabilities are also underway. Starting with FY04, 2 years of planned BA54 programs reflective of our budget request should be accurately reflected in the agency' short-term program plans information system (IRIS). The BA54 program execution will be monitored and performance will be measured, in terms of percentage of the program executed as planned. IRIS should also reflect a true and accurate picture of our active BA55 prospectus projects, as well as, our 5-year plan for the BA55 Capital Program.

## V. Federal Supply Service

The Federal Supply Service offers federal agencies an extensive range of commercial services and more than 4 million commercial products. To provide total solutions for customers, FSS acquisition and service delivery activities are organized around five business lines: Supply, Commercial Acquisition, Vehicle Acquisition and Leasing, Travel and Transportation, and Personal Property Management.

FSS provides customers with economical, efficient, and effective service delivery with significant savings in time and administrative costs. With few exceptions, agencies can get information and conduct business on-line. They can make best-value choices with different levels of service, with almost all service and product delivery provided by commercial suppliers by more than 10,000 FSS contractors. In fiscal year 2002, FSS' business volume was \$27.3 billion, and is projected to be \$31.9 billion in fiscal year 2004.

FSS operations are largely funded through the General Supply Fund with operating expenses recovered in the prices paid by federal agencies. Fiscal year 2001 operating expenses for FSS were 98.5% leveraged through contractor supported functions and more than \$22 billion in commercial business volume. The fiscal year 2004 plan will maintain this highly leveraged performance. For fiscal year 2004, \$26.8 million in Congressional appropriations will be used to fund two programs: Transportation Audits and Personal Property Management's Utilization and Donation Program.

<b>5-Year Budget Data</b>	<b>FY 2000 Actual</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Target</b>	<b>FY 2004 Target</b>
Revenue (\$ Millions)	\$2,739	\$2,820	\$2,934	\$3,020	\$3,141
Expense (\$ Millions)	\$2,613	\$2,726	\$2,756.5	\$2,910	\$3,036
P/L (\$ Millions)	\$126	\$94	\$177.5	\$110	\$105
Business Volume (\$ Billions)	\$22.54	\$22.58	\$27.26	\$28.35	\$31.90

### **FSS BUSINESS LINES**

FSS customers are able to choose the level of value-added service and program support that is right for them at any given time. More importantly, the government benefits whenever federal agencies rely upon the procurement and logistics expertise of FSS to help fulfill their supply needs. Benefits accrue from volume purchasing, FSS contracting expertise, and programs that are compliant with federal procurement and socioeconomic policies. FSS promotes commercial buying practices, reduces acquisition time, and under non-mandatory programs, provides agencies opportunities to determine best value - helping them get what they need, when they need it, to do their jobs effectively and focus on their core mission.

#### **Supply**

The supply program provides quick fulfillment of recurring customer needs for basic business and mission supplies by leveraging best practices in supply chain management programs. Fulfillment solutions for supplies include electronic and hard copy catalogs, multiple ordering channels, FSS management of billing and paying transactions, order administration, and customer service support. The Supply program is fully complementary to the service and solutions offered through the Commercial Acquisition Multiple Award Schedules program. The supply distribution system provides critical support to the government's national defense, disaster relief and other strategic missions stocking emergency readiness items like shovels, batteries, helmets and sandbags.

In fiscal year 2002, the federal government used FSS' Supply program to order over \$869 million worth of commercial items. This business line is funded through fees paid by customer agencies.

### **Commercial Acquisition**

Commercial Acquisition offers federal agencies millions of commercial products and an extensive range of technology, financial, environmental, management, and administrative services through the Multiple Awards Schedules program. Agencies can make best-value choices and purchase directly from commercial suppliers through more than 10,000 FSS schedule contractors. In fiscal year 2002, the business volume under the schedules program was \$21.6 billion.

### **Vehicle Acquisition and Leasing Services**

The Vehicle Acquisition and Leasing Services business line provides two distinct services. One service, GSA Automotive, manages the acquisition of vehicles for all federal agencies through consolidated acquisitions and the Multiple Awards Schedules program. By consolidating all their customer requirements, they are able to leverage their buying power to achieve significant discounts. In fiscal year 2002, GSA Automotive contracted for over 60,000 sedans, trucks and other non-tactical vehicles with a total price tag of more than \$1.2 billion. This service is funded through fees paid by federal agencies.

The other service is a leasing program, GSA Fleet, which manages a fleet of more than 188,000 vehicles. GSA Fleet provides non-tactical vehicles needed by civilian and military customer agencies with a comprehensive "cradle to grave" leasing program. GSA Fleet handles all aspects of the management of these assets, including vehicle acquisition, maintenance and repairs, accident management, fuel expenses, and resale of the used vehicles. Revenue is generated through monthly and mileage charges. GSA Fleet continues to grow. From 1998 through 2002, 28,963 vehicles were added by consolidating other federal fleets at a cumulative savings to the taxpayer during that period of \$87.9 million.

### **Travel & Transportation**

The FSS Travel and Transportation business line helps control the government's direct and administrative costs for travel and transportation services. Travel services include negotiated airline contracts, travel agency, and travel charge card services. Transportation services include the shipment of parcels, freight and household goods. The business line also oversees the use of audit contractors to examine the government's air passenger, freight and household goods transportation billings to identify and seek recovery of incorrect billings and overpayments for the federal government. In recent years, federal travel and transportation budgets have totaled approximately \$24 billion each year. This business line is funded through fees paid by federal agencies.

### **Personal Property Management**

FSS' personal property program provides for property sales through comprehensive cost-effective solutions. Property no longer needed by one federal agency is entered into an electronic system for screening and use by other federal agencies, thereby avoiding new procurements. Property with no further federal use can be screened electronically and is offered at no cost to state and local governments and eligible nonprofit groups. Property whose value cannot be extended by reuse or donation is sold to the public, primarily through on-line auctions. The utilization and donation program of the Personal Property Management business line is funded by \$11.1 million

in Congressional appropriations and saved taxpayers over \$0.9 billion in new acquisitions during fiscal year 2002. \$15.1 million in receipts funded the sales program.

**Performance Goals:**

Beginning in fiscal year 2001, FSS adapted the balanced scorecard approach to measure all aspects/segments of its business. The FSS Corporate and Business Line Scorecards provide the foundation for business planning, and are used to build GPRA plans. The corporate scorecard has 5 goals, 15 strategies, and 22 measures of success that have been developed through a collaborative effort by FSS' leadership and teams of associates. Implemented in fiscal year 2002, as the first phase of a comprehensive, enterprise-wide performance management system, it ensures that the organization focuses on meeting clearly defined standards of performance in support of agency goals.

In fiscal year 2003, business line scorecards will be implemented that align with FSS corporate and GSA agency-wide goals, and in turn with the President's Management Agenda.

**Long Term Outcome Goals:**

FSS established the following long-term performance goals for fiscal year 2004 to guide program management and performance, and gain insight into how well FSS' business lines are meeting our customers needs, and the federal government as a whole.

### Long Term Outcome Goals

<b>FSS Outcome Goal:</b> Providing optimal solutions needed by our customers						
<b>Performance Goal:</b> Increase customer satisfaction to the 75 <sup>th</sup> percentile for customer satisfaction in government						
<b>Performance Measure &amp; Output Targets:</b> Percentage customers responding favorably on survey – service, solutions, price	FY02 Actual	FY03 Target <sup>1</sup>	FY04 Target <sup>1</sup>	FY05 Target <sup>1</sup>	FY06 Target <sup>1</sup>	FY07 Target <sup>1</sup>
Supply	75	77	78	78.5	78.75	79
Commercial Acquisition	71	75	76	77	78	79
Vehicle Acquisition & Leasing Services	81	79	79	79	79	79
Travel & Transportation	72	75	76	77	78	79
Property	73	76	77	78	79	79

<sup>1</sup> The long-term output target is set at 79 percent, which is the 75<sup>th</sup> percentile for customer satisfaction in government, based on the American Customer Satisfaction Index [ACSI]. Annual goals are set to close half the gap between current performance and the ACSI 75<sup>th</sup> percentile. The Vehicles business area exceeds the long-term target and will stay at or above this level.

**Note:** FSS surveys customer satisfaction throughout the country and at U.S. installations overseas through a contract with a professional, private sector survey organization. At the strategic level, FSS customer satisfaction surveys provide insight into how well FSS' business lines and programs are serving each federal agency and the government as a whole.

<b>FSS Outcome Goal:</b> Attaining, retaining, and developing associates						
<b>Performance Goal:</b> Increase FSS associate engagement within the FSS work environment.						
<b>Performance Measure &amp; Output Targets:</b> FSS grand mean score (percentile)	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
	61 <sup>st</sup>	70 <sup>th</sup>	75 <sup>th</sup>	75 <sup>th</sup>	75 <sup>th</sup>	75 <sup>th</sup>

**Note:** FSS administered the Gallup Q<sup>12</sup>® Associate Engagement Survey for the first time in Nov.-Dec. 2001 and achieved a Grand Mean score in the 61<sup>st</sup> percentile of Gallup's Q<sup>12</sup>® database. The Q<sup>12</sup>® survey measures associate attitudes to differentiate the top-performing workplaces from the average and low-performing workplaces. Gallup determined that organizations achieving a grand mean score in the 75<sup>th</sup> percentile are considered "World Class Workplaces." FSS' long-term goal is to be in Gallup's 75<sup>th</sup> percentile.

<b>FSS Outcome Goal:</b> Providing optimal solutions needed by our customers						
<b>Performance Goal:</b> Reduce the cost of acquisition and maintain competitive pricing						
<b>Performance Measure &amp; Output Targets:</b> Supply percentage mark-up	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target	FY08 Target
	47.5%	45%	42.5%	40%	37.5%	35%

<sup>1</sup> FSS is supporting the OMB study of government fleet operations, and based on the savings from past consolidations, will work with agencies to identify consolidation opportunities. It is difficult to predict the impact of the OMB initiative, and the targets are based on current GSA fleet support remaining relatively stable, with some consolidations from a shrinking Government-wide fleet.



<b>FSS Outcome Goal:</b> Providing optimal solutions needed by our customers						
<b>Performance Goal:</b> Reduce government-wide fleet costs by consolidating vehicles into the GSA fleet						
<b>Performance Measure &amp; Output Targets:</b> Number of Vehicle Acquisition & Leasing Services' vehicles consolidated (cumulative)	FY02 Actual	FY03 Target <sup>1</sup>	FY04 Target <sup>1</sup>	FY05 Target <sup>1</sup>	FY06 Target <sup>1</sup>	FY07 Target <sup>1</sup>
	188,133	192,202	197,000	201,000	206,000	211,000
<b>FSS Outcome Goal:</b> Implementing and sustaining superior internal business processes						
<b>Performance Goal:</b> Use electronic procurement initiatives to support the Integrated Acquisition initiative under the President's Management Agenda						
<b>Performance Measure &amp; Output Targets:</b> Commercial Acquisition's postings on e-Buy	FY02 Actual	FY03 Target <sup>1</sup>	FY04 Target <sup>1</sup>	FY05 Target <sup>1</sup>	FY06 Target <sup>1</sup>	FY07 Target <sup>1</sup>
	2%	20%	25%	30%	35%	40%

<sup>1</sup> Percentage of orders over \$25,000 as reported in the Federal Procurement Data System for the most recent fiscal year

<b>FSS Outcome Goal:</b> Attaining, retaining, and developing associates						
<b>Performance Goal:</b> Ensure staffing of mission critical positions with qualified associates under the Human Capital Strategic Plan						
<b>Performance Measure &amp; Output Targets:</b> Percentage of Commercial Acquisition contracting officers meeting Clinger-Cohen requirements in current job	FY02 Actual <sup>1</sup>	FY03 Target <sup>1</sup>	FY04 Target <sup>2</sup>	FY05 Target <sup>2</sup>	FY06 Target <sup>2</sup>	FY07 Target <sup>2</sup>
	49.9%	58%	60%	62%	64%	66%

<sup>1</sup> FY02 actual and 03 target reflects recruiting to handle increased contracting workloads from program growth.

<sup>2</sup> FY04 through 07 targets reflect projected 4% annual attrition rate and replacement recruiting for 1102 associates.

FSS Outcome Goal:		Providing optimal solutions needed by our customers				
Performance Goal:		Maintain customer rates at or below the industry inflation rate				
<b>Performance Measure &amp; Output Targets:</b> Vehicle Acquisition & Leasing Services' annual increase in GSA's leasing rates compared to the increase in commercial leasing rates caused by inflation	FY02 Actual <sup>1</sup>	FY03 Target <sup>1</sup>	FY04 Target <sup>1</sup>	FY05 Target <sup>1</sup>	FY06 Target <sup>1</sup>	FY07 Target <sup>1</sup>
	3.55% <sup>2</sup> < inflation rate	= or < inflation rate	= or < inflation rate	= or < inflation rate	= or < inflation rate	= or < inflation rate

<sup>1</sup> FSS' inflation measure is calculated against several indices, covering the cost elements in FSS' charges to customers. These include:

1. Fuel: U.S. Bureau of Labor Statistics (BLS) "Unleaded Gasoline" price index
2. Maintenance and Repair: BLS "Motor Vehicle Maintenance and Repair" price index
3. Depreciation: Automotive Fleet magazine vehicle price index
4. Vehicle Sales: BLS used car index
5. All Other: BLS "All Items" price index

<sup>2</sup> Industry inflation for FY 2002 was 5.25%. Actual GSA leasing rate increase was 1.7%, which is 3.55% lower than industry inflation

FSS Outcome Goal:		Implementing and sustaining superior internal business processes				
Performance Goal:		Maintain an average vehicle discount of 20% below vehicle manufacturer's invoice prices for the seven top-selling vehicle types.				
<b>Performance Measure &amp; Output Targets:</b> Vehicle Acquisition & Leasing Services' Selling price discount below invoice	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
	27.3%	= or >20%	= or >20%	= or >20%	= or >20%	= or >20%

<b>FSS Outcome Goal:</b>	Providing optimal solutions needed by our customers					
<b>Performance Goal:</b>	Provide and manage competitive and total transportation services and solutions, at the best value, to enable federal agencies to accomplish their mission.					
<b>Performance Measure &amp; Output Targets:</b>	FY02	FY03	FY04	FY05	FY06	FY07
Revenue using GSA/FSS Travel & Transportation program's, Transportation Management Services Solution – TMSS	Actual <sup>1</sup>	Target <sup>2</sup>	Target <sup>2</sup>	Target <sup>2</sup>	Target <sup>2</sup>	Target <sup>2</sup>
	\$1.073M	NA	\$50K	\$100K	\$150K	\$200K

<sup>1</sup> Revenue from Freight Program

<sup>2</sup> TMSS is a new initiative that will be developed in FY03, with increased customer base and revenue accruing in FY04 and beyond.

<b>FSS Outcome Goal:</b>	Implementing and sustaining superior internal business processes					
<b>Performance Goal:</b>	Provide the services, expertise and systems that will ensure the timely, effective and efficient disposition of the Federal Government's excess and surplus personal property assets, yielding the greatest return on investment to the taxpayer.					
<b>Performance Measure &amp; Output Targets:</b>	FY02	FY03	FY04	FY05	FY06	FY07
Property Management's cycle time for disposal process	Actual <sup>1</sup>	Target <sup>2</sup>	Target <sup>2</sup>	Target <sup>2</sup>	Target <sup>2</sup>	Target <sup>2</sup>
	99 days	95 days	92 days	90 days	88 days	87 days

<sup>1</sup> In FY02, cycle time was reduced by 33 days from implementation of XcessXpress, an on-line enhancement.

<sup>2</sup> Achieving the FY03 - 07 targets will be from incremental system and process enhancements.

<b>Performance Measure &amp; Output Targets:</b>	FY02	FY03	FY04	FY05	FY06	FY07
Property Management's percentage of sales done electronically through GSAAuctions	Actual	Target	Target	Target	Target	Target
	56%	73%	77.25%	81.5%	85.75%	90%

**Note:** This measure is consistent with the objectives of the Federal Asset Sales initiative under the President's Management Agenda

**Federal Supply Service**

GSA Strategic Goal	Provide Best Value for Customer Agencies and Taxpayers
GSA Strategic Objective	Provide optimal solutions needed by our customers

**Performance Goal**

**Increase value to the customer; provide creative solutions, innovative services and products.**

FSS leverages the experience of its associates across all service and product lines, and links customer-centric strategies at all levels of the organization to develop optimal service and product solutions for its customers. Success is measured by increased use of programs and customer satisfaction. FSS derives its definition of best value from the results of customer surveys and focus groups as well as more informal interactions with customers at conferences, training seminars, and other outreach efforts. FSS customers want a balance between cost and quality; with programs that are economical, efficient and effective, and with potential for enhancement.

**Performance Measure**

Growth in federal agency usage of FSS programs (Business Volume in \$ Billion)					
	FY 00 Actual	FY01 Actual	FY02 Actual	FY03 Target	FY04 Target
Supply and Procurement*	\$16.3	\$17.9	\$22.7		
Supply				\$0.893	\$0.916
Commercial Acquisition				\$22.8	\$25.9
Vehicle Acquisition and Leasing	\$2.1	\$2.2	\$2.3	\$2.3	\$2.5
Travel & Transportation	\$0.847	\$0.971	\$1.3	\$1.335	\$1.484
Property	\$3.4	\$1.6	\$0.982	\$1.0	\$1.1
FSS Total	\$22.5	\$22.6	\$27.3	\$28.3	\$31.9

\* S&P separated into 2 business lines for FY 2003 and 2004 for planning and measurement. Note: The percentage change in business volume, from the prior fiscal year, is based on the roll-up of business volumes for the business areas that manage the vast array of services and products offered by FSS

**Budget Links**

Total business volume represents the value of all federal purchases of goods and services influenced by FSS, either through direct purchase and re-sale to other federal agencies, or through schedules, brokerage agreements or other indirect relationships. The fees resulting from this business volume are reported as income in the GSF budget submission.

<b>5-Year Budget Data</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
FSS Total Business Volume (\$ Billions)	\$22.5	\$22.6	\$27.3	\$28.3	\$31.9

Note: Business line - business volume shown in preceding table as "Percent customers responding favorably on external survey".

### Performance Measure

Percent customers responding favorably on external survey					
	FY 99/00 Actual	FY 01/02 Actual <sup>5</sup>	FY02 Actual <sup>6</sup>	FY03 Target	FY04 Target
Supply & Procurement	72% <sup>1</sup>	75% <sup>1</sup>	--	--	--
Supply	--	--	75%	77%	78%
Comm. Acquisition	--	--	71%	75%	76%
Vehicle Acq. & Leasing	N/A <sup>2</sup>	71%	81%	79%	79%
<i>Automotive</i>	N/A	64%	--	--	--
<i>Fleet</i>	78% <sup>2</sup>	78%	--	--	--
Travel & Transp.	71% <sup>3</sup>	78% <sup>4</sup>	72% <sup>4</sup>	75% <sup>4</sup>	76% <sup>4</sup>
<i>Freight</i>	67%	84%	--	--	--
<i>Household Goods</i>	88%	83%	--	--	--
<i>Travel Mgmt</i>	59%	74%	--	--	--
Property	63%	72%	73%	76%	77%

\*

Legend:

N/A: Customer satisfaction survey was not performed.

<sup>1</sup> Supply and Procurement business line. (S&P separated into 2 business lines for FY 2003 and 2004 for planning and measurement)

<sup>2</sup> FY97/98 actual before combining Fleet & Automotive in new business line, no survey in FY99/00

<sup>3</sup> Average of freight, household goods and travel scores

<sup>4</sup> Weighted average of freight, household goods and travel scores

<sup>5</sup> Results have been converted from 7-point scale to American Customer Satisfaction Index 10 point scale

<sup>6</sup> Survey conducted in first quarter FY03. Results are based on American Customer Satisfaction Index 10 point scale

To gauge customer satisfaction with FSS' performance including service, solutions, and price, the organization contracts with a professional, private sector survey organization to poll its customers throughout the country and at U.S. installations overseas. The percentage of customers responding favorably on the external survey reflects the value federal agencies ascribe to FSS and its programs. At the strategic level, FSS customer satisfaction surveys provides insight into how well FSS' business lines and programs are serving each federal agency and the government as a whole. The overall objective is to communicate the amount of improvement and level of performance desired.

### Strategies

FSS uses the performance measurement system to ensure that the following strategies and key initiatives achieve the desired results for fiscal years 2003 and 2004.

1. Create innovative services and products

FSS strength lies in identifying innovative solutions, packaging services and products to better meet customer needs. As an example, FSS continues to enhance end-to-end travel solutions that include online authorization and approval, electronic booking, travel agent services, and travel vouchering and payment services.

In FY 2004, the Supply program will explore options to increase the number of commercial items available in the Supply system. The initiative is the result of an evolving business model for the Office of Supply, and is an expansion of the vendor direct delivery program already in existence. Improved business processes are also planned for the Commercial Acquisition system e-Buy that will enable the number of postings on e-Buy that are over \$25,000 to increase substantially beyond FY 2004.

#### 2. Target key customers and market segments

FSS implemented sales automation software as the first stage of building a Customer Relationship Management (CRM) program. In fiscal year 2003, FSS continues to refine CRM software and integrate with GSA systems to assemble a single view of the customer across the organization and maintain a central repository of information it collects on customers and contacts. CRM enables collaboration on the management of customer relationships and contributes to sound business decisions.

#### 3. Provide competitive solutions, services, and products

In support of the President's Management Agenda to expand electronic government, FSS is the lead agency for 3 initiatives: integrated acquisition, asset sales, and e-Travel.

The FSS purchase card program speeds and streamlines agency purchase and payment processes and facilitates accurate record keeping. FSS' Travel and Transportation program provides integrated solutions and Web-based tools for agencies to seamlessly integrate all transportation procurement, payment and audit functions.

The GSA Auctions™ website introduced in fiscal year 2001, continues to respond to a public need for a single point of sale for surplus federal personal property. By 2004, GSA Auctions™ is expected to save about \$2 million annually through reductions in staffing for property sales, and reduced printing, mailing and advertising expenses.

FSS uses its buying power to achieve significant discounts. Airline City-Pairs contracts will continue to save federal agencies about 70 percent off the commercial value of each fare, or \$3.0 billion. FSS Vehicle Acquisition and Leasing Services will continue to save customers about 20 percent off the manufacturer's invoice prices for vehicle purchase.

#### 4. Target key vendors

The annual GSA SmartPay conference brings the financial community and customers together to work on improvements to the purchase, travel, and fleet charge card programs. FSS' annual Expo also brings contractor and customer partners together to explore how the full range of available services and products can meet the government's requirements.

### **Additional performance measures – to develop and implement in FY 2003 and 2004**

A brief description of three proposed performance measures will be developed and implemented in FY 2003 to emphasize how agencies can save money using FSS as an acquisition source of supplies and services.

#### **E-Business Volume**

Information obtained from this measure will be an indicator of how well FSS' e-business systems serve the federal community.

#### **Price Competitiveness**

The measures will compare FSS pricing against other government and commercial benchmarks.

At the strategic level, business volume data on agency usage of FSS programs provides valuable insight into how well FSS is serving each federal agency and the government as a whole. This data enables FSS to identify federal government purchasing trends and analyze and interpret how agencies use FSS programs. In FY 2003, FSS has proposed measures that emphasize FSS best value proposition, competitive pricing and cost control, as indicators of how federal agencies can save money by using FSS as a source of supplies and services

### **Vendor Satisfaction**

FSS will survey a sample of its current vendors to gather information about the ease of working with FSS as a whole and through various contract vehicles. Survey results will provide FSS with additional information that can be used to improve the service we provide our customer agencies. This process will be developed during FY 2003 and it is anticipated that the first survey will be administered during the last quarter of FY 2003.

### **Verification/Validation**

#### Percentage growth in federal agency usage of FSS programs

- a) Data sources: FSS General Supply Fund – FR 458 Report, FSS Business Volume Forecast dated July, 2002, and FSS 2004 Budget.
- b) Information on FSS data sources:
  - Current baseline exists with trend data covering: FY 1998 – 2003.
  - Use of existing agency legacy systems to collect and report data – NEAR, FSS Financial Reports.
  - Reliance on external source(s) for data: Logistics Management Institute.
  - Action to improve the completeness and reliability of performance data:
    - (i) Implementation of sales automation software within the Customer Relationship Management program.
    - (ii) FSS financial statements are audited annually by a private accounting firm and received an unqualified opinion.
- c) Unavailability of information: None

#### Percent customers responding favorably on external survey

FSS contracts with a private sector survey organization to poll its customers throughout the country and at U.S. installations overseas to solicit data needed to draw valid comparisons and conclusions regarding customer satisfaction. The methodology is based on the American Customer Satisfaction Index (ACSI). The University of Michigan developed this methodology along with the private consulting firm Arthur Andersen, and American Society for Quality (ASQ). The ACSI aggregate score is on a scale of 0 -100. Previous FSS customer satisfaction scores were calculated on a scale 1 through 7. Comparisons between the two scales have a +/- 3% error margin.

**Federal Supply Service**

GSA Strategic Goal	Operate Efficiently and Effectively
GSA Strategic Objective	Implement and sustain superior internal business processes.

**Performance Goal**

**Reduce operating costs. Implement and sustain internal business processes that optimize reliable, timely, and quality service.**

**Performance Measure**

Operating cost per \$100 business volume					
	FY 00 Actual	FY01 Actual	FY02 Actual	FY03 Target	FY04 Target
Supply and Procurement*	*\$1.84	*1.96	*\$1.47		
Supply				\$24.13	\$24.03
Commercial Acquisition				\$0.77	\$0.72
Vehicle Acquisition and Leasing	\$4.35	\$4.45	\$4.33	\$4.27	\$4.30
Travel & Transportation	\$1.97	\$1.69	\$1.41	\$1.63	\$1.58
Property	\$0.63	\$1.44	\$2.31	\$2.09	\$2.11
FSS Total	\$1.88	\$2.20	\$1.76	\$1.73	\$1.59

\* FY 00 through FY 02 combines Commercial Acquisition and Supply then separates into 2 business lines for FY 2003 and 2004 for planning and measurement.

The formula for calculating Cost per \$100 Business Volume equals total operating costs divided by total business volume, multiplied by 100. "Operating Costs", as defined for this measure, are selling, administrative and other expenses associated with operations, and exclude expenses such as cost of goods sold, transportation, etc. Business volume equals the total leveraged business volume, as described in Goal #1.

By measuring operating cost per \$100 business volume, FSS is able to track how well strategies and initiatives to improve efficiency and effectiveness are working. As efficiency is improved through these processes, FSS anticipates that the operating cost per \$100 business volume will decrease.

**5-Year Budget Data**

FSS Total	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Operating Cost (\$ Millions)	\$423.1	\$444.3	\$479.9	\$490.1	\$497.2
Business Volume (\$ Billions)	\$22.5	\$22.6	\$27.3	\$28.3	\$31.9



<b>Supply*</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Operating Cost (\$ Millions)	\$299.0	\$349.4	\$327.8	\$175.4	\$178.3
Business Volume (\$ Billions)	\$16.3	\$17.6	\$22.4	\$0.893	\$0.916

\* FY 00 through FY 02 combines Commercial Acquisition and Supply

<b>Commercial Acquisition*</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Operating Cost (\$ Millions)	\$299.0	\$349.4	\$327.8	\$175.7	\$185.3
Business Volume (\$ Billions)	\$16.3	\$17.9	\$22.4	\$22.8	\$25.9

\* FY 00 through FY 02 combines Commercial Acquisition and Supply

<b>Vehicle Acquisition and Leasing</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Operating Cost (\$ Billions)	\$0.089	\$0.097	\$0.098	\$0.099	\$0.106
Business Volume (\$ Billions)	\$2.057	\$2.172	\$2.260	\$2.319	\$2.463

<b>Travel &amp; Transportation</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Operating Cost (\$ Millions)	\$16.7	\$16.5	\$23.2	\$22.2	\$23.6
Business Volume (\$ Billions)	\$0.847	\$0.971	\$1.255	\$1.335	\$1.484

<b>Property</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Operating Cost (\$ Millions)	\$21.2	\$22.7	\$22.6	\$24.8	\$25.7
Business Volume (\$ Millions)	\$3,363.6	\$1,577.9	\$981.5	\$999.3	\$1,054.8

## Strategies

FSS uses the performance measurement system to ensure that the following strategies and key initiatives achieve the desired results for fiscal years 2003 and 2004.

### 1. Leverage information technology

Expanding Electronic Government is one of five key elements in the President's Management Agenda. GSA is the lead agency for e-Acquisition (Integrated Acquisition Environment), e-Property (Federal Asset Sales), e-Travel, e-Authentication and USA Services. FSS has appointed team members within the newly established Office of Joint Program Management to head the following tasks associated with these initiatives -

- E-Acquisition  
The objective is to migrate current systems toward an environment where business information can be shared freely among acquisition systems within and among agencies. Accomplishing this project proposes a number of initiatives including one that directly relates to FSS Schedules, "Consolidated e-Catalogues," as well as several that relate to all types of acquisition.
- E-Travel
- E-Property

## 2. Implement process improvements to optimize reliable, timely, and quality service

- **Implement Competitive Sourcing Plan**

To meet the President's 15% Competitive Sourcing Goal through fiscal year 2003, FSS identified two functions. The first is the distribution function. Through various contracts awarded to the private sector (e.g., U.S. Government Purchase Card, Desktop Federal Supply Schedule, etc.), FSS has transformed government distribution to commercial sources. This allowed consolidated of distribution facilities and operations, with a reduction of 241. Actions were completed during the first quarter of fiscal year 2002.

The second function is the National Customer Service Center (NCSC) in Kansas City, MO. Work began in fiscal year 2002 to conduct a competition set forth in OMB Circular No. A-76, "Performance of Commercial Activities." The NCSC serves as the national referral center for information about all of FSS' programs. FSS also receives, processes, and resolves discrepancy reports (transportation, shipping, billing, quality), and other complaints. This study will cover 30 FTE and is expected to take two years from the April 1, 2002, begin date. The cost of contractor support for this competition is estimated at \$500K, plus contractor travel and internal GSA costs.

- **Expand Online Tools and Technology**

Our online technologies are measures of success that in turn support GSA's strategic e-Gov initiatives mandated in the PMA. FSS continues to enhance its internal infrastructure and technology to meet the increasing demand for online tools and solution sets. The following are examples of FSS tools that allow our customers to purchase products and services as well as access information on Federal Supply Schedules, to make informed purchase decisions, perform price comparisons, gather vendor and contract information. FSS crosscutting technologies include:

- **GSA Advantage!**<sup>™</sup> provides online access to more than 2.4 million services and products offered by FSS, and the capability to place orders on line, or retrieve information for use in their own systems.
- **E-Buy** is an electronic Request for Quotes system component of GSA Advantage!<sup>™</sup> designed to facilitate the request for submission of quotes for a wide range of commercial services and products that are offered by GSA Federal Supply Schedule contractors who are on GSA Advantage! E-Buy allows federal agencies (buyers) to maximize their buying power by leveraging the power of the internet to increase Schedule contractor participation in order to obtain quotes which will result in a best value purchase decision.
- **GSA Auctions**<sup>™</sup> launched in fiscal year 2001, to streamline property disposal for customers. This site offers the general public the opportunity to bid electronically on a wide array of federal assets. By 2004, GSA Auctions<sup>™</sup> is expected to save the taxpayer approximately the \$2 million annually and increase the number of items sold online by 57%.
- **FedBizOpps** is the single point of entry for industry to locate business opportunities including agency notices, contract requirements, and solicitations. Government buyers can publicize business opportunities by posting information directly to the system.
- **FSS Schedules E-Library** is a centralized Web-based source for Federal Supply Schedule contract award information.

- **Customer Relationship Management - Sales Automation Software**  
FSS implemented sales automation software, the first phase of the Customer Relationship Management business practice to manage the complete FSS customer, in fiscal year 2003. FSS used this software to create a single view of the customer across the organization and maintain a central repository of information as it collects data on customer contacts. GSA will integrate sales automation systems across the organization to facilitate collaborative relationships with customers, and contribute to sound corporate business and marketing decisions, which becomes a measure of CRM success.
- **Strategic Planning for IT Expenditures**  
The FSS Office of the Chief Information Officer (FSS CIO) provides IT services and products to support FSS' operations that ensure integration with GSA, customer, and commercial partner e-commerce systems. The five-year IT capital plan is a strategic budget document that reviews FSS IT systems and summarizes spending on hardware and software needed to support the GSA infrastructure, FSS architecture and legacy systems. The strategic plan is used to support IT investment decisions and designed eliminate or reduce redundancy which affords FSS with the maximum return possible on all of its IT investments.

The FSS CIO supports all IT security policy areas needed to implement, manage and maintain GSA's security program, complying with government-wide regulations and ensuring the security of GSA's IT resources from a variety of threats is a major concern to GSA, the federal government, the associated business community, and the general public. The goals and objectives of the GSA IT Security Program are to merge into a single program information element of computer, communication, operations, physical, and personnel security. Areas covered include security responsibilities, evaluations, planning, certification and accreditation, training, contingency planning, incident reporting, and technical and non-technical controls.

**Performance Measure – to develop and implement in FY 2003 and FY 2004**

**Cost of maintaining revenue-generating e-systems as percent revenue generated by these systems**

This measure will be developed during FY 2003 and implemented during FY 2004 to compare the costs of maintaining and updating FSS revenue-generating systems to the revenue generated by the system. This measure will be an indicator of the value of these systems. However, all systems that do not cover their costs are not without significant value to customer agencies. Some systems that generate revenue are used primarily as research tools, but are not established storefronts (e.g. GSA Advantage!<sup>TM</sup>) for ordering supplies or services.

**Core Business Line Performance Measures**

In addition to FSS corporate measures, core business-line measures are broken out by business line so that progress toward goal achievement can be ascertained for key programs.

- Commercial Acquisition will track internal efficiency and effectiveness, serving as an indicator of timeliness in processing contract offers and modifications.

<b>Commercial Acquisition</b> Cycle time to process offers & modifications					
	FY00 Actual	FY01 Actual	FY02 Actual	FY03 Target <sup>1</sup>	FY04 Target <sup>1</sup>
Offers (days)	130	115	110	120	120
Modifications (days)	29	27	23	30	30

<sup>1</sup> Business operational target, not stretch target. Target is set to maintain an acceptable level of customer service with an appropriate amount of resources.

- Vehicle Acquisition and Leasing Service's measure of internal efficiency is to control operating costs and minimize cost per mile measure.

<b>Vehicle Acquisition &amp; Leasing</b> Percent change in cost per mile compared to industry inflation <sup>1</sup>					
	FY00 Actual	FY01 Actual	FY02 Actual	FY03 Target	FY04 Target
Change in cost per mile	8.29%	6.75% <sup>2</sup>	4.88% <sup>3</sup>		
Industry inflation	8.84%	3.45%	5.25%		
Percent + or – industry inflation	0.55%< inflation	3.27%> inflation	0.37%< inflation	= or < inflation	= or < inflation

<sup>1</sup> FSS' inflation measure is calculated against several indices, covering the cost elements in FSS' charges to customers. These include:

1. Fuel: U.S. Bureau of Labor Statistics (BLS) "Unleaded Gasoline" price index
2. Maintenance and Repair: BLS "Motor Vehicle Maintenance and Repair" price index
3. Depreciation: Automotive Fleet magazine vehicle price index
4. Vehicle Sales: BLS used car index
5. All Other: BLS "All Items" price index

<sup>2</sup> Costs include \$1.9M vehicle sales loss that should have been FY00 depreciation

<sup>3</sup> Costs include a \$12.3M worksheet adjustment reflecting unrecognized depreciation

### Budget Links

Dividing net expenses by total annual miles driven determines the overall cost per mile. The baseline equals FY 2001 actual total cost adjusted for inflation, plus \$22.5M / FY01 actual total miles. FY 2002 target equals FY 2001 actual total cost adjusted for inflation, minus \$2.5M / FY 2001 actual total miles.

In FY00 the depreciation schedule started to become obsolete as a significant number of vehicles were held beyond their depreciation period. This resulted in some depreciation being postponed to the subsequent year (FY01) and manifested as vehicle sales loss. Extraordinary depreciation expenses will also occur in FY03 when this anomaly is corrected.

<b>5-Year Budget Data</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
GSA Fleet Total Costs (\$ Million)	\$631.9	\$690.3	\$749.1	\$806.01	\$826.48
Fleet Miles Driven (Billion)	1.9	2.0	2.0	2.1	2.1

- In addition, Vehicle Acquisition and Leasing Service tracks the discount from invoice for the top seven selling vehicles in FY 2003 as a measure of internal efficiency to ensure that FSS receives the maximum discount from the manufacturer's invoice price.

<b>Vehicle Acquisition and Leasing</b> Average savings over vehicle manufacturer's invoice prices for seven top-selling vehicle types				
FY00 Actual	FY01 Actual	FY02 Actual	FY03 Target	FY04 Target
11.70%	19.06%	27.30%	20%	20%

- As an internal measure of performance, Travel and Transportation's Transportation Management Division tracks revenue per FTE.

<b>Transportation Management</b> TMO revenue per FTE				
FY00 Actual	FY01 Actual	FY02 Actual	FY03 Target	FY04 Target
\$93,251	\$109,660	\$169,620	\$155,696	\$159,493

<b>5-Year Budget Data</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
TMO FTE	68	60	79 <sup>1</sup>	79 <sup>1</sup>	79 <sup>1</sup>
TMO Revenue (\$ Millions)	\$6.4	\$6.6	\$13.4 <sup>1</sup>	\$12.3 <sup>1</sup>	\$12.6 <sup>1</sup>

<sup>1</sup> Reflects change in FTE and revenue for the contracting function transferred from Commercial Acquisition

- Personal Property measures the efficiency of its the disposal process by establishing a target for completion of the disposal cycle in FY 2003. The anticipated outcome is to minimize the time from receipt of excess property to case closure.

<b>Personal Property Management</b> Cycle time for disposal process				
FY00 Actual	FY01 Actual	FY02 Actual	FY03 Target	FY04 Target
NA	NA	99 days	95 days	92 days

### Verification/Validation

Cost per \$100 Business Volume = Operating Costs/Business Volume X 100

- Data sources: General Supply Fund – FR 458 Report, FSS Business Volume Forecast dated July, 2002, and FSS 2004 Budget.
- Information on FSS data sources:
  - Current baseline exists with trend data covering: FY 1998 – 2004.
  - Use of existing agency legacy systems to collect and report data – NEAR, FSS Financial Reports.
  - Reliance on external source(s) for data: Logistics Management Institute.
  - Action to improve the completeness and reliability of performance data:
    - Implementation of sales automation software within the Customer Relationship

- Management program. (ii) FSS financial statements are audited annually by a private accounting firm and received an unqualified opinion.
- c) Unavailability of information: None

#### Commercial Acquisition

##### Cycle time to process offers & modifications

- a) Data source: e-mod system will be developed and implemented in 2003 through 2004.
- b) Information on FSS data sources:
- Use of existing agency legacy systems to collect and report data – FSS-19, Offer Registration System (OARS).

#### Vehicle Acquisition and Leasing

##### Percent change in cost per mile compared to industry inflation

- a) Data sources: GSA Office of Finance -- TIRES Monthly Operating Costs and Statistical Report, FR-2130, generated monthly, FSS' inflation measure is calculated against several indices, covering the cost elements in FSS' charges to customers. These include:
1. Fuel: U.S. Bureau of Labor Statistics (BLS) "Unleaded Gasoline" price index
  2. Maintenance and Repair: BLS "Motor Vehicle Maintenance and Repair" price index
  3. Depreciation: Automotive Fleet magazine vehicle price index
  4. Vehicle Sales: BLS used car index
  5. All Other: BLS "All Items" price index
- b) Information on FSS data sources:
- Current baseline exists with trend data covering: FY 1998 – 2004.
  - Use of existing agency legacy systems to collect and report data – NEAR, FSS Financial Reports.
  - Reliance on external source(s) for data: Logistics Management Institute.
  - Action to improve the completeness and reliability of performance data: (i) Implementation of sales automation software within the Customer Relationship Management program. (ii) FSS financial statements are audited annually by a private accounting firm and received an unqualified opinion.
- c) Unavailability of information: None

Sell price discount from invoice = Weighted average discount from vehicle manufacturer's invoice prices for GSA's seven top-selling vehicle types.

#### Travel and Transportation

Revenue per T&T FTE = Total Transportation Management Program (TMO) Revenue divided by FTE onboard as of Sept. 30<sup>th</sup>.

- a) Data sources: General Supply Fund – FR 458Y (GL 474.5) Adjusted Report, FTE Report from FSS Office of the Controller, and FSS 2004 Budget.
- b) Information on FSS data sources:
- Current baseline exists with trend data covering: FY 2000 – 2004.
  - Use of existing agency legacy systems to collect and report data – NEAR, FSS Financial Reports
  - Reliance on external source(s) for data: None.
  - Action to improve the completeness and reliability of performance data: NA
- c) Unavailability of information: None

## Federal Supply Service

GSA Strategic Goal	Ensure Financial Accountability
GSA Strategic Objective	Use resources more responsibly

### FSS Performance Goal

**Ensure accurate forecasting and cost management to leverage operations and optimize pricing.**

FSS maintains financial systems to provide data essential for strategic and business planning, program management, executive information, and agency reporting.

### Performance Measure

Total planned vs. actual total cost					
	FY00 Actual	FY01 Actual	FY02 Actual	FY03 Target*	FY04 Target*
Supply and Procurement**	2.69%	4.58%	7.64% <sup>1</sup>		
Supply				0% (+/-3%)	0% (+/-3%)
Commercial Acquisition				↑	↑
Vehicle Acq. & Leasing	2.22%	4.97%	0.97% <sup>1</sup>	↓	↓
Travel & Transportation	-0.36%	3.59%	-0.24% <sup>1</sup>	↓	↓
Property	-7.28%	2.85%	-7.37% <sup>1</sup>	↓	↓
FSS Variance	2.38%	0.16%	7.15% <sup>2</sup>	0% (+/-3%)	0% (+/-3%)

\* Business operational target --- not a stretch target. Target is set to maintain an acceptable level of performance with an appropriate amount of resources.

\*\* FY 00 through FY 02 combines Commercial Acquisition and Supply then separates into 2 business lines for FY 2003 and 2004 for planning and measurement.

<sup>1</sup> Business Line variance calculations use FSS planned cost of \$3,275 million from FY02 FSS business planning data (Performance Management System) divided by actual FY02 costs of \$3,398 million

<sup>2</sup> FSS variance calculations use planned cost of \$3,171 million from FY03 performance plan (GPRA) divided by actual FY02 costs of \$3,398 million. Using the Performance Management System's planned costs of \$3,275 million, FSS' variance for FY02 is 3.75%

## Performance Measure

Direct cost as a percent of revenue					
	FY00 Actual	FY01 Actual	FY02 Actual	FY03 Target*	FY04 Target*
Supply and Procurement**	12.9%	14.78%	11.37%		
Supply				12.96%	12.57%
Commercial Acquisition				13.32%	13.20%
Vehicle Acq. & Leasing	3.32%	3.09%	2.9%	3.85%	3.79%
Travel & Transportation	48.11%	63.93%	50.48%	59.09%	61.24%
Property	81.61%	85.68%	64.32%	70.79%	65.45%
FSS Total	7.86%	7.61%	6.93%	7.31%	6.99%

\* Business operational target --- not a stretch target. Target is set to maintain an acceptable level of performance with an appropriate amount of resources.

\*\* FY 00 through FY 02 combines Commercial Acquisition and Supply then separates into 2 business lines for FY 2003 and 2004 for planning and measurement.

## Budget Links

Direct cost includes direct operating expense, procurement support, supply distribution, and rent categories from 258 Report.

## 5-Year Budget Data

FSS (Total)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Direct Cost (\$ million)	\$250.1	\$250.6	\$252.1	\$273.5	\$280.9
Revenue (\$ million)	\$3,198.7	\$3,305.2	\$3,661.6	\$3,743.3	\$3,879.5

Supply*	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Direct Cost (\$ million)	\$159.1	\$188.4	\$160.0	\$115.4	\$114.8
Revenue (\$ million)	\$1,305.6	\$1,274.2	\$1,344.8	\$892.8	\$916.0

\* FY 00 through FY 02 combines Commercial Acquisition and Supply then separates into 2 business lines for FY 2003 and 2004 for planning and measurement.

Commercial Acquisition*	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Direct Cost (\$ Millions)	\$159.1	\$188.4	\$160.0	\$62.5	\$65.7
Revenue (\$ Millions)	\$1,305.6	\$1,274.2	\$1,344.8	\$475.6	\$442.0

\* FY 00 through FY 02 combines Commercial Acquisition and Supply then separates into 2 business lines for FY 2003 and 2004 for planning and measurement.

Vehicle Acq & Leasing	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Direct Cost (\$ Millions)	\$61.1	\$62.5	\$62.3	\$62.5	\$66.4
Revenue (\$ Millions) <sup>1</sup>	\$1,841.4	\$2,019.1	\$2,260.4	\$2,318.7	\$2,463.2

<sup>1</sup> Includes revenue from vehicle disposal



<b>Travel &amp; Transportation</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Direct Cost (\$ Millions)	\$12.1	\$12.2	\$14.8	\$16.6	\$17.4
Revenue (\$ Millions)	\$25.2	\$19.0	\$29.5	\$28.2	\$28.5

<b>Property</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Direct Cost (\$ Millions)	\$16.2	\$17.0	\$15.0	\$16.5	\$16.6
Revenue (\$ Millions)	\$19.8	\$19.9	\$26.9	\$28.0	\$30.0

### Performance Measure

Total cost as a percentage of revenue					
	FY00 Actual	FY01 Actual	FY02 Actual	FY03 Target*	FY04 Target*
Supply and Procurement**	96.77%	99.08%	94.01%		
Supply				100.00%	99.98%
Commercial Acquisition				88.87%	86.80%
Vehicle Acquisition and Leasing	100.35%	99.56%	98.87%	99.66%	99.68%
Travel & Transportation	67.75%	87.58%	72.24%	81.76%	86.06%
Property	107.65%	115.33%	102.09%	113.62%	111.24%
FSS Total	94.84%	97.09%	96.99%	96.92%	96.56%

\* Business operational target --- not a stretch target. Target is set to maintain an acceptable level of performance with an appropriate amount of resources.

\*\* FY 00 through FY 02 combines Commercial Acquisition and Supply then separates into 2 business lines for FY 2003 and 2004 for planning and measurement.

### Budget Links

Total cost includes all cost of operations, depreciation, and other expenses and prior year adjustments. Total cost is revenue minus profit/loss. Revenue is the total sales figure.

### 5-Year Budget Data

<b>FSS Total</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Total Cost (\$ Millions)	\$3,033.6	\$3,209.0	\$2,876.1	\$3,673.1	\$3,851.6
Revenue (\$ Millions)	\$3,198.7	\$3,305.2	\$3,661.6	\$3,743.3	\$3,879.5

<b>Supply*</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Total Cost (\$ million)	\$1,263.4	\$1,262.5	\$1,266.7	\$892.7	\$915.8
Revenue (\$ million)	\$1,305.6	\$1,274.2	\$1,344.8	\$892.8	\$916.0

\* FY 00 through FY 02 combines Commercial Acquisition and Supply

<b>Commercial Acquisition*</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Total Cost (\$ Millions)	\$1,263.4	\$1,262.5	\$1,266.7	\$414.4	\$422.2
Revenue (\$ Millions)	\$1,305.6	\$1,274.2	\$1,344.8	\$475.6	\$442.0

\* FY 00 through FY 02 combines Commercial Acquisition and Supply

<b>Vehicle Acq. &amp; Leasing</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Total Cost (\$ Millions)	\$1,847.9	\$2,010.2	\$1,558.9	\$2,313.2	\$2,458.1
Revenue (\$ Millions) <sup>1</sup>	\$1,841.4	\$2,019.1	\$2,260.4	\$2,318.7	\$2,463.2

<sup>1</sup> Includes revenue from vehicle disposal

<b>Travel &amp; Transportation</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Total cost (\$millions)	\$17.0	\$16.7	\$23.4	\$23.0	\$24.5
Revenue (\$millions)	\$25.2	\$19.0	\$29.5	\$28.2	\$28.5

<b>Property</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Total Cost (\$ Millions)	\$21.4	\$22.9	\$27.1	\$29.8	\$31.0
Revenue (\$ Millions)	\$19.8	\$19.9	\$26.9	\$28.0	\$30.0

### Performance Measure

Planned vs. actual revenue					
	FY00 Actual	FY01 Actual	FY02 Actual	FY03 Target*	FY04 Target*
Supply and Procurement**	4.66%	4.06%	12.01%		
Supply				0% (3%+/-)	0% (3%+/-)
Commercial Acquisition				↑	↑
Vehicle Acq. & Leasing	1.67%	-0.12%	0.14%	↓	↓
Travel & Transportation	6.78%	8.20%	17.54%	↓	↓
Property	0%	2.24%	11.89%	↓	↓
FSS Total	4.04%	1.35%	3.61%	0% (3%+/-)	0% (3%+/-)

\* Business operational target --- not a stretch target. Target is set to maintain an acceptable level of performance with an appropriate amount of resources.

\*\* FY 00 through FY 02 combines Commercial Acquisition and Supply then separates into 2 business lines for FY 2003 and 2004 for planning and measurement.

## Budget Links – 5-Year Budget Data

<b>FSS Total</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Planned Revenue (\$ million)	\$3,077.9	\$3,265.5	\$3508.1	\$3,715.8	\$3,851.4
Actual Revenue (\$ million)	\$3,202.4	\$3,309.5	\$3634.6	TBD	TBD

<b>Supply*</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Planned Revenue (\$ million)	\$1,247.5	\$1,224.5	\$1,225.2	\$892.8	\$916.0
Actual Revenue (\$ million)	\$1,305.6	\$1,274.2	\$1,344.8	TBD	TBD

\* FY 00 through FY 02 combines Commercial Acquisition and Supply

<b>Commercial Acquisition*</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Planned Revenue (\$ million)	\$1,247.5	\$1,224.5	\$1,225.2	\$475.6	\$442.0
Actual Revenue (\$ million)	\$1,305.6	\$1,274.2	\$1,344.8	TBD	TBD

\* FY 00 through FY 02 combines Commercial Acquisition and Supply

<b>Vehicle Acq. &amp; Leasing</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Planned Revenue (\$ million) <sup>1</sup>	\$1,811.1	\$2,021.5	\$2,257.2	\$2,318.7	\$2,463.2
Actual Revenue (\$ million) <sup>1</sup>	\$1,841.4	\$2,019.1	\$2,260.4	TBD	TBD

<sup>1</sup> Includes revenue from vehicle disposal

<b>Travel &amp; Transportation (Excludes Transportation Audits)</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Planned Revenue (\$ million)	\$5.9	\$6.1	\$11.4	\$12.3	\$12.6
Actual Revenue (\$ million)	\$6.3	\$6.6	\$13.4	TBD	TBD

<b>Property (Excludes U&amp;D)</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Planned Revenue (\$ million)	\$13.4	\$13.4	\$14.3	\$16.4	\$17.6
Actual Revenue (\$ million)	\$13.4	\$13.7	\$16.0	TBD	TBD

## Strategies

FSS uses the performance measurement system to ensure that the following strategies and key initiatives achieve the desired results for fiscal years 2003 and 2004.

### Price effectively

FSS uses its buying power to achieve significant discounts. FSS Vehicle Acquisition and Leasing Services continues to save customers about 20 percent off manufacturer's invoice prices. Airline City-Pairs contracts will continue to save federal agencies an about 70 percent off the commercial value of each fare, or \$3.0 billion. A change to capacity based fares during fiscal year 2002 will be continued to allow the airline industry to better manage their seat inventory. This change provides federal agencies the incentive to book airline travel early for the best fares.

### Forecast accurately

FSS uses a combination of statistical forecasting tools and business trend analyses from a customer, operational, and support office perspective to develop annual cost and revenue forecasts. This cross-functional approach to development of forecasts for financial plans ensures consideration of all aspects of FSS' business models.

### Ensure competitive operating costs

Optimizing operating costs is a continuing key operational strategy, with some initiatives to address specific business problems and opportunities. In the Supply program, FSS completed consolidation of its distribution operations into two Distribution Centers at Stockton, CA and Burlington, NJ, in January 2002. The consolidation decision was based on an independent analysis performed by the Logistics Management Institute showing FSS could save approximately \$176 million over a ten-year period. The savings include all costs to close six distribution centers. To further optimize the Supply Program value chain, FSS is relocating operations from Stockton, to Sharpe Army Depot, CA. The relocation will be accomplished by March 2003, allowing operating, transportation and space costs to be reduced by over \$9 million annually. Payback of an approximate \$20 million relocation investment will be within 3 years. Tompkins Associates provided the business case analysis to support the move and provide best practices materials handling capability.

### **Performance Data**

Planned vs. Actual cost is a strategic measure of FSS' success in achieving this goal. It reflects how FSS manages financial assets; tracks direct, indirect and allocated overhead costs; and assures the viability of the General Supply Fund. It is the baseline for management of total and direct costs through use of data from financial systems to assess performance against plans, identify trends, and develop strategies to deal with deviations.

### **Verification/Validation**

#### Planned vs. Actual Cost

- a) Data sources: General Supply Fund - FR 458 Report, FSS Business Volume Forecast dated July, 2002, and FSS 2004 Budget.
- b) Information on FSS data sources:
  - Current baseline exists with trend data covering: FYs 1998 through 2003.
  - Use of existing agency legacy systems to collect and report data – NEAR System, FSS Financial Profit and Loss Statements
  - Reliance on external source(s) for data: Logistics Management Institute
  - Action to improve the completeness and reliability of performance data: FSS financial statements are audited annually by a private accounting firm and received an unqualified opinion.
- c) Unavailability of information: None

#### Total cost as a percent of revenue

- a) Data sources: General Supply Fund - FR 458 Report, FSS Business Volume Forecast dated July, 2002, and FSS 2004 Budget
- b) Information on FSS data sources:
  - Current baseline exists with trend data covering: FY 1998 – 2003.
  - Use of existing agency legacy systems to collect and report data – NEAR, FSS Financial Reports.
  - Reliance on external source(s) for data: Logistics Management Institute.
  - Action to improve the completeness and reliability of performance data:
    - (i) Implementation of sales automation software within the Customer Relationship Management program.
    - (ii) FSS financial statements are audited annually by a private accounting firm and received an unqualified opinion.
- c) Unavailability of information: None

#### Direct cost as a percent of revenue

- a) Direct operating expense, procurement support, supply distribution, rent categories from 258 report
- b) Information on FSS data sources:
  - Current baseline exists with trend data covering: FY 1998 – 2003.
  - Use of existing agency legacy systems to collect and report data – NEAR, FSS Financial Reports.
  - Reliance on external source(s) for data: Logistics Management Institute.
  - Action to improve the completeness and reliability of performance data: (i) Implementation of sales automation software within the Customer Relationship Management program. (ii) FSS financial statements are audited annually by a private accounting firm and received an unqualified opinion.
- c) Unavailability of information: None

#### Planned vs. Actual Revenue

- a) Data sources: General Supply Fund - FR 458 Report, FSS Business Volume Forecast dated July, 2002, and FSS 2004 Budget.
- b) Information on FSS data sources:
  - Current baseline exists with trend data covering: FYs 1998 through 2003.
  - Use of existing agency legacy systems to collect and report data – NEAR System, FSS Financial Profit and Loss Statements
  - Reliance on external source(s) for data: Logistics Management Institute
  - Action to improve the completeness and reliability of performance data: FSS financial statements are audited annually by a private accounting firm and received an unqualified opinion.
- c) Unavailability of information: None

**Federal Supply Service**

GSA Strategic Goal	Maintain a World-class Workforce and World-class Workplace
GSA Strategic Objective	Attaining, retaining, and developing associates

**FSS Performance Goal****Increase grand mean score from 61<sup>st</sup> to the 75<sup>th</sup> percentile**

To fulfill its mission requirements, FSS must attract and retain the very best associates. By offering many advantages and opportunities for associates, FSS is creating a workplace that will result in increased associate engagement within the FSS workplace and higher retention levels.

**Performance Measure**

FSS grand mean score (Results from GSA-Gallup Q <sup>12</sup> ® Associate Engagement Survey)			
	FY02 Results*	FY03	FY04
Percentile	61 <sup>st</sup>	70 <sup>th</sup>	75 <sup>th</sup>

\* FY02 Results are baseline for FY03

Associate engagement, measured by the Gallup Organization Q<sup>12</sup>® Associate Engagement Survey is a tracking rather than performance measure. The first FSS survey was conducted in fiscal year 2002. Gallup determined that organizations that achieve a grand mean score in the 75<sup>th</sup> percentile are considered “World Class Workplaces.” FSS targets for FY03 and FY04 reflect Gallup’s data for other organizations that have used the tool. This new measure will be tracked to determine if the correlation Gallup has established between engagement scores and business performance will be demonstrated in FSS. The Gallup action planning process to improve team performance is also a key element of FSS’ performance management system.

To responsively address FSS’ human capital challenges, FSS will promote a culture that encourages associates to do their best and focus on engaging every associate in their workplace. FSS associates are our most valuable assets and “associate engagement” is key to FSS’ continued success and growth. FSS will strive to ensure that associates understand their role in the organization, are committed to their role and contributions, and challenged by their work. The internal health of FSS has a powerful impact on business success. FSS will capitalize on the strengths and talents of our associates.

**Budget Links**

The administration of the GSA-Gallup Q<sup>12</sup>® Associate Engagement Survey is performed primarily within the Working Capital Fund. Work is also performed within FSS, in central office and in the regions, to support this effort. During FY 2003, the funding for the Gallup Q<sup>12</sup>® was moved to centralized charges.

**Strategies**

A continuing strategy for fiscal year 2004 is initiatives for recruitment, training and development of FSS associates. FSS defines the key enablers for effective performance management as people, process, and management. Of the three, people are the most significant organizational asset. GSA and FSS recognized this through a World Class Workforce initiative established in May 2000, which continues under the President’s Management Agenda for Human Capital Management.

FSS uses the performance measurement system to ensure that the following strategies and key initiatives achieve the desired results for fiscal years 2003 and 2004.

1. Invest in higher education, skill enhancement and professional growth

FSS as a whole is balancing its efforts to attract new associates while further developing and retaining talent in the organization. Workforce plans include assessment of expected retirements, the ability to fill behind with in-house resources, needed training to enhance skills and competencies of the workforce, and use of recruitment to meet business goals.

Acquisition is a core function of FSS and balancing recruitment and training strategies is a key focus area to meet requirements of the Office of Federal Procurement Policy's, Policy Letter No. 97-01, dated 9/12/97 (known as Clinger-Cohen requirements). FSS is tracking workforce data for compliance with the Clinger-Cohen requirements to set priorities for training and recruitment.

Other initiatives to increase professionalism in the workforce include offering undergraduate and graduate college classes in the workplace, both during lunch and immediately after work, and using a structured intern program for entry-level positions.

2. Encourage progressive thinking, identify/adopt best practices, eliminate redundant systems

In addition to recruiting and training for functional job skills, FSS is focusing on training for competencies in relationship, project, knowledge, and technology management. FSS is also using the evolving GSA Leadership Institute, which adds a GSA focus on culture and goals to current best practices in leadership training. This comprehensive approach to training equips and encourages associates to be entrepreneurial in their thinking, planning and business activities.

3. Provide a highly productive working environment that encourages associates to excel

The Gallup Q<sup>12</sup>® action-planning process emphasizes the fundamental importance of mission and function awareness, and having the materials and equipment to do the work. High scores on these two questions indicate associate satisfaction with the work environment. Teams with scores at or below benchmarks are encouraged to engage in dialog and action planning to improve their level of engagement and performance, while creating a culture that encourages excellence and teamwork.

FSS' fundamental mission has not changed, though business practices and tools are changing at an increasing pace. FSS is a leader in technology applications to accomplish its mission-critical work to provide solutions, supplies and information for its customers. FSS' associates recognize they work in an organization that is current with and/or leading in the use of best practices with our industry and customers partners. FSS' business orientation, cost recovery operations, state-of-the-art technology applications, focus on culture, and exciting career opportunities are very effective attractors to retain a highly skilled workforce, and to recruit new talent.

**Verification/Validation**

Associate engagement within the workplace

- a) Data source: GSA-Gallup Q<sup>12</sup>® Associate Engagement Survey, performed annually
- b) Information on FSS data sources:
  - The first survey was performed in FY2002. FY2002 Grand Mean Score is baseline. There is no trend data.
  - Use of existing agency legacy systems to collect and report data: NA
  - Reliance on external source(s) for data: The Gallup Organization

- Action to improve the completeness and reliability of performance data:  
Scientific analysis of data and program is performed annually by Gallup
- c) Unavailability of information: None



## Federal Supply Service

GSA Strategic Goal	Carry Out Social and Environmental Responsibility as a Federal Government Agency
GSA Strategic Objective	Being recognized as a leader in providing support for government initiatives, laws, and regulations within its mission areas.

## Performance Goal

### Increase customer agency support of government-wide socioeconomic goals.

FSS' goal is to be recognized as a leader in providing support for government initiatives, laws and regulations within the FSS mission areas. The strategies to achieve this goal include actively facilitating customer's compliance with procurement laws and regulations; and promoting solutions for socioeconomic and environmental policies. FSS designs its programs and processes around these strategies as part of its mission responsibilities and provides training opportunities for customers about proper and effective use of FSS programs. FSS continues to play a major role in responses to natural disasters and supplying the needs of the military to ensure commitments for national priorities, disaster response, and defense are met.

FSS has determined that socioeconomic business volume is the best outcome measure for government responsibility and the third strategy, which represents the most significant area of FSS' influence in the exercise of government responsibility.

## Performance Measure

Socioeconomic business volume					
	FY00 Actual	FY01 Actual	FY02 Actual	FY03 Target <sup>1</sup>	FY04 Target <sup>1</sup>
FSS Total <sup>2</sup>	30%	33%	33.73%	33%	33%

<sup>1</sup> Target represents an increase in socioeconomic business volume proportional to the increase in FSS business volume. Target is set to maintain an acceptable level of performance.

<sup>2</sup> Commercial Acquisition and Supply socioeconomic business volume as a percentage of FSS total business volume. Additional socioeconomic measures are being developed for other business lines and programs in fiscal year 2003, for implementation in fiscal year 2003 or 2004.

## Budget Links

Socioeconomic business volume measures the portion of total Commercial Acquisition and Supply business lines volume of goods and services that meet specific socioeconomic criteria, established by the Small Business Administration. The volume of the individual products and services that fit the socioeconomic definition is part of the overall budget forecast for the two business lines. Total Business Volume is included below for reference.

## 5-Year Budget Data

<b>Commercial Acquisition &amp; Supply</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Total FSS Business Volume (\$ Billions)	\$22.5	\$22.6	\$27.3	\$28.3	\$31.9
Commercial Acquisition & Supply Business Volume (\$ Billions)	\$16.3	\$17.9	\$22.7	\$23.7	\$26.8
Commercial Acquisition & Supply Socioeconomic BV (\$ Billions)	\$5.0	\$5.8	\$7.6	\$7.8	\$8.8

## Strategies

1. Actively facilitate our customer's compliance with laws and regulations.

FSS will continue to assist the Department of Energy (DOE) and the Environmental Protection Agency (EPA) to meet the requirements of environmentally related Executive Orders, making it easy for agencies to comply with these orders by buying through FSS. For example, FSS highlights approximately 5,000 environmentally responsible products in electronic and print catalogs, making it easy for federal agencies to "buy green." FSS anticipates this number will increase in fiscal year 2004 as more responsible products are developed.

2. Actively promote solutions for socioeconomic and environmental policies.

FSS develops and supports programs that help small and minority-owned businesses participate in government contracting. Acquisition professionals participate in outreach efforts to sustain the proportion of contracts awarded to small businesses, and the dollar volume of business they do with agency customers.

3. Ensure commitments for national priorities, disaster response, and defense are met.

FSS continues to play a major role in responses to natural disasters and supplying the needs of the military.

FSS efforts will focus on increasing the business volume with small businesses throughout fiscal years 2003 and 2004. FSS program associates will conduct sessions on "How to Complete a Quality Offer" with emphasis on helping small businesses. Annually, the GSA Expo offers many courses in procurement that provide IACET Continuing Education Unit (CEU) credits toward the requirement in 1102 procurement. Course offerings for GSA Expo 2003 include Section 803, Performance Based Acquisition, Using Schedules Effectively, Ordering through GSA the Easy Way, VA Procurement Reviews, and The DOD Purchase Card.

Continuing socioeconomic initiatives include partnering with Javits-Wagner-O'Day (JWOD) workshops, and the Federal Prison Industries, and education of customers on how to meet their socioeconomic goals using FSS programs.

## Additional performance measures – to develop and implement in FY 2003 and 2004

### Customer Compliance

This measure will be developed and calculated during FY2003 using a customer survey to determine whether buying through FSS' programs assist federal agencies in complying with applicable provisions, laws and regulations, governing Small and Small Disadvantaged Businesses and JWOD workshops.

### Verification/Validation

Socioeconomic Business Volume = Total business volume of Stock, Multiple Award Schedules, and Special Order Program.

- a) Data sources: General Supply Fund – FR 458 Report, FSS Business Volume Forecast dated July, 2002, and FSS 2004 Budget.
- b) Information on FSS data sources:
  - Current baseline exists with trend data covering: FYs 1998 through 2003.
  - Use of existing agency legacy systems to collect and report data – FSS-19
  - Reliance on external source(s) for data: Logistics Management Institute
  - Action to improve the completeness and reliability of performance data: FSS financial statements are audited annually by a private accounting firm and received an unqualified opinion.
- c) Unavailability of information: Data reflects business volume from Supply and Procurement business line. Additional business line data added as systems interface and data collection is resolved.

## **VI. FEDERAL TECHNOLOGY SERVICE**

The mission of the GSA Federal Technology Service (FTS) organization is to provide information technology solutions and telecommunications services to support our customers' missions. FTS is funded on a fee for service basis from customers through the Information Technology (IT) Fund. More than 95 percent of FTS revenue flows through the fund to the private sector, with a portion retained to cover FTS costs.

FTS adds value by advising and consulting with agency customers to help them assess needs, identify solutions, write statements of work or task orders, and manage projects. Our customers depend on us as a trusted third party, who knows and is subject to, the same laws, regulations, and policies that all government buyers must obey.

FTS has two business lines: IT Solutions and Network Services. Although each has unique characteristics, there is substantial coordination and interaction between the two business lines because of the growing interrelationships between IT and telecommunications technologies. This convergence of business lines and the use of the IT Fund to finance FTS programs are important as FTS plans for the future.

FTS revenues have increased from approximately \$1.5 billion in FY 1995, to \$7.1 billion in FY 2002, and are projected to total \$7.4 billion and \$7.9 billion in FY 2003 and 2004 respectively. Most of this increase is due to growth of the information technology solutions business line, where there is a growing demand for FTS products and services.

FTS has one fully appropriated unit, The Office of Information Assurance and Critical Infrastructure Protection (OIACIP). This unit assists the federal community in meeting the challenges of securing operations in the open systems environment of the Internet. OIACIP programs include the Federal PKI Policy Authority (PKI)/Federal Bridge Certification Authority (FBCA) and the National Security Emergency Preparedness Center. The Federal Computer Incident Response Center (FedCIRC) portion of OIACIP has been transferred to the Department of Homeland Security.

## **FTS Management Strategy**

### **IT Solutions, Network Services, the Office of Information Assurance and Critical Infrastructure Protection**

Over the last several years, FTS has experienced extraordinary revenue growth particularly in the IT Solutions Business Line. This growth has had a significant impact upon our systems infrastructure, our character and culture, and our financial condition.

Today, we are a different organization than we were five to six years ago and in many ways a different organization than we were two years ago. Our goals and measures support this transformation and the challenges posed by rapid growth. Further, these goals and measures will help guide us to where we need to be in the future.

Our transformation can be characterized in several ways:

1. More focus on operating budgets, cost consciousness through efficiencies and less focus on revenue and market share.
2. More focus on best value and stability for our customer agencies and tax payers, savings achieved by our programs, and competition in the marketplace.
3. More focus on infrastructure and the financial health of the IT Fund and less focus on growing the business.
4. More focus on public service and our social and governmental responsibilities.

To ensure that FTS is positioned to sustain and enhance its contributions to the federal community, FTS has strategies in place to achieve FTS Performance Goals. These goals align with GSA agency-wide goals.

FTS will focus on providing best value to customer agencies and taxpayers. FTS maintains a customer focus with emphasis on customer satisfaction with FTS products and services, delivery reliability and performance quality. FTS identifies and makes new products and services available to customers.

FTS will operate efficiently and effectively. FTS strives to award performance based contracts and improve the acquisition processes and methods to reduce time to award. FTS provides timely and effective service delivery and ensures that the IT infrastructure enhances service delivery. FTS aggressively negotiates procurements to exercise cost control plus ensure cost efficiency of operations in order to provide competitive prices to customers and to provide fees that reflect those operational cost efficiencies.

FTS will ensure financial accountability. FTS takes steps to improve the financial condition of the IT Fund by continuing its work to improve communications with customers and business processes related to billing and collections. FTS works to ensure that financial data reliably reports business operations.

FTS will have a world-class workforce and a world-class workplace. FTS strives to hire and retain associates that are highly trained in the acquisition, telecommunications and IT fields. They are a critical link in FTS' endeavors to achieve customer satisfaction and the effective procurement of technology. In order to foster a culture in which all associates will succeed and are respected, FTS is implementing initiatives to increase internal communication, recognize and develop associates, and provide current technology so that our workforce excels at customer service.

FTS will carry out social, environmental and other responsibilities as a federal agency. FTS raises the level of awareness for information security across the federal government.

**FTS Corporate**

GSA Strategic Goal	Provide Best Value For Customer Agencies And Taxpayers
GSA Strategic Objective	Customer satisfaction

**Long Term Performance Goal**

**Increased customer satisfaction indicates progress in service delivery at best value.**

**Performance Measure**

Percentage of customers indicating satisfaction on annual customer survey

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
Corporate	74.0%	75.0%	77.0%	79.0%	80.0%	82.0%
Long Distance	71.6%	73.1%	74.6%	76.1%	77.6%	79.1%
Regional Telecomm	72.0%	73.5%	75.0%	76.5%	78.0%	79.5%
Regional IT Solutions	75.4%	76.9%	78.4%	79.9%	81.4%	82.9%
National IT Solutions	73.3%	74.8%	76.3%	77.8%	79.3%	80.8%

To assess customer satisfaction with FTS performance, the organization commissioned Dougherty and Associates, Inc. and JD Power and Associates (DAI/JDPA) to perform a quantitative study of Federal government customers and non-customers to evaluate and benchmark satisfaction with FTS products and services. Data was collected from approximately 4,100 Federal government customers between April and June, 2002. The survey sampled a sufficient number of customers for each of the FTS business units to develop statistically valid customer satisfaction results. The percentage of customers responding favorably on the survey reflects the value federal agencies ascribe to FTS and its business units in providing goods and services with the desired quality at favorable prices. The overall objective of the target is to communicate the amount of improvement and service expectations. Target changes of approximately 1.5% year over year reflect attainable increases recommended by JDPA based on previous studies across a variety of industries.

**Budget Link**

FTS will devote \$111.5 million to achieving customer satisfaction in FY 2004. Of that total, the FTS Office of Strategic Planning and Business Development has earmarked \$385,000 in FY 2004 to develop an electronic or WEB-based customer satisfaction survey and related activities.

**Verification/Validation**

During Fiscal Year 2002 FTS commissioned Dougherty & Associates, Inc. and JD Power and Associates to perform a new quantitative study of its customers and non-customers to evaluate and benchmark satisfaction. Statistical significance within the final report is determined following the Council of American Survey Research Organizations recommended methodology. Tolerance levels are determined by a statistical equation, then scored at the 95 percent confidence level. Statistically significant findings at the 95 percent confidence level are findings that will occur 95 times out of 100. They should be considered high priority items and are generally an indicator of high levels of differentiation between competitors or the industry average.

**FTS Corporate**

GSA Strategic Goal	Provide Best Value For Customer Agencies And Taxpayers
GSA Strategic Objective	Customer satisfaction

**Long Term Performance Goal**

**Increased customer awareness for value-added products and services provided to Federal agencies.**

**Performance Measure**

Number of identified opportunities at Federal agencies designated by FTS to potentially provide IT and Network solutions and number of successes

	FY04 Target	FY05 Target	FY06 Target	FY07 Target
Opportunities	250	313	391	489
Wins	75	94	117	147

FTS' Customer Action Team (CAT) initiative allows the organization to gather customer information and use it to provide a customized package of products and services. Using a customer relationship management approach, FTS is able to develop customer intelligence to ensure FTS is an excellent business partner to both agencies and industry. This is achieved through coordination, consolidation and sharing of information among the geographically dispersed FTS associates who share access to the Customer Relationship Management tool (CRM). This collaboration with government and contractor communities allows FTS to find the best way to meet customer needs quickly and cost-effectively. FTS will continue to expand industry partnerships to keep abreast of leading edge technologies to meet the changing needs of our customers and develop new contracts that maximize the use of commercial solutions and commercial business practices.

**Budget Link**

Annual outcomes include developing partnerships with customers that immediately and positively impact the customer's procurement cost; schedule and risk (see opportunity development/win rate goals). Long term outcomes include the ability of each customer agency to focus on performing its mission rather than performing acquisition and contract related functions. The repeatable processes and aggregation of requirements that FTS offers to its customers lower costs to FTS, its customers, industry partners, and the taxpayers.

**Verification/Validation**

Data on opportunities are collected from the regional and central office contracting offices. Detailed information about contract award actions is contained in the Federal Procurement Data System and forms the basis and backup for the information reported. These reports are consolidated by the GSA Office of Acquisition and reviewed by FTS management for accuracy. The source of FTS financial data is the Pegasys systems.

**FTS Corporate**

GSA Strategic Goal	Provide Best Value for Customer Agencies and Taxpayers
GSA Strategic Objective	Customer satisfaction

**Long Term Performance Goal**

**Fostering competition benefits Federal agencies by promoting quality service at lower prices.**

**Performance Measure**

Percentage of task and delivery orders subject to the fair opportunity process

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
Corporate	70%	≥80%	≥80%	≥85%	≥85%	≥85%
Regional IT Solutions	70%	≥80%	≥80%	≥85%	≥85%	≥85%
National IT Solutions	70%	≥80%	≥80%	≥85%	≥85%	≥85%

As an executive agent, GSA is authorized to award and administer task and delivery order contracts on behalf of other Federal agencies. This performance metric measures the competition fostered in placing orders against these contracts. It tracks the percent of the dollar value of task and delivery order amounts where all contract holders were afforded a fair opportunity to be considered for the award. FY 2005 – 2007 targets are estimates based on limited historical information. It is believed the 85% long-term target can be attained by increased emphasis to reduce the use of the logical follow-on exception.

**Strategies**

Implement market awareness programs for industry partners and provide all contract awardees a fair opportunity to be considered for award unless an appropriate exception is cited.

Consider the feasibility of issuing draft solicitations to generate more industry partner interest and feedback.

**Budget Link**

FY 04 requested funding and FTE levels will enhance the ability of the acquisition staff and program managers to manage the workload generated as a result of fostering competition by increasing the number of task and delivery orders subject to fair opportunity. The FY 2004 IT Fund budget reflects a total of \$17.4 million for this measure. IT Solutions expenses are projected at \$211 million and cost of goods sold at \$6.7 billion. The long term outcome will maximize the number of task and delivery orders where all contract holders are afforded a fair opportunity to be considered for the award to ensure best quality, price and/or schedule for Federal customer agencies. The program believes the long range target of 85% is realistically attainable in FY 05 through continued emphasis on the fair opportunity process. All task and delivery orders will not be subject to fair opportunity, however, since some contracting actions will likely require use of urgency, unique source, logical follow-on, or minimum guarantee exceptions.

**Verification/Validation**

Data will be collected by a combination of automated systems such as the Federal Procurement Data System (FPDS), IT Solutions Shop (ITSS), the Performance Measurement Tool, a sub-system of InfoWizard, and also manually. FTS management will validate and verify the accuracy of data.



**FTS Corporate**

GSA Strategic Goal	Ensure Financial Accountability
GSA Strategic Objective	Provide sound financial information for management

**Long Term Performance Goal**

**Increase business volume.**

**Performance Measure**

Percent growth in business (revenue)

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
Corporate	14.6%	9.1%	7.2%	8.0%	8.5%	9.0%
Long Distance	(28.7%)	9.2%	5.4%	5.0%	5.0%	5.0%
Regional Telecomm	24.8%	(0.9%)	(0.9%)	3.5%	4.0%	4.0%
Regional IT Solutions	22.8%	2.1%	7.1%	9.0%	9.5%	9.8%
National IT Solutions	11.0%	14.7%	8.1%	8.0%	8.0%	8.0%

(Note: Targets for all financial measures are revised based on changing environmental factors in the Federal agencies' procurement plans, therefore, out-year targets reflect 5-year average.)

This measure provides fundamental information about the operating activities of the organization and is used to monitor, control, and revise the operations to meet FTS' strategic objectives. Significant revenue growth over the years indicates that FTS is the preferred provider of IT products and services and demonstrates customer satisfaction with the quality, prices, and value add that FTS has to offer.

**Strategies**

FTS uses statistical forecasting and trend analyses to develop annual cost and revenue plans. Plan execution is monitored monthly and a mid-year review is performed. The review process allows for necessary adjustments to meet targets.

**Budget Link**

The FY 2004 Information Technology (IT) Fund budget for this measure is \$9.7 million. Total revenue is projected at over \$ 7.9 billion. This measure provides fundamental information about the projected revenue growth of the IT fund. FTS will monitor this measure on a monthly basis.

**Verification/Validation**

Data source is the Performance Measurement Tool, a sub-system of InfoWizard, GSA National Electronic Accounting and Reporting (NEAR), and Pegasys systems.

**FTS Corporate**

GSA Strategic Goal	Ensure Financial Accountability
GSA Strategic Objective	Provide sound financial information for management

**Long Term Performance Goal**

**Achieve positive net operating results to increase retained earnings in the Fund for future capital investments.**

**Performance Measure**

Net operating results

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
Corporate	\$22,262	\$14,961	\$24,812	(23,283)	(61,598)	(29,542)
Long Distance	\$38,372	\$1,006	\$2,222	(11,791)	(50,185)	(17,955)
Regional Telecomm	\$19,764	\$1,988	\$4,321	(4,062)	(4,062)	(4,062)
Regional IT Solutions	\$12,886	\$8,975	\$15,290	(7,430)	(7,351)	(7,525)
National IT Solutions	(\$48,760)	\$2,992	\$2,979	0	0	0

Net operating results (NOR) is an efficiency measure of the use of resources in providing goods and services to Federal customers. This measure reflects the management control of operating costs, reserve expenditures, pricing/fee structure, and revenue forecasting capabilities. A positive NOR allows FTS to contribute toward maintaining a sufficient level of retained earnings (reserves) which are necessary to operate the fund. In addition, NOR also addresses investment in new initiatives that offer potential in terms of new services and cost savings to client. Subsequently, funds accumulated in retained earnings (reserves) allow FTS to manage its resources in a fiscally responsible manner and stabilizes prices to customers which permit them to better forecast their budget needs.

**Strategies**

Develop expense targets for each business unit and measure performance quarterly. Timely monitoring of actual expenses in comparison to targets allows for necessary adjustments and will facilitate the goal which is to break-even or better.

**Budget Link**

The FY 2004 Information Technology (IT) Fund budget for this measure is \$7.9 million (including all expense categories). The IT Fund projects total Net Operating Results of \$25 million, +/- 2.5% for FY 2004. FTS will monitor progress toward this target on a monthly basis.

**Verification/Validation**

Data source is the Performance Measurement Tool, a sub-system of InfoWizard, GSA National Electronic Accounting and Reporting (NEAR), and Pegasys systems.

**FTS Corporate**

GSA Strategic Goal	Ensure Financial Accountability
GSA Strategic Objective	Effectiveness in achieving cost management

**Long Term Performance Goal**

**Implement business process efficiencies to reduce the cost of delivering products.**

**Performance Measure**

Direct operating expense as a percent of gross margin

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
Corporate	59% <sup>1</sup>	49%	48%	47%	46%	46%
Long Distance	33% <sup>1</sup>	41%	41%	41%	40%	40%
Regional Telecomm	52%	48%	48%	47%	46%	46%
Regional IT Solutions	50%	46%	44%	43%	43%	43%
National IT Solutions	280% <sup>1</sup>	58%	59%	58%	58%	57%

There are two primary elements in providing value-added products and services to Federal customers – cost of product and cost of delivering product. Operating expenses reflect the cost of delivering product to Federal agencies. These costs are recovered through established prices/rates charged to customers. FTS' success relies on its ability to offer customers quality services at competitive prices; therefore, control and management of the cost of delivering product is critical to assess the organizational process improvements and efficiency in operations, resulting in the opportunity for lower rates in the future.

**Strategies**

Develop expense targets for each business unit and measure performance quarterly. Timely monitoring of actual expenses in comparison to targets allows for necessary adjustments and will facilitate the goal which is to re-cover costs.

Reduce non-revenue producing programs.  
Limit indirect costs associated with the program.  
Keep the cost of support services as reasonable as possible.

**Budget Link**

FY 2004 Information Technology (IT) Fund budget for this measure is \$229.5 million.

**Verification/Validation**

Data source is the accounting system known as Pegasys.

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<sup>1</sup>FY 2002 actual includes adjustments attributable to prior year activity that were reported in FY 2002, resulting in anomalies in the percentage calculation. The normalized percentages reflecting current year operations only are: Corporate 48%, Long Distance 45%, National IT Solutions 66%

## FTS Corporate

GSA Strategic Goal      Ensure Financial Accountability

GSA Strategic Objective      Provide sound financial information for management

### Long Term Performance Goal

**Ensure full cost recovery of operations.**

### Performance Measure

Contribution index

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
Corporate	1.58 <sup>2</sup>	1.09	1.10	1.12	1.13	1.13
Long Distance	3.01 <sup>2</sup>	1.08	1.09	1.09	1.10	1.10
Regional Telecomm	1.93	1.07	1.07	1.10	1.10	1.10
Regional IT Solutions	1.99	1.10	1.13	1.15	1.17	1.18
National IT Solutions	.36 <sup>2</sup>	1.09	1.08	1.09	1.10	1.10

Contribution index represents the ratio of gross margin to the total operating expenses and measures the organization's ability to fully recover its cost of delivering product, including any planned profits which are contributed toward maintaining a sufficient level of retained earnings. It allows for the best allocation of resources and controls spending, as set by the target, resulting in stable and competitive prices to customers. This measure provides fundamental information about the operating activities of the organization and is used to monitor, control, and revise the operations to meet FTS' strategic objectives.

### Strategies

FTS uses accurate revenue projections in order to set operating expenses and capital expenditures at an appropriate level so that the ratio of gross margin to the sum of the expenses does not exceed targets. An accurate revenue projection, and thus an accurate and realistic contribution index goal, provides for the best allocation of resources to accomplish the FTS goals. Therefore, the improved accuracy of revenue projections and cost requirements to the contribution index measure is of great importance.

### Budget Link

FTS financial performance is measured in terms of revenue growth, operating expenses, net operating results, and contribution index. Each business unit must maintain a positive contribution index, plus contribution to maintaining the agency.

### Verification/Validation

Data source is the accounting system known as Pegasys.

<sup>2</sup> FY 2002 actual includes adjustments attributable to prior year activity that were reported in FY 2002, resulting in anomalies in the percentage calculation. The normalized percentages reflecting current year operations only are: Corporate 1.20, Long Distance 1.08, National IT Solutions 1.02

**FTS Corporate**

GSA Strategic Goal	Carry Out Social, Environmental, and other Responsibilities as a Federal Government Agency
GSA Strategic Objective	Exercise social responsibility

**Long Term Performance Goal**

**Achieve and maintain an appropriate level of procurements with small business.**

**Performance Measure**

Percentage of procurements with small businesses as compared to total prime contracts

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target <sup>3</sup>	FY06 Target <sup>3</sup>	FY07 Target <sup>3</sup>
Small Business	37.1%	31%	31%			
Small and Disadvantaged	17.5%	13%	13%			
Women-owned	7%	5%	5%			
HubZone	.1%	3%	3%			
Service-disabled veterans	.1%	3%	3%			

FTS markets itself as a quality provider of technology services at best value. FTS contracts offer the Federal government the best way to meet their IT needs at competitive prices which help customers achieve significant savings. By meeting or exceeding the FTS goals small business should receive an equitable portion of Federal procurement dollars spent annually for goods and services by FTS.

**Strategies**

Actively participate in efforts to publicize contract opportunities to small businesses.  
Set and meet aggressive milestones for making procurement awards to small businesses.

**Budget Link**

The FY 2004 IT Fund budget for this measure is \$4.3 million.

**Verification/Validation**

The reports are received on a quarterly basis from the Office of Enterprise Development and the FTS Office of Acquisition. Achievements reported by the regions and Central Office contracting offices are consolidated and reviewed by FTS management for accuracy.

<sup>3</sup> The goals are developed and negotiated annually with the Small Business Administration (SBA). GSA's Office of Small Business Utilization (SBU) is responsible for developing and negotiating the agency-wide prime contract goals with SBA. Once agreement is reached with SBA, Office of Enterprise Development (OED) then assigns specific goals to each of its Service. The Federal Procurement Data System (FPDS) contains detailed information which supports the information reported.

**FTS Corporate**

GSA Strategic Goal	Maintain a World-Class Workforce and World-Class Workplace
GSA Strategic Objective	Maintain a Workforce that is Trained and Capable of Meeting Critical Mission Requirements

**Long Term Performance Goal**

**Recruit, hire, develop, and retain a highly skilled workforce.**

**Performance Measure**

Percent of Individual Development Plans (IDPs) updated annually and documented

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
Percent of IDPs <sup>4</sup> updated annually	81%	90%	95%	100%	100%	100%

FTS' human capital is its most vital asset in continuing to provide the highest quality solutions to Federal agencies' technology needs. FTS' value add includes advising and consulting with agency customers to help them assess their needs, identify solutions, write statements of work or task orders, and manage projects at the least possible cost. To ensure continued success, FTS will recruit, hire, develop and retain associates with the strategic competencies to fill mission critical occupations, and create a culture where its associates can thrive, improve performance and broaden their capabilities in support of the mission. A highly skilled workforce will effect optimum customer satisfaction and effective procurement technology, thereby maximizing service to Federal agencies and resulting in the greatest advantage to the Government.

**Strategies**

IDPs will enable FTS associates to improve performance in their current work assignments, be more prepared to assume increased responsibility and other kinds of work, and broaden their capabilities in support of the mission.

**Budget Link**

The FY 2004 IT Fund budget for this measure is \$4.8 million. Each program office and region has a budget for associate training equal to 3% of the total of all salaries of associates within their organization. Tuition reimbursement for associates is available and courses are considered reimbursable training when the course is related to the GSA mission.

**Verification/Validation**

Each of the program offices and the regions manually collects data concerning documented and updated IDPs and provides quarterly reports. The IDPs serve as a tool to encourage improving skills and experience of associates.

<sup>4</sup> Monitored in FY 2002 and FY 2003 as an internal measure; beginning in FY 2004, this measure will be tracked and reported externally.

**FTS Corporate**

GSA Strategic Goal	Maintain a World-Class Workforce and World-Class Workplace
GSA Strategic Objective	Maintain a Workforce that is Trained and Capable of Meeting Critical Mission Requirements

**Long Term Performance Goal**

**Recruit, hire, develop, and retain a highly skilled workforce.**

**Performance Measure**

Average number of training hours completed annually in mission critical areas of acquisition, technology, business, and project management

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
Average no. of annual training hours <sup>5</sup>	38	50	60	70	80	80

FTS' effective service delivery model relies largely on its highly skilled workforce. FTS associates are on the cutting edge of technology and constantly informed on the latest technological changes. This technical knowledge and expertise enables FTS to find the best way to meet customer needs quickly and cost-effectively. FTS contracts take full advantage of economies of scale and are designed to achieve substantial price discounts for the government. Customers realize savings through reduced contract prices and acquisition cycle times.

**Strategies**

Train FTS associates in the mission critical areas of acquisition, technology, business, and project management. FTS associates require the technical knowledge and expertise necessary to assist customers in obtaining their goals. FTS learning opportunities are aligned with individual skill needs, program requirements, and specific organizational priorities.

**Budget Link**

The FY 2004 IT Fund budget for this measure is \$3.8 million. Each program office and region has a budget for associate training equal to 3% of the total of all salaries of associates within their organization. Tuition reimbursement for associates is available when the course is related to the GSA mission.

**Verification/Validation**

Each of the program offices and the regions manually collects data and provides quarterly reports on the average number of training hours completed by FTS associates in each of the four subject areas (acquisition, technology, business, and project management).

<sup>5</sup> Monitored in FY 2002 and FY 2003 as an internal measure; beginning in FY 2004, this measure will be tracked and reported externally.

**FTS Corporate**

GSA Strategic Goal	Maintain a World-Class Workforce and World-Class Workplace
GSA Strategic Objective	Provide a GSA work environment that supports performance

**Long Term Performance Goal**

**Increase FTS associate engagement within the FTS work environment.**

**Performance Measure**

Rank in the 75<sup>th</sup> percentile in the Gallup Q12™ survey

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
Percentile	64	70	75	75	75	75

The purpose of the Q12 survey is to measure associate engagement in our workforce. Engagement in terms of the Q12 Survey means that an associate understands his/her role in the organization, has what is needed to do the job, feels a sense of contribution to the success of the organization, has shared values with co-workers, receives recognition for accomplishments and has opportunities to grow and develop.

FTS plans to use this survey to build on our strengths and to make improvements where we find weaknesses. The results of the survey are part of a process that involves action planning, implementation and follow-up among team members and management to make necessary changes to help improve the work environment, improve associates' ability to perform their jobs and to deliver customer service.

FTS participated in the Gallup Q12 survey for the first time in FY 2002. The FTS Grand Mean score from this survey was 3.72, which is in the 64th percentile of the Gallup Q12 database. Gallup has determined that organizations that achieve a grand mean score of 3.86 or above (75th percentile) are considered "World Class" workplaces.

**Strategies**

Communicate Q12 results to each work unit utilizing the Gallup organizations' recommendations for facilitation, communication and follow up. Each unit will develop its internal goals to address its areas for improvement. Annual Action Plans will be developed and implemented. Managers identified as Q12 Champions will provide guidance in the work unit's development of Action Plans, as well as in leadership training classes. Overall workforce development goals include emphasis on training, development, and resolving skill gaps. Each associate, along with the supervisor, will develop an Individual Development Plan on an annual basis. The plan will address formal training and education as well as other development opportunities such as rotational assignments. As FTS becomes more familiar with the Q12 process, the organization will utilize the data provided by the survey, to identify and improve those areas where associates need to be more engaged. In addition, the development of the FTS Human Capital Action Plan for the GSA Human Capital Strategic Plan and the President's Management Agenda, will develop further human capital strategies and goals, resulting in an increase of workforce engagement.

**Budget Link**

The administration of these types of programs is primarily performed and funded centrally via GSA Corporate costs.



**Verification/Validation**

Use existing agency systems to collect and report improved scores on the annual G12 Gallup survey. Trend analysis will begin in 2003, since first survey given to FTS associates in 2002.



## **Network Services**

### **Network Services Business Line**

The Network Services business line offers comprehensive telecommunications services such as global voice, data, and video services supporting both local and long distance government telecommunications users. FTS also provides advanced telecommunications products and services through specialized services contracts. These specialized services contracts provide customers with a variety of fully competed contracts for wireless communications, technical management support services, international calling, wire and cable, satellite equipment and services, and Internet access. This wide array of service offerings reflects the overall success of both the long distance and local services programs.

### **Local Telecommunications Services**

FTS provides local voice and data telecommunications services to federal agencies nationwide. Switched services are currently provided through more than 400 local telecommunications systems through the Metropolitan Area Acquisition (MAA) contracts. These contracts, awarded in 26 cities, deliver substantial price reductions in local telephone markets by taking advantage of increased competition as permitted by the Telecommunications Act of 1996. FTS plans to emphasize to agency customers the value FTS can provide in dealing with the changing environment, as well as the “cradle to grave” support offered by FTS that allows agencies to concentrate on their core mission. FTS will also increase the dialogue with industry, the Federal Communications Commission and State Public Utilities Commissions to assure that customers needs are met.

### **Long-distance Telecommunications Service**

GSA provides domestic and international long-distance, wireless, and satellite telecommunications services to customers. This is accomplished through its FTS2001 contract, wireless and satellite contracts, and through modifications to the Metropolitan Area Acquisition contracts. Additionally GSA's rapid contract modification process provides customers with a vehicle to obtain state-of-the-art services at competitive rates. GSA consistently surpasses industry benchmarks in customer satisfaction with an annual 80% rating.

The FTS2001 program provides agencies with flexible billing options and direct access to industry partners. GSA provides customers with superior prices and support by leveraging the purchasing power of the federal government. Over the years the cost of long-distance voice services has continued to decline; it was 2.3 cents per minute in FY2002, down from 3.0 cents per minute in FY 2001.

## Long Distance

GSA Strategic Goal	Provide Best Value For Customer Agencies And Taxpayers
GSA Strategic Objective	Customer satisfaction

## Long Term Performance Goal

**Assist customers in achieving significant savings in the acquisition of products and services.**

### Performance Measure

Cumulative cost savings below commercial discounted services for the following.

Switch Voice Service (SVS)  
Dedicated Transmission Service (DTS)  
Frame Relay Service (FRS)  
Asynchronous Transfer Mode (ATM)  
Internet Protocol Service (IPS)

The Office of Service Delivery (TO) will continue to provide state of the art telecommunications products and services at competitive rates allowing customers to achieve savings. Estimated cost savings will be based on a survey of large commercial service providers. The survey will provide information on differences between commercial telecommunications offerings and FTS 2001 prices. The price differences will be applied to actual minutes of usage bought by government customers from the FTS 2001 contract. Analyses will be conducted of commercial like-offerings against the FTS 2001 rates to ensure cost savings for customers are being realized. The out year cost savings are contingent on market factors affecting the telecommunications sector, which are volatile and unpredictable at this time, along with next generation strategies currently under development for expanded service offerings.

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target*	FY07 Target*
SVS	\$32.8M	\$186.5	\$186.5	\$186.5		
DTS		\$171.0	\$171.0	\$171.0		
FRS		\$142.0	\$142.0	\$142.0		
ATM		\$42.0	\$42.0	\$42.0		
IPS		\$2.0	\$2.0	\$2.0		

\* Under development contingent on telecommunication market factors and transition to FTS 2001 to Next Generation Strategies (NGS).

### Strategies

Provide state of the art telecommunications products and services at competitive prices.  
Deliver flexible and efficient services that focus on the customers' changing mission needs.  
Retain and expand network services personnel with appropriate skill sets in technology and business disciplines.  
Maintain and expand customer relationships to maximize the value of network products and service offerings.  
Provide maximum choice of industry partners and offerings through the contract modification process and crossover initiatives from Regional Bell Operating Companies (RBOC's).

**Budget Link**

The FY 2004 IT Fund budget for this measure is \$2.1 million. This activity is supported through funding established for customer relationship management, program administration, and financial billing functions. The obligated resources accounts for 6% of the total direct operating expenses requested in the FY 04 Long Distance plan.

**Verification/Validation**

The Office of Services Delivery will validate and verify the reported data using indices available from professional service companies. An annual survey of large commercial customers will also be utilized. The source of FTS financial data is the GSA National Electronic Accounting and Reporting (NEAR) and Pegasys systems.

## Long Distance

GSA Strategic Goal	Operate Efficiently and Effectively
GSA Strategic Objective	Effectiveness in achieving cost management

### Long Term Performance Goal

#### Provide timely and effective telecommunications service.

Improve FTS2001 acquisition cycle processing times and foster competition to lower prices through crossover initiatives. This performance measure covers additional offerings made available to customers through the contract modification efforts for the FTS2001 program. The FTS2001 long distance contract modifications allow GSA customers to insert technology when needed. This performance measure focuses on two modification categories:

1. Enhanced service modifications—Add various components or features of voice and data services provided by the FTS 2001 contract.
2. Emerging service modifications—Add new telecommunications services to the FTS2001 contract.

The long distance program's internal business processes consist of provisioning, contract modifications, installation, and billing, which are supported through focalized customer service, program management and financial administration functions.

#### Performance Measure

Average number of days to complete contract modifications for FTS2001

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
FTS 2001	35	36	32	29	26	23
Crossover	38	54	49	44	40	36

#### Strategies

Ensure there is an ongoing dialogue with stakeholders and communities of interest to review acquisition initiatives directly linked to their requirements.

Reduce implementation timeframes.

Take advantage of key aspects of acquisition reform initiatives to improve quality and efficiencies through the use of commercial item contracting, multiple award indefinite delivery/indefinite quantity (IDIQ) contracts, and the use of electronic commerce.

#### Budget Link

The FY 2004 IT Fund budget for this measure is \$11.3 million. The obligated resources within FY 04 Long Distance operating plan are linked to the following activities: customer relationship management, operational assistance, contractor processes and performance, crossover activities performance measures and monitoring, COOP, and agency billing/customer support.

**Verification/Validation**

Tracking will be accomplished by FTS through the FTS2001 Program Management Office and independently verified by the Information and Infrastructure Center of FTS.

## Regional Telecom

GSA Strategic Goal	Provide Best Value For Customer Agencies And Taxpayers
GSA Strategic Objective	Customer satisfaction

### Long Term Performance Goal

#### Assist customers in achieving significant savings in the acquisition of products and services.

FTS is committed to offering customers quality services at competitive prices. Metropolitan Area Acquisition (MAA) contracts offer significant savings to customers in metropolitan areas that are served by the MAA program.

#### Performance Measure

Cumulative cost savings in major metropolitan areas

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
MAA Cost Savings	\$33.5M	\$46M	\$82M	\$122M	\$162M	\$202M

#### Strategies

Local Telecommunications pricing is extremely complex and varies by location. There are many thousands of possible variations. Therefore FTS developed a basket of representative services with typical feature sets that were applied nationwide to come up with market averages. These were then compared against previous service arrangements (contracts, tariffs, rate stability agreements, etc.), and timed with the actual cutover date to the new MAA service arrangements. The difference between the old arrangements and the new arrangements represent the cost savings. This method was designed to provide a rational, automated, efficient method for deriving ballpark estimates.

Achieved cost savings provide FTS Customers with the ability to fund new requirements and technology without increasing their budgets, thus saving the taxpayer money. Beyond that, FTS Customers save substantial procurement costs by acquiring local services through pre-awarded FTS contracts rather than developing and awarding agency specific contracts. The Office of Regional Services' (TR) goal is to continue tracking local telecommunications cost saving until the MAA contracts expire. The Office of Regional Services' long term goal is to define measures for determining cost savings based on expanded services and next generation solutions.

#### Budget Link

The FY 2004 IT Fund budget for this measure is \$8.1 million. Seven percent (7%) of the FY04 budget is allocated to provide the necessary resources to support the development, evaluation, and contract modification award process as well as staffing for National program management and regional service delivery.

#### Verification/Validation

The Office of Regional Services will validate and verify the reported data from the MAA database.



**Regional Telecom**

GSA Strategic Goal	Operate Efficiently and Effectively
GSA Strategic Objective	Effectiveness in achieving cost management

**Long Term Performance Goal****Improve the acquisition processes and methods to reduce time to award for local telecommunications.**

The Office of Regional Services offers local telecommunications services and solutions through numerous awarded contract vehicles. The timeliness of contract modifications (to include technology refreshment and crossover provision) is critical to providing timely and effective service delivery.

**Performance Measure**

Average number of days to complete contract modifications

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
Contract Modification	43	60	45	40	35	30

**Strategies**

The expeditious award of contract modifications benefit FTS Customer's by offering cost effective state of the art telecommunications solutions in a timely manner. Taxpayer benefits include improved service delivery that is more closely aligned with commercial practices. The long term goal is to develop sound goals and measures that will ultimately result in improved procedures that will expedite the contract award process thus saving the government money. FTS will leverage the improved contract modification process as the technology and telecommunications industries evolve.

**Budget Link**

The FY 2004 IT Fund budget for this measure is \$15.8 million. Eighteen percent (18%) of the FY04 budget is allocated to support the contract modification process as well as providing resources required for National program management and regional service delivery (e.g., oversight, policy development and implementation, customer outreach).

**Verification/Validation**

The Office of Regional Services will validate and verify the reported data from the Office of Acquisition and the regional offices.

**Regional Telecom**

GSA Strategic Goal	Operate Efficiently and Effectively
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GSA Strategic Objective	Effectiveness in achieving cost management
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**Long Term Performance Goal****Cost Savings and Cost Avoidance.**

Increase the total number of local lines supported to maximize savings to the tax payers.

**Performance Measure**

Total number of local service lines supported by FTS

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
Total number local service lines	*	*	746,800	760,000	775,000	785,000

\* Not Measured in Fiscal Year 02 or 03.

**Strategies**

Due to the changing dynamics of the Local Telecommunications marketplace, we will now measure total number of local lines in lieu of average line rate. For several years there was a downward pricing trend that FTS was able to take advantage of, and to some extent lead. A better ongoing measure will be customer attraction and retention. This measure will demonstrate the ongoing health and success of the program in the future.

Increasing the total number of local service lines FTS supports can increase the total dollars saved by the taxpayer for local telecom services. As technology changes over time, voice over IP and other technologies mature FTS expects the total number of local service lines to decrease and new measures to be established.

**Budget Link**

The FY 2004 IT Fund budget for this measure is \$8.5 million. Eight percent (8%) of the FY04 budget is allocated to provide required resources for National program management and regional service delivery.

**Verification/Validation**

The Office of Regional Services will collect, validate, and verify the data reported by the regions.

**Regional Telecom**

GSA Strategic Goal	Operate Efficiently and Effectively
GSA Strategic Objective	Effectiveness in achieving cost management

**Long Term Performance Goal****Provide timely and effective service delivery.**

This measure tracks service delivery time intervals (expected versus actual service delivery) to improve the accuracy and timeliness of local telecommunications service delivery.

**Performance Measure**

Percent of time negotiated completion date for Local Network Services is met or bettered

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
Percent of time Negotiated Completion date Met or Bettered	*	85%	90%	92%	94%	95%

\* Not Measure in Fiscal Year 02

**Strategies**

FTS customers benefit by receiving timely service delivery and immediate cost savings opportunities while at the same time achieving increased customer satisfaction with FTS service delivery. The taxpayer receives timely and improved service to the citizen. The long term goal is to develop a sound methodology and/or system to track the timeliness of all service delivery. The FY04 goal is based primarily on a sampling of the timeliness of National Program Office's delivery of voice services. The long term goal is to expand this measure to include the expanded services program.

**Budget Link**

The FY 2004 IT Fund budget for this measure is \$3.6 million. . Four percent (4%) of the FY04 budget is allocated for required resources for National program management and regional service delivery to monitor service delivery intervals and better equipped FTS associates to meet negotiated completion dates for service delivery.

**Verification/Validation**

The Office of Regional Services will collect, validate, and verify the data reported by the regions.



## **Information Technology Solutions**

### **IT Solutions Business Line**

The Information Technology (IT) Solutions business line provides a full range of IT products and services including security solutions to its agency customers through contracts with industry partners. IT Solutions provides a variety of ways for agency customers to buy -- through FTS contracts, through the use of the Federal Supply Service's Multiple Award Schedules Program<sup>5</sup>, and through the contracting offices of other agencies with which the IT solutions business line has developed strategic partnering arrangements. Federal customers can choose among numerous services at various levels of support.

### **Regional IT**

Through its regional sales centers, FTS provides Federal agencies with systems definition and design, business and scientific software services, computer security studies and risk analyses, and access to all of FTS' products and services. A large part of the business unit is designed to enable Federal agencies to purchase commercial off-the-shelf information technology software, equipment and non-complex services. It offers Federal agencies products and services, plus the "value-added" contracting services support that focuses on shortest time, lowest cost, and highest quality as a composite procurement approach. The business unit relies on various contracting solutions: GSA's multiple-award schedules (MAS), government-wide acquisition contracts (GWACS) for specialized buys, and multiple award contracts with small businesses.

### **National IT**

FTS assists Federal agencies on large, complex systems integration efforts including hardware, software, maintenance, training and analyst support; delivers full service management of information technology acquisitions worth more than \$100 million; enables agencies to purchase information systems security service from various industry sources; and develop innovative new service areas that incorporate the most current technologies and approaches to solving Federal IT problems such as implementing financial and administrative systems, and providing a full range of smart card services, and outsourcing solutions for the IT needs of Federal agencies.

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<sup>5</sup> Schedules are Multiple Award Indefinite Quantity, Indefinite Delivery (IDIQ) contracts available to all federal agencies worldwide that allow for direct placement of orders with contractors.

## IT Solutions

GSA Strategic Goal	Operate Efficiently and Effectively
GSA Strategic Objective	Maximize procurement effectiveness for customer cost savings

### Long Term Performance Goal

#### Improve acquisition processes and methods to reduce time to award task orders for IT solutions.

The Information Technology (IT) Solutions business line provides all types of IT products and services, through contracts with industry partners. Client Support Centers (CSCs) within IT Solutions provide direct customer interface and support, issue and manages task orders against contracts, and delivers (resells) solutions to customers. To improve customer communications concerning task order requirements and service expectations, CSCs will track and report actual task order award dates for services and commodities against the task order award dates that are negotiated with customers.

#### Performance Measure

Percentage of negotiated award dates for services and commodities that are met or bettered

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
Regional IT Solutions	91%	≥90%	≥93%	≥94%	≥95%	≥96%
National IT Solutions	91%	≥90%	≥93%	≥94%	≥95%	≥96%

#### Strategies

To award task orders and provide project management to meet the Federal customer agency's budget and schedule. The service delivery model will be improved by enhancing communications with the customer concerning task order requirements and service expectations. Understanding and meeting customer requirements and expectations will allow the program to be more efficient and effective, and result in satisfied customers as well as repeat business. The Client Support Centers will track and report actual task order award dates for services and commodities against the target award date established with the customer. The short range target of 93% for FY04 is realistically attainable since the FY02 actual result was 92%.

Long term, we plan are to continue awarding task orders and providing project management to meet or exceed the Federal customer agency's budget and schedule. Other long term plans are to continue to improve and maintain the service delivery model, to enhance customer communications concerning task order requirements, and service expectations by tracking and reporting actual task order award dates for services and commodities against the target award date.

#### Budget Link

The FY 2004 IT Fund budget for this measure is \$21 million. FY04 requested funding and FTE levels will enhance the ability of the acquisition staff and program managers to manage the workload generated as a result of fostering competition by increasing the number of task and delivery orders subject to fair opportunity. By affording all contract holders a fair opportunity to be considered for a task or delivery order award, additional workload will be realized during the solicitation, evaluation, and negotiation processes resulting from multiple vendors and their proposals.

**Verification/Validation**

IT Solutions management will validate and verify the accuracy of data based on contracting documents.

## IT Solutions

GSA Strategic Goal	Operate Efficiently and Effectively
GSA Strategic Objective	Maximize procurement effectiveness for customer cost savings

### Long Term Performance Goal

#### Provide competitive prices to customers.

IT Solutions is committed to offering quality goods and services at competitive prices. In a competitive environment, it is important to continue to award and implement contracts that utilize the advantages of aggregating agency requirements. IT Solutions provides a variety of ways for agency customers to buy – through FTS contracts, through the FSS Schedules, and through other agencies contracting vehicles. Customer agencies that use FTS minimize the federal cost of lengthy acquisitions.

#### Performance Measure

Percent of dollar savings between Independent Government Cost Estimates (IGCE) and award amounts

	FY02 Actual	FY03 Target	FY04 Target	FY05 Target	FY06 Target	FY07 Target
Regional IT Solutions	5.50%	≥6%	≥7%	≥8%	≥8%	≥8%
National IT Solutions	5.50%	≥6%	≥7%	≥8%	≥8%	≥8%

The Independent Government Cost Estimate (IGCE) is a tool used by the acquisition staff that serves as the initial benchmark against which all proposals are measured to determine price reasonableness. The cost estimate is also used during negotiations to obtain the best price for the customer. The performance measure target for FY 2002 was established at 10 percent as a best guess. Actual historical results for FY 1999, FY 2000, and FY 2001 were not available since this information was not collected. Based on actual 2nd quarter FY 2002 results of 4.5 percent savings, the FY 2003 target was adjusted to 6 percent and increased to 7 percent for FY 2004. The methodology comparing the IGCE to the award amount is an interim measure pending the identification of alternatives to measure cost savings and procurement effectiveness.

#### Strategies

.This measure was established in FY02 utilizing a benchmark of >10% as the initial target. Actual historical results for prior fiscal years were not available since this information was not collected. Based on actual 2<sup>nd</sup> quarter FY02 results of 4.5% savings, the FY03 target was adjusted to 6% and increased to 7% for FY04.

Long term we plan to maximize cost savings for Federal agencies and taxpayers by obtaining the best price for customer agencies' IT solutions requirements.

#### Budget Link

The FY 2004 IT Fund budget for this measure is \$23.9 million. The FY 2004 IT Fund budget reflects IT Solutions expenses of \$211 million and cost of goods sold of \$6.7 billion. FY04 requested funding and FTE levels will provide the resources to award task orders and provide project management for Federal agencies' IT solutions requirements, allowing our customers to focus on implementing their critical missions. Our ability to save money for our clients will increase customer satisfaction, thereby increasing



FTS program revenue. It will also allow our customers to direct more funds to their critical program areas.

**Verification/Validation**

The IGCE is developed by the project manager based on previous cost estimates for similar projects, historical price information, and other available pertinent data. National and regional team leaders and IT Solutions Directors review IGCE and award performance measure data prior to submission to the Assistant Commissioner for IT Solutions.

## VII. OFFICE OF GOVERNMENTWIDE POLICY

### Introduction

Under the Federal Property and Administrative Services Act of 1949, GSA's Administrator helps federal agencies to better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies. The Office of Governmentwide Policy (OGP) provides governmentwide policies that improve the management of acquisition, property, travel and transportation, and administrative services through the effective use of technology, performance measures, collaboration, regulations, and best practices.

Our strategic direction in FY 2004 focuses on management improvements in major areas of how the government conducts business. Much of this effort is linked to the implementation of electronic government as a critical tool to standardize and streamline processes related to acquisition, real and personal property, travel, and other business lines by maximizing the use of the Internet. Our standardized approaches for e-gov implementation include policy and business case development for new IT investments, which will close the performance gaps by leveraging new technologies such as web services, XML (extensible Mark-up Language), and broadband services. We will also transition the current e-gov efforts from development to deployment to an integrated way of doing business through consistent policies and regulatory action.

As part of OGP's continuing developmental work in electronic government (e-gov), we will play a leadership role to customer agencies by integrating key e-gov initiatives into the everyday business of government. For example, e-Authentication - determining identity and minimizing the risk of conducting business on the Internet - is a critical governmentwide initiative to oversee and maintain a consolidated approach for deployment and integration of authentication services with agency applications in conformance with the federal enterprise architecture standards established by OMB. We are building on the successful partnership with FTS that established the Access Certificates for Electronic Services (ACES) and the Federal Bridge Certificate Authority programs to deliver interoperability solutions using public key infrastructure technology (PKI) – for risk needs on the authentication spectrum.

Similarly, our eTravel initiative, is working closely with our partner agencies to implement a standard booking engine and a consistent travel and voucher system for the federal government. We are targeting 19 of the Business Reference Model agencies to use a governmentwide self-booking engine for travel reservations and adopting an end-to-end service to deliver an integrated voucher service. As is true of e-Authentication, a program office will be required to guide the adoption of the e-Travel services, manage enhancements to the system, and complete deployment.

Once the e-Authentication effort and the new eTravel program are implemented and become “routine ways” of doing business, these functions will likely be moved to another organization outside OGP with operational responsibilities. We anticipate this will happen in FY 2006 for both programs.

Under OGP's senior procurement executive designation, we will address the challenge of training a GSA acquisition workforce that needs improvement in its core competencies. We will continue to focus on building an acquisition workforce that is trained in compliance with Clinger-Cohen, which drives the use of performance-based procurements, and is expert in contract management skills. OGP will continue to effectively train the federal workforce in IT and acquisition skills in support of the objectives of the President's initiative to develop human capital.

OGP's Regulatory Information Service Center (RISC) is currently developing a new computer system that will streamline the Office of Management and Budget's (OMB) required reviews of Federal agency

regulatory actions under Executive Order 12866, and reviews of information collections under the Paperwork Reduction Act. The new system will also give the public direct access to previously unavailable information about the regulatory process.

These examples represent our commitment to GSA's strategic goals and the objectives of the President's Management Reform agenda. The performance measures and the related resource estimates demonstrate our dedication to initiatives that will strengthen the federal government as an efficient, effective, and citizen-centric government.

### **Program Description**

Our mission is to improve governmentwide management and we are responsible for carrying out the policy and regulatory functions assigned to GSA by Congress and the President. We exercise GSA's authority as one of the central management agencies of the federal government and supports OMB in exercising several of its policymaking authorities. Our policymaking authority and policy support activities encompass the following areas.

- Acquisition and Contracting
- Electronic Government & Information Technology
- Personal Property including Aircraft and Motor Vehicles/Fleet
- Real Property and the Workplace
- Travel
- Transportation and Mail
- Committee Management (Federal Advisory Committees)
- Regulatory Information Services

In addition to bringing interagency groups together to collaborate on developing the policies and guidelines for the program areas within its responsibility, OGP facilitates governmentwide reform by providing federal managers with business-like incentives, tools, and flexibility to prudently manage their assets. We create and lead networks of agency representatives who are affected by policymaking in these areas, to collaborate and explore new approaches to address relevant issues as the environment or priorities change. In the policy arena, we strive to create policies that are used and useful. We provide capable leadership in the use of the Internet and digital technologies in the drive toward a citizen-centric, e-government that bridges the gap among individuals, businesses and governments.

By creating opportunities for public-private collaboration we encourage better information sharing, and function as a clearinghouse for the exchange of information on federal procurement opportunities and information resource management. We have made it a priority to help federal agencies build a highly skilled and knowledgeable workforce, and encourage innovative solutions for more productive work environments. Operating from a central point with access to industry, all other federal agencies and other governments, we are uniquely positioned to coordinate major governmentwide improvement initiatives.

### **Sphere of Influence**

- All federal procurement actions – 35.9 million, obligating more than \$234.9 billion annually (\$54 billion in IT production)
- 26,700 federal contracting specialists
- 125,000 other acquisition workforce members
- The entire government space inventory – 3.3 billion square feet
- Disposal of over \$11 billion of federal excess personal property each year
- All federal fleet activities – nearly 600,000 vehicles and 1,200 civilian agency aircraft
- Over \$9.0 billion in federal travel expenditures
- Over \$14 billion in federal transportation expenditures

### **Integration with The President's Management Agenda**

We restructured the 11 primary goals from the FY 2003 performance plan into 16 primary performance goals for FY 2004, ensuring alignment with GSA's strategic goals and objectives. These new goals will provide OGP with a sharper management focus and encourage the targeting of resources. The underpinning of the President's Management Reform Agenda has been a key factor in sharpening our strategic focus in the FY 2004 plan. The promotion of performance-based contracting, competitive sourcing, the use of commercial business practices for mail management, acquisition reform and key electronic government initiatives are new areas of importance in this year's plan.

Our 18 performance measures will improve effectiveness in the policymaking process, and will yield governmentwide savings and/or cost avoidance. OGP will use the measurement results to assess progress towards our goals, to further refine the goals and measures, and to decide on action plans for continuous improvement. Careful analysis of our results will also help us to evaluate the impact of our efforts, and provide a sound basis for performance-based resource management. The ultimate goal is to improve organizational performance and the delivery of products and services for the benefit of customers and stakeholders.

This performance plan outlines the high-level strategic priorities that OGP will pursue for FY 2004. However, OGP has other significant programs not highlighted here, including the Committee Management Secretariat, the Regulatory Information Service Center, and the OGP Chief Information Officer. These programs are integral to our overall mission of improving government management. All of OGP's programs align their respective performance goals with GSA's strategic goals and objectives.

**5-Year Budget Data Display (\$ in thousands)**

	2000	2001	2002	2003	2004
OGP TOTAL	52,000	57,021	59,992	52,595	74,031

GSA Strategic Goal	Provide best value for customer agencies and taxpayers
GSA Strategic Objective	Promote best management practices

**Performance Goal**

**Ensure adoption of Federal Premier Lodging Program (FPLP) within the 77 target markets to meet federal travelers’ needs and thus reducing overall government spending.**

The Federal Premier Lodging Program (FPLP) contracts with lodging properties in areas defined by ZIP codes supplied by local Federal Executive Boards. Many of these ZIP codes are in downtown areas. Many of the properties responding to FPLP solicitations do not participate in the annual per-diem surveys, because per-diem rates are established for wide geographic areas. Downtown properties are usually at the high end of the local price range, and cannot or will not provide rooms at the per-diem rate. Properties under FPLP will guarantee to provide a given number of rooms to Federal travelers at a set rate. FPLP will not replace the per-diem system, but will be the basis for per-diem rate-setting in major metropolitan areas.

**Performance Measure**

Dollar savings to government over corporate rate

FY 2000 Actual	N/A
FY 2001 Actual	N/A
FY 2002 Actual	\$5,027,490
FY 2003 Target	\$24,750,000
FY 2004 Target	\$27,000,000

**Budget Link**

4 FTE/\$446,400 (Working Capital Fund)  
(Objective is to have the program eventually supported by reimbursable funds.)

**Strategies**

Increase hotel industry participation through networking and targeted advertising.

Award contracts to several properties in each location under FPLP, at a variety of rates based on competitive bidding within each market.

Award contracts up to a maximum rate deemed reasonable for that market, based on lodging industry data. Travelers may then choose lodgings appropriate to the location and requirements of their work.

Promote the use of FPLP properties by federal travelers by publication of brochures listing participating hotels, sponsoring travel forum, FPLP website and other eTravel initiatives.

Outsource FPLP operations to private sector to allow office to focus on maximizing regulatory leverage to ensure adoption of FPLP within the Federal community.

Identify and disseminate best management practices.

**Verification/Validation**

Our savings to the government was arrived at by multiplying the estimated FPLP room nights used by the dollar savings of the FPLP average rate over the corporate average rate. The number of room nights used by FPLP travelers will be verified by management data submitted by participating properties on a monthly basis. Data from travel charge cards will also be gathered as a secondary source of FPLP use information. Corporate rates are provided by Adventure Travel and may change as often as monthly. The FPLP average rates are calculated by the Travel Management Policy Division after contract awards are made. The FPLP rates will change as a result of new contract awards. The above estimates are based on November 2002 data.

GSA Strategic Goal	Provide best value for customer agencies and taxpayers
GSA Strategic Objective	Promote best management practices

**Performance Goal**

**Move federal agencies to commercial payment processes for mail to drive agencies to be more strategic in their operations.**

The new Federal Management Regulation, 41 CFR 102-192, requires agencies to move to commercial payment processes no later than October 1, 2003 (i.e., the first day of FY 2004).

**Performance Measure**

% of federal mail payments to the USPS made through commercial processes (excluding payments from agencies that have received an approved deviation)

FY 2000 Actual	16%
FY 2001 Actual	15%
FY 2002 Actual	17%
FY 2003 Target	20%
FY 2004 Target	80%

Dollar value of payments to the USPS made through commercial processes (excluding payments from agencies that have received an approved deviation)

	Commercial Payments to the USPS	Total Payments to the USPS
FY 2000 Actual	\$165,000,000	\$1,082,890,310
FY 2001 Actual	\$176,367,842	\$1,046,466,518
FY 2002 Estimate	\$178,000,000	\$1,050,000,000
FY 2003 Target	\$190,000,000	\$1,090,000,000
FY 2004 Target	\$900,000,000	\$1,120,000,000

**Budget Link**

1 FTE/\$153,000

**Strategies**

Develop and lead a working group, under the Interagency Mail Policy Council, to provide guidance for agencies on how to move away from the Official Mail Accounting System (OMAS) and toward using commercial processes to pay for postage.

Post the guidance on the Mail Policy website, and continue to work closely with agencies, on a one-on-one basis, to resolve specific issues and to enhance the guidance.

**Validation/Verification**

Data on agency postage expenses made through commercial processes will come from annual reports that the 28 largest agencies are required to submit. The first report was due September 4, 2002, and annual reports are due on March 30 thereafter.

GSA Strategic Goal	Provide best value for customer agencies and taxpayers
GSA Strategic Objective	Promote best management practices

**Performance Goal**

**Expand the use of performance-based contracting to increase government efficiency.**

The function of GSA’s Senior Procurement Official (SPE) resides within OGP’s Office of Acquisition Policy. The Working Capital Fund supports procurement activities conducted by the SPE specifically on behalf of GSA.

In 1991, the Office of Federal Procurement Policy (OFPP) issued established performance-based contracting and promoted it as an innovative approach to acquiring services for the Federal Government. The reform of the Government Performance and Results Act of 1993, the Federal Acquisition Streamlining Act of 1994 (FASA), and the Clinger-Cohen Act of 1996 send an important message about performance in federal programs and acquisitions. These laws and the Federal Acquisition Regulation (FAR) establish a preference for performance-based service acquisition. GSA’s SPE is committed to improving GSA’s performance in this critical OFPP initiative, and has designed an agency-wide program to expand the use of performance-based contracting within GSA.

The ultimate goal of performance-based contracting is to:

- Reducing contract costs and the need for extensive Government surveillance
- Enable GSA to shift its emphasis from processes to outputs
- Hold contractors accountable for results.
- Ensure that contractors are given the freedom to determine how to meet GSA’s performance objectives

**Performance Measure**

% of GSA contract dollars reported as performance-based contracts (for contracts over \$25,000)

FY 2000 Actual	N/A
FY 2001 Actual	15%
FY 2002 Actual	9%
FY 2003 Target	30%
FY 2004 Target	40%

**Budget Link**

1 FTE/\$600,000 (Working Capital Fund)

**Strategies**

Enhance and maximize the use of performance-based contracting in GSA and eventually use this as a model for government.

Provide classroom PBC training to all GSA acquisition professionals. Training will be developed based on the *7-Steps to Performance-Based Services Acquisition (PBSA) Guide*. Also provide an on-line PBC training course for just-in-time learning. The course will be posted on the FAI Online University at [www.faionline.com](http://www.faionline.com).



Establish a PBC Center of Excellence to coordinate and centrally locate PBC policy information, best practices, samples, etc. Additional information is available at:  
[www.gsa.gov/performancebasedcontracting](http://www.gsa.gov/performancebasedcontracting).

### **Validation/Verification**

Data sources include the Federal Procurement Data System (FPDS) and the GSA Procurement Data System (GPDS) (evaluated on a quarterly basis). Evaluation of performance-based orders under FSS contracts in conjunction with the Section 803 evaluation. Evaluation to begin once the Section 803 rule is passed.

GSA Strategic Goal	Provide best value for customer agencies and taxpayers
GSA Strategic Objective	Maximize opportunities to deliver single-face Customer-centric e-government

**Performance Goal**

**Support authentication needs for egov initiatives to provide secure access to government information and services for citizens.**

There are currently 24 e-gov initiatives recommended by the President’s Management Council. OGP will play a leadership role to customer agencies by integrating key e-Gov initiatives into the everyday business of Government. E-Authentication is critical to doing business on-line and will help meet the challenge in restraining agencies from building their own redundant authentication systems. Core to the e-Authentication effort is an authentication gateway to provide efficient, secure authentication services across government with a single sign-on capability. The e-Authentication Gateway supports the e-Gov initiatives by providing common services to authenticate the public, businesses, and government users where verification of identity is necessary for the deliver of the e-Gov services.

**Performance Measure**

Number of egov initiatives with completed authentication needs assessment and determined solution sets

FY 2002 Actual	6 initiatives
FY 2003 Target	22 initiatives
FY 2004 Target	24 initiatives

Number of egov initiatives using the gateway or common solution

FY 2002 Actual	2
FY 2003 Target	6
FY 2004 Target	12

**Budget Link**

7 FTE/\$1,075,000

**Strategies**

Identify applications governmentwide that require authentication and XML standardization.

Establish a consistent approach to the authentication of individuals and businesses that interact with the government. For sensitive or risky applications, a federal Public Key Infrastructure (PKI) and policies are needed.

Promote the use of the federal bridge to achieve interoperability between disparate Agency PKI implementations.

Encourage the adoption of cross-agency Access Certificates for Electronic Services Public Key Infrastructure to advance the interoperability of PKI services to citizens.

**Verification/Validation**

Online customer surveys will provide data measuring customer satisfaction with the use of the gateway for identity authentication requirements. Automated tracking mechanisms monitor data count on various

electronic transactions, plus record of number of web hits and inquiries received and of agencies posting information to the various systems.

GSA Strategic Goal	Provide best value for customer agencies and taxpayers
GSA Strategic Objective	Maximize opportunities to deliver single-face Customer-centric e-government

**Performance Goal**

**Facilitate the consistent use of XML for federal egov initiatives to achieve improved electronic services to customers.**

Emerging e-government initiatives are being deployed on component based architecture models for economy and interoperability. Existing e-government systems can also benefit from the sharing of resources and reuse of data architecture components. To accomplish this, a critical infrastructure framework for XML (Extensible Markup Language) must be deployed. A governmentwide XML registry will connect various repositories to allow agencies to share common data elements, structures, business structures, and business processes. This would reduce redundant and inoperable data directories.

**Performance Measure**

Number of egov initiatives adopting XML recommendations

FY 2002 Actual	3 initiatives
FY 2003 Target	5 initiatives
FY 2004 Target	12 initiatives

**Budget Link**

6 FTE/\$2,639,000

**Strategies**

Promote the use of XML registry to achieve interoperability between disparate agency implementations.

Lead federal agencies through established working groups to address technical issues in achieving e-government.

Provide the guidance to facilitate the adoption and use of XML for federal egov initiatives.

**Verification/Validation**

Online customer surveys will provide data on customer satisfaction on the use of the XML registry. Automated tracking mechanisms monitor data count on various electronic transactions, plus record of number of web hits and inquiries received and of agencies posting information to the various systems.

GSA Strategic Goal	Provide best value for customer agencies and taxpayers
GSA Strategic Objective	Maximize opportunities to deliver single-face Customer-centric e-government

**Performance Goal**

**Provide consolidated, fully integrated end-to-end travel service governmentwide.**

The eTravel initiative rationalizes, automates, and consolidates the Federal government’s travel process in a Web-centric environment, covering all steps of travel planning, authorization and reservations; to travel claims and voucher reconciliation. It eliminates the paper process still in place in many agencies, while leveraging administrative, financial and information technology best practices.

This initiative directly responds to The President’s Management Agenda announced in August 2001. The eTravel concept provides direct support for expanded e-Government, as well as improved financial management, strategic management of human capital, and budget and performance integration. Specific goals of this initiative include:

- Single travel management process
- End to end paperless process
- Reduced cycle time for the travel management process
- Centralized, online budget and travel information
- Reduced delinquency rates and increased dollar savings from prompt payment of travel cards

**Performance Measure**

Number of travel arrangements fully completed in the consolidated, fully integrated eTravel

FY 2000 Actual	N/A
FY 2001 Actual	N/A
FY 2002 Actual	N/A
FY 2003 Target	N/A
FY 2004 Target	500,000

**Budget Link**

5 FTE/\$3,173,000

**Strategies**

Provide strategies for change management, eTravel deployment and best practices.

Set performance goals for adoption and utilization of eTravel.

E-Travel will be implemented in FY2004.

**Validation/Verification**

The eTravel Service (eTS) provider is required to gather and report data for all transactions defined as vouchers (local and TDY) on weekly, monthly, quarterly, and annual data for agency and governmentwide usage.

GSA Strategic Goal	Provide best value for customer agencies and taxpayers
GSA Strategic Objective	Increase the use of OGP performance measures by other Federal agencies

**Performance Goal**

**Increase the number of agency programs using OGP-facilitated performance measures.**

OGP recognizes the value of identifying and instituting the right performance measures which provide information that allow managers to drive changes and improve overall program performance. Through interagency communication and cooperation, OGP is taking steps to identify opportunities for potential collaboration in promoting the development and use of Government-wide performance measures.

Examples of OGP performance measures in use by Federal agencies include: 1) Real Property “Cost Per Person Model” and the “Productivity Payback Model,” that mainstream the paradigm shift from focusing on facilities to workplaces, and by using benchmarking and international research projects to learn more about world-class practices; 2) the annual Federal Fleet Report (FFR), which provides summary information on Federal motor vehicle fleet performance indicators, as well as “Cost-per-Mile,” “Number of vehicles,” and “Overall Costs.”

**Performance Measure**

Number of agency programs that use OGP-facilitated performance measures

(Note: OGP will use the most current version of the U.S. Government Manual as the source of “agencies.” The universe for each program segment is 74 agencies, for each of OGP’s five programs reporting on this measure: Office of the Committee Secretariat, Regulatory Information Service Center, Office of Real Property, Office of Personal Property and Transportation, and the Office of Acquisition Policy.)

FY 2000 Actual	58
FY 2001 Actual	218
FY 2002 Actual	380
FY 2003 Target	330
FY 2004 Target	350

**Budget Link**

10 FTE/\$1,076,000

**Strategies**

Continue ongoing efforts to collaborate with interagency teams to identify, develop, and publish governmentwide baseline performance measures for all areas within OGP program responsibility.

Coordinate with interagency teams to identify and agree on common reporting elements and integrate performance indicators into governmentwide shared reporting and management systems.

Provide performance measurement training for GSA associates and other agencies when needed.

Identify opportunities governmentwide to present and address performance measurements.

Continue working with interagency teams to obtain broader input and develop procedures to collect performance data.

Benchmark private sector practices for comparative purposes. Continuously refine the established framework of measures.

Assess the effectiveness of its efforts in promoting usage of performance measurements through tabulation of customer survey results on the usage of performance measures in various federal agencies.

**Validation/Verification**

Sources include: internal performance management system, customer feedback, benchmarking with external data sources (e.g., International Facility Management Assoc., Building Owners & Managers Association)

Automated data checks are performed on actual usage by customers of shared systems with built-in performance indicators.

GSA Strategic Goal	Provide best value for customer agencies and taxpayers
GSA Strategic Objective	Promote best management practices

**Performance Goal**

**Reduce governmentwide cost of collecting contract award data.**

The outcome we will achieve is to make it less expensive for agencies to report data, monitor the quality and speed with which it is received, and to work with agencies to effect change to improve the measures. By reengineering the Federal Procurement Data System (FPDS) OGP can better support agencies. The selected vendor will propose the specific technologies to be used.

Based on current summary reporting and the estimated ability of the agencies to make and report awards through contract writing systems, 12 million transactions is the approximate number of transactions that should be reported annually.

**Performance Measure**

% of transactions received using machine-to-machine interface

FY 2000 Actual	N/A
FY 2001 Actual	N/A
FY 2002 Actual	N/A
FY 2003 Target	N/A
FY 2004 Target	10%

**Budget Link**

2 FTE/\$1,700,000 (Reimbursable)

**Strategies**

Provide the standards and protocols for directly reporting contract award data from e-procurement systems.

Work with the agencies to develop a transition plan to have all agencies inputting data by web or e-procurement by FY 2005.

Make agencies aware of their error rates and to seek ways to highlight probable errors and inconsistencies.

**Validation/Verification**

Data will come from system operations and may be continuously monitored. Other forms of validation include: weekly error reporting and annual random audit.



GSA Strategic Goal	Operate efficiently and effectively
GSA Strategic Objective	Strengthen governmentwide policy-making process to improve government management and operations

**Performance Goal**

**Improve clarity of OGP policies, regulations and guidelines to increase efficiency of government management and operations.**

Since federal agencies have multiple missions, there must be sound policies in place that afford agencies the flexibility to accomplish their goals in the most effective manner. OGP provides this policy framework, through issuance of policies and guidelines for the management of property, technology and administrative services, which enables federal agencies to accomplish their missions. These policies provide the guiding principles for consistent processes and the efficient management of government, and foster sound business practices and ensures ethical standards.

**Performance Measure**

Number of significant regulations and guidelines updated

FY 2000 Actual	N/A
FY 2001 Actual	3
FY 2002 Actual	20
FY 2003 Target	38
FY 2004 Target	25

**Budget Link**

32.5 FTE/\$3,236,000

**Strategies**

Lead and collaborate with federal agencies to address governmentwide issues concerning management of property, technology, and administrative services. Solicit input from other federal agencies, stakeholders, and private industries in the policy formulation process to ensure regulations and guidelines are clear and easily understood.

Improve understanding of OGP policies, regulations, and guidelines by sponsoring training seminars and working groups for the exchange of information and updates about new policies.

**Verification/Validation**

Program staff will monitor milestones and specific performance indicators for publication of regulations against established timeframes.

GSA Strategic Goal	Operate efficiently and effectively
GSA Strategic Objective	Strengthen governmentwide policy-making process to improve government management and operations

**Performance Goal**

**Increase sharing of management systems to allow for better decision-making, accountability, and cost avoidance.**

These shared management systems include the Federal Aviation Interactive Reporting Systems (FAIRS), Federal Procurement Data System (FPDS), Catalog of Federal Domestic Assistance (CFDA), Computers For Learning (CFL), Asset Disposition Management System (ADMS), Governmentwide Acquisition Contracts (GWACs) database, Excluded Parties List System (EPLS) World Wide Inventory (WWI) and the e-Grants Posting Module pilot. They cover programs in acquisition, real property, personal property, and transportation. The flexibility and interconnectivity that are achieved by these systems should promote program accountability and lead to better asset management decisions. OGP’s governmentwide systems provide a central repository for the collection, dissemination, and sharing of valuable information, and provide a greater efficiency that reduce costs otherwise needed for redundant agency systems.

**Performance Measure**

Number of agency programs that use OGP shared management systems to support decision-making

(Note: OGP will use the most current version of the U.S. Government Manual as the source of “agencies.” The universe for each program segment is 74 agencies, for each of OGP’s five programs reporting on this measure: Office of the Committee Secretariat, Regulatory Information Service Center, Office of Real Property, Office of Personal Property and Transportation, and the Office of Acquisition Policy.)

FY 2000 Actual	N/A
FY 2001 Actual	N/A
FY 2002 Actual	378
FY 2003 Target	191
FY 2004 Target	200

**Budget Link**

32 FTE/\$7,366,000

**Strategies**

Expand functionality of systems by retooling, enhancing and maintaining existing systems when necessary based on feedback from customer/agency representatives. Continuously work to improve the usefulness of current systems we develop and/or refine common database systems to incorporate analytical reporting capabilities and promote governmentwide use as management tools.

Work with numerous customer agencies to reach agreement on common requirements for comprehensive database management systems.

**Validation/Verification**

OGP program staff will ensure the integrity, timeliness, accuracy and customer use of data systems through their work with systems support personnel.

GSA Strategic Goal	Operate efficiently and effectively
GSA Strategic Objective	Continuously improve operations

**Performance Goal**

**Implement President’s Management Agenda for competitive sourcing (identifying and competitively sourcing or directly converting commercial functions).**

The Office of Acquisition Policy has led the way in identifying commercially competitive functions for the 2000 FAIR Act Inventory, listing four of its functions and 38 FTEs, representing over 50% of its total FTE. The Federal Acquisition Institute (FAI) will be directly converted by March 31, 2003 and will account for 6 of the 64 commercially competitive FTEs identified on the inventory for the Office of Governmentwide Policy (OGP). The Federal Procurement Data Center (FPDC) will be directly converted by October 2003, and will account for another 14 of the total OGP commercially competitive FTE.

**Performance Measure**

% of OGP FAIR Act inventory competed or directly converted

FY 2000 Actual	N/A
FY 2001 Actual	N/A
FY 2002 Actual	0%
FY 2003 Target	10%
FY 2004 Target	10%

**Budget Link**

1.5 FTE/\$184,000

**Strategies**

Review all program functions.

Identify inherently governmental program functions.

Identify commercially competitive program functions.

Identify commercial-exempt program functions.

Select the appropriate process for competitively sourcing or directly converting the commercially competitive program functions.

**Validation/Verification**

Data Source is the Office of Governmentwide Policy FY 2000 FAIR Act Inventory.

GSA Strategic Goal	Maintain a worldclass workforce and workplace
GSA Strategic Objective:	Improve the knowledge and skills of the Federal workforce

**Performance Goal**

**Achieve 55<sup>th</sup> percentile ranking in the Gallup Q12 Survey.**

In an effort to be proactive in improving associate engagement in OGP, OGP administered Gallup's Q-12 Survey in FY2001 and FY2002, two years before it became the standard tool used across GSA. In addition to the standard 12 questions, OGP also surveyed associates' satisfaction with cooperation and communication, culture for innovation, and workspace productivity.

In FY 2002, OGP's response rate was 80%, while Gallup's average rate of response was 77%. The resulting scores placed OGP in the 75<sup>th</sup> percentile for overall satisfaction, with 31% of associates indicating "extreme satisfaction" with the work environment. OGP's grand mean score increased from 3.40 in FY 2001 to 3.71 in FY 2002, placing OGP in the 63<sup>rd</sup> percentile for Grand Mean Ranking. This was a significant improvement above the FY 2001 grand mean score placement in the 34<sup>th</sup> percentile.

**Performance Measure**

Percentage ranking in the Gallup Q12 Survey

FY 2000 Actual	N/A
FY 2001 Actual	34 <sup>th</sup> percentile
FY 2002 Actual	63 <sup>rd</sup> percentile
FY 2003 Target	55 <sup>th</sup> percentile
FY 2004 Target	60 <sup>th</sup> percentile

**Budget Link**

.5 FTE/\$100,000

GSA is centrally funding the Gallup Q12 survey in FY 2003; we anticipate similar funding in FY 2004.

**Strategies**

During FY 2002 and FY 2003, several OGP organizations have experienced significant staffing changes due to the FAIR Act Inventory competitions and other major reorganizations. Plans are in place for outsourcing efforts to continue in FY 2004. These efforts have had an unfavorable impact on associate morale, and for that reason, OGP has set its 2003 target for the 55<sup>th</sup> percentile.

In the interim, OGP has committed to assist displaced associates by providing training and developmental opportunities, as well as finding placements within OGP for associates affected by the FAIR Act Inventory competitions.

Continue to implement Q12 Action Plans within OGP, with Q12 Champions and associates teaming to improve the work environment.

**Validation/Verification**

The Gallup Organization will develop and administer surveys in close coordination with a GSA Q12 team.

GSA Strategic Goal	Maintain a worldclass workforce and workplace
GSA Strategic Objective:	Improve the knowledge and skills of the Federal workforce

**Performance Goal:**

**Increase participation at OGP supported educational venues and activities to increase workforce efficiency.**

OGP facilitates and supports a wide array of educational and training opportunities in governmentwide areas of focus: travel management, acquisition, information technology, and committee management, among others.

**Performance Measures**

Number of participants at OGP supported educational venues and activities

FY 2000 Actual	N/A
FY 2001 Actual	N/A
FY 2002 Actual	47,500
FY 2003 Target	38,000
FY 2004 Target	41,000

Selected Examples of OGP Supported Educational Venues and Activities

Travel and Transportation Conferences and Workshops

FY 2000 Actual	N/A
FY 2001 Actual	N/A
FY 2002 Actual	8,546
FY 2003 Target	2,255
FY 2004 Target	5,480

Federal Acquisition University (Online Course Participants)

FY 2000 Actual	N/A
FY 2001 Actual	20,000
FY 2002 Actual	25,000
FY 2003 Target	30,000
FY 2004 Target	35,000

IT Manager Training (IRMCO, STAR and CIO University)

FY 2000 Actual	505
FY 2001 Actual	608
FY 2002 Actual	430
FY 2003 Target	443
FY 2004 Target	456

Federal Advisory Training (FACA)

FY 2000 Actual	400
FY 2001 Actual	500
FY 2002 Actual	500
FY 2003 Target	500
FY 2004 Target	500

**Budget Links**

15 FTE/\$1,367,000

**Strategies**

Conduct outreach to increase participation in OGP-supported educational and training activities.

**Validation/Verification**

Internal systems and data from governmentwide councils. Data, which is collected and maintained by the program managers, is verified as applications and feedback are received.

GSA Strategic Goal	Maintain a worldclass workforce and workplace
GSA Strategic Objective:	Improve the knowledge and skills of the Federal workforce

**Performance Goal**

**Develop a competency based assessment process for GSA acquisition workforce.**

The function of GSA’s Senior Procurement Official (SPE) resides within OGP’s Office of Acquisition Policy. The Working Capital Fund supports procurement activities conducted by the SPE specifically on behalf of GSA.

Only 23 percent of GSA’s acquisition workforce current meets the statutory educational requirements of the Clinger-Cohen Act. This initiative will assist in improving the specific competencies addressed in the Act, as well as responding to the goals of GSA’s Human Capital Plan to improve performance in “most critical occupations, which include contracting and procurement functions, among others.

As one element in its overall succession planning strategy, OGP is developing a competency-based assessment process for the acquisition workforce through the Applied Learning Center. The initial focus will be on the 1102 series (960 associates), with a long-term goal of including the entire acquisition workforce (3,000 associates). The intention is for this to serve as a pilot for governmentwide replication in the Federal acquisition workforce.

**Performance Measures**

Number of GSA 1102s who complete competency assessment process

FY 2000 Actual	N/A
FY 2001 Actual	N/A
FY 2002 Actual	N/A
FY 2003 Target	250
FY 2004 Target	710

% of GSA 1102s who fully qualify under Clinger-Cohen

FY 2000 Actual	0%
FY 2001 Actual	0%
FY 2002 Actual	24%
FY 2003 Target	35%
FY 2004 Target	70%

**Budget Link**

2 FTE/\$5,625,000 (Working Capital Fund)  
 (Includes the FY04 budget for additional \$3,325 reimbursable authority for the Applied Learning Center)

**Strategies**

Fully qualify the acquisition workforce under the provisions of Clinger Cohen.

Establish a measurement process that links assessment results to job performance.

Allow already qualified associates an opportunity to assess and fill skills gaps as part of an ongoing continuous improvement strategy.

**Validation/Verification**

Contractor(s) will build an Applied Learning Center that will combine a series of valid tools/processes, both written and experiential, to help assess the competencies and skills of the workforce. Commonly accepted processes will establish validity.



GSA Strategic Goal	Carry out social, environmental, etc. responsibilities as a federal government agency
GSA Strategic Objective	Assist federal agencies to meet their social and environmental responsibilities

**Performance Goal**

**Provide accessible vendor product information to federal agencies to support Section 508 procurement requirements to achieve an IT environment accessible to all citizens.**

The Buy Accessible Database represents collaboration between GSA and industry to provide government purchasers with market research information to make purchasing decisions regarding 508 requirements.

**Performance Measure**

Number of Vendors with templates on the “Buy Accessible” database (found at [www.section508.gov](http://www.section508.gov))

FY 2000 Actual	N/A
FY 2001 Actual	22
FY 2002 Actual	320
FY 2003 Target	400
FY 2004 Target	500

**Budget Link**

6 FTE/\$1,800,000

**Strategies**

Partner with disability groups and industry to inform IT companies of government 508 procurement requirements.

**Validation/Verification**

Data from Buy Accessible Database statistical reports.

GSA Strategic Goal	Carry out social, environmental, etc.responsibilities as a federal government agency
GSA Strategic Objective	Assist federal agencies to meet their social and environmental responsibilities

**Performance Goal**

**Work with OPM to increase the percentage of federal employees who telework.**

The Office of Real Property Policy helps federal agencies meet their social and environmental responsibilities through major initiatives in Sustainable Development and the Governmentwide Telework program.

**Performance Measure**

% of federal employees who telework

FY 2000 Actual	N/A
FY 2001 Actual	2.6%
FY 2002 Actual	4.2%
FY 2003 Target	5.0%
FY 2004 Target	6.0%

**Budget Link**

6 FTE/\$465,000

**Strategies**

Facilitate the implementation of pilots in alternative work environments and the sustainable workplace.

**Validation/Verification**

Internal performance management system, OPM formal governmentwide survey results, customer feedback.

## VIII. Office of Citizen Services and Communications

### Office of Citizen Services and Communications (OCSC)

The Office of Citizen Services and Communications (OCSC) serves as a central federal gateway for citizens, businesses, other governments, and the media to easily obtain information and services from the government on the Web, in print, over the telephone, or by e-mail. OCSC is organized into two components—Citizen Services and Communications.

OCSC provides for citizen-centered activities, including leadership and support for electronic government initiatives and for the operation of the official federal portal, FirstGov. Here citizens can electronically access information services of federal, state, and local governments. OCSC provides citizens with one-stop access to federal services via the Internet, a toll-free national contact center, faxes, and print publications.

**Citizen Services** is comprised of three offices:

The **Federal Citizen Information Center** (FCIC) serves citizens, businesses and other government agencies by operating, maintaining, and providing information content in a variety of ways: Web sites, including FirstGov.gov, a toll-free telephone number, e-mail, and print publications. This team also leads USA Services, a Presidential e-Gov initiative to present a single government face to citizens who need timely and consistent responses about government programs, and to enable the Federal government to become more citizen-centric.

**E-Gov Solutions Support** develops and maintains a government-wide citizen services infrastructure - search engine; secure hosting; and automated CMS. Mentors agencies on how to reach citizens online, and partners with federal, state and industry leaders to develop new electronic products and services.

**Intergovernmental Solutions** collaborates with federal, state, local and foreign governments and intergovernmental organizations to promote the effective use of information technology and E-Gov solutions. The Office helps governments work together to provide seamless information and services to individuals, businesses and other governments.

**Communications**, the other component of OCSC, plans, administers and coordinates GSA's media relations, internal and external communications, marketing activities, events planning, graphics and audiovisual production, and writing and editing services. Communications is organized into five divisions:

**Strategic Planning and Marketing** coordinates GSA's marketing strategy, develops agency-wide marketing plans and provides marketing services for FirstGov, USA Services, gsa.gov and other E-Gov initiatives.

**Editorial Services** prepares the GSA Administrator's speeches and maintains the standard for the content, style and updating of GSA's Internet portal, [www.gsa.gov](http://www.gsa.gov).

**Public Affairs** manages GSA media relations and employee communications, presenting an integrated and coordinated message to GSA employees, the news media, the federal government, industry, trade and professional associations. Public Affairs manages the media relations program for FirstGov, USA Services and other E-Gov initiatives, analyzes news coverage for relevance to GSA and communicates GSA news items and employee information throughout the agency.

**Creative Services** manages GSA's teleproduction and graphic design activities nationwide by helping plan, coordinate, and execute projects through its video and broadcasting and graphics

departments. Creative Services also acts as a consultant for development, marketing and information campaigns involving multimedia services.

**External Affairs** manages regularly scheduled and special events for GSA, provides event and meeting support for GSA's White House liaison and coordinates GSA's visits from foreign officials.

## Office of Citizen Services and Communications

GSA	
Strategic Goal	Provide Best Value for Customer Agencies and Taxpayers.
GSA Strategic Objective	Provide value to agencies and the public by helping the federal government to become more citizen-centric and results oriented.

### Performance Goal

**Develop a single government face to citizens who need timely and consistent responses and information about government programs, and enable the federal government to become more citizen-centric.**

USA Services, the federal government's citizen relationship solution, will provide value to agencies and enable the federal government to become more citizen-centric and results oriented in the following ways:

- Present a "front door" to federal government information and services via the channel of the citizen's choice.
- Leverage the Internet to enable citizens to penetrate the federal bureaucracy to access information and transact business.
- Establish consistent response to frequently asked questions (FAQ's) across the federal government.
- Share information more quickly and conveniently between federal, state and local, and tribal governments.

### Performance Measures

Enhanced communications channels implemented and available for use Government-wide

- E-mail and Fax Response and Management System
- Postal Mail Channel
- Development of government-wide Frequently Asked Questions (FAQ) system

### Targets

FY 2002	N/A
FY 2003 Target	1 Basic E-mail response system at FCIC's National Contact Center
FY 2004 Target	4 communications channels available government-wide

Agency participation

- Signed Partnership Agreements (PA) with agencies to cooperate on citizen communications
- Signed reimbursable agreements (RA) to use FCIC's NCC services to support their citizen communication needs

### Targets

FY 2002	N/A
FY 2003 Target	10 PA/3 RA
FY 2004 Target	20 PA/6 RA

### Strategies

The "USA Services" program under the leadership of the FCIC will utilize the existing infrastructure of FCIC to meet the first phase goals while preparing to re-compete the existing contract to develop a more capable enhanced National Contact Center. "USA Services" staff and management will meet with upper level agency managers throughout the government to forge partnerships to work together to develop a government-wide citizen-centric approach. FCIC will make available a wide array of contact center services for use by agencies on a reimbursable basis.

Implementation Schedule:

May 2003 - Implement e-mail/fax response system at FCIC's National Contact Center  
May 2003 - Implement a basic FAQ search utility on Firstgov.gov  
May 2003 - Meet with 20 agencies and obtain Partner Agreements with 10 agencies  
June 2003 - Implement U.S. Mail response system at FCIC's National Contact Center  
July 2003 - Gain reimbursable commitments from 3 agencies to use NCC e-mail and telephone inquiry response services  
January 2004 - Award new enhanced contract for FCIC's National Contact Center  
March 2004 - Sign 10 more Partner Agreements with new Partner agencies  
April 2004 - Switchover to new contractor and begin roll-out of enhanced services  
April 2004 - Gain reimbursable commitments from 3 new agencies to use NCC e-mail and telephone inquiry response services

**Budget Link**

FY 2002 Actual	\$ 1.100 M
FY 2003 Target	\$ 4.000 M
FY 2004 Target	\$ 2.100 M

**Verification/Validation**

All data is validated and verified by the Office of Citizen Services staff.

## Office of Citizen Services and Communications

GSA	
Strategic Goal	Provide Best Value for Customer Agencies and Taxpayers.
GSA Strategic Objective	Increase the magnitude, quality, and outreach of federal information in various formats including printed publications, Web page accesses, telephone responses, and media activities.

### Performance Goal

**Increase access to government for all audiences through the use of Web sites; call center, e-mail, publications, and all forms of media.**

Federal Citizen Information Center (FCIC) informs the public about vital topics such as health and safety issues, developments in federal programs, and the impact and effects of federal research and regulatory actions. To make sure that the public has access to the most recent and helpful government information, the FCIC identifies information from more than 40 federal agencies; promotes public awareness of the information through its media and direct mail marketing programs; contracts with the Government Printing Office to distribute printed information from the nationally known facility in Pueblo, Colorado; makes the information available electronically through its Internet Web sites, including FirstGov.gov, and through its toll-free National Contact Center answers questions from the public about federal programs and services. FCIC produces the *Consumer Information Catalog*, which lists hundreds of popular titles from federal agencies on various important subjects. FCIC also publishes the *Consumer Action Handbook*, one of the most popular consumer documents issued by the government. It is designed to help citizens find the best and most direct source of information for assistance with their consumer problems and questions.

### Performance Measure

Number of multi-channel contacts with the public (citizen, business, government) per year

Note: This measure includes: telephone calls, e-mails, Web site page views and print materials.

FY 2000 Actual	23.2 M
FY 2001 Actual	40.8 M
FY 2002 Actual	59.1 M
FY 2003 Target	144.0 M
FY 2004 Target	166.0 M

Note: The Federal Information Center (FIC) was consolidated with the Consumer Information Center (CIC) in January 2000. The FY 2000 actual includes FIC data for the period January-September, 2000. The FY 2003 and FY 2004 targets include Web site page views for the FirstGov.gov Internet portal.

### Strategies

FCIC has established an innovative media program for public outreach, including direct mail, to make the public aware of essential information that is available. Its centralized distribution system for print products, its comprehensive Web sites, and its toll-free National Contact Center make it possible for FCIC to continue to successfully provide citizens with essential information which they can use to improve their quality of life.

### Budget Link

FY 2000 Actual	\$ 7.422 M
FY 2001 Actual	\$10.889 M
FY 2002 Actual	\$11.727 M
FY 2003 Actual	\$11.541 M
FY 2004 Request	\$17.643 M

Note: The FIC's budget was consolidated with the CIC's budget as of fiscal year 2001. In fiscal year 2003, FCIC will transform the current National Contact Center to a multi-channel National Contact Center that will be able to receive and respond to e-mail and fax inquiries as well as telephone inquiries. The contact center will use citizen relationship management tools to allow FCIC to record, analyze, and report on current and emerging topics of public interest and to identify areas where additional public information is needed. The FirstGov.gov Internet portal operations came under FCIC management on June 30, 2002.

### **Validation/Verification**

The Government Printing Office provides publication distribution data.

Aspen Systems and MCI WorldCom provide the National Contact Center data.

The logs used to support counts are obtained from GSA and AT&T Web servers and analyzed with Web Trends software.

All data is then reviewed, validated and verified by the FCIC staff.



## Office of Citizen Services and Communications

GSA	
Strategic Goal	Provide Best Value for Customer Agencies and Taxpayers.
GSA Strategic Objective	Increase the level of standardization and ease of accessibility to federal government Web sites for citizens, businesses, and governments.

### Performance Goal

**Provide expertise to improve Web site development and operation and achieve common shared solutions for E-Gov initiatives.**

The Office of E-Gov Solutions Support incorporates new technology solutions to improve the effectiveness of the FirstGov.gov Web site. This portal provides citizens and businesses one-stop, multi-channel access to federal services via the Internet. By developing and sharing best practices, and offering shared services to other federal government agencies, citizens become accustomed to a standard, easy-to-use interface for accessing federal government information. In addition, it helps federal agencies reduce the amount of resources required to issue information about their programs.

### Performance Measure

Tax dollars saved by Federal agencies (as a result of implementing shared Web infrastructure and services: Search engine, Web hosting, and Content management).

FY 2002 Actual	\$ 9,000,000
FY 2003 Target	\$18,000,000
FY 2004 Target	\$30,600,000

### Strategies

Develop and provide "shared services" for joint E-Gov initiatives.

### Budget Link

FY 2002 Actual:	\$13.800 M
FY 2003 Estimate:	\$ 4.200 M
FY 2004 Request:	\$ 4.374 M

### Verification/Validation

The Office of E-Gov Solutions Support will maintain a record of cost savings/avoidance by federal government agencies. All data will be validated and verified by the Office of Citizen Services staff.

## Office of Citizen Services and Communications

GSA	
Strategic Goal	Provide Best Value for Customer Agencies and Taxpayers.
GSA Strategic Objective	Support the President's E-Gov and Homeland Security high payoff initiatives.

### Performance Goals

- a. **Participate formally in the governance structure of all E-Gov and Homeland Security initiatives that have State/Local implications.**
- b. **Ensure that all Federal E-Gov and Homeland Security high payoff initiatives include State and local partnerships.**
- c. **Help government organizations and individuals collaborate on intergovernmental solutions to citizens, businesses, and governments.**

### Performance Measures

Number of potential E-Gov and Homeland Security initiatives that have State/local implications that the Office of Intergovernmental Solutions is formally part of the governance structure

FY 2002 Actual	N/A
FY 2003 Target	6 of 12
FY 2004 Target	8 of 13

Desired level of State, Local and international (SLI) participation in all applicable Federal information technology (IT) projects per a survey of the CIO Council

FY 2002 Actual	N/A
FY 2003 Target	75%
FY 2004 Target	80%

### Strategies

Develop products and help federal managers identify, measure, and achieve a high payoff in E-Gov by promoting practices used in state governments and other national governments. Create a community of representatives of all governments in support of the E-Gov initiatives. Support the President's E-Gov priorities, including Homeland Security.

### Budget Link

FY 2002 Actual	N/A
FY 2003 Estimate	\$1.227 M
FY 2004 Request	\$1.278 M

### Validation/Verification

The Office of Intergovernmental Solutions will poll their community of representatives for completed implementation of E-Gov and Homeland Security initiatives and quantify the value.

## Office of Citizen Services and Communications

GSA	
Strategic Goal	Provide Best Value for Customer Agencies and Taxpayers.
GSA Strategic Objective	Promote the GSA as a reliable source of timely, useful and accurate federal government information for all audiences (citizens, businesses and governments).

### Performance Goal

**Improve the position of GSA as a valuable information resource for all audiences, a prime source of products and services for federal customers, and a potential marketplace for businesses.**

The Office of Communications researches and analyzes GSA's customers' needs, coordinates and oversees GSA marketing strategy, develops agency-wide marketing plans and provides marketing services for FirstGov.gov, USA Services, gsa.gov and other E-Gov initiatives. The Office of Communications is facilitating and overseeing the implementation of the GSA Enterprise-wide Marketing Study recommendations by the GSA Services and Staff Offices. When implemented, these recommendations will position the GSA Services to retain its customer base and improve the products and services they provide.

### Performance Measures

Process improvements and management reforms implemented (as drawn from the GSA Enterprise-wide Marketing Study, January 2002)

FY 2002 Actual	8/14 ( 57%)
FY 2003 Target	13/14 ( 93%)
FY 2004 Target	14/14 (100%)

Number of GSA.gov Web site page views

FY 2002 Actual	34 M
FY 2003 Target	37 M
FY 2004 Target	40 M

### Strategies

**GSA.GOV: Redesign** the GSA public Internet portal (GSA.gov). Use the American Customer Satisfaction Index (ACSI) to track customer satisfaction with the redesigned Web site. The ACSI is produced through a partnership of the University of Michigan Business School, the American Society for Quality (ASQ), and the international consulting firm, CFI Group.

**GSA Enterprise-wide Marketing Study Recommendations:** Implement and maintain recommendations made in the GSA Enterprise-wide Marketing Study to ensure best value for our customer agencies and achieve responsible asset management.

**Customer Relationship Management (CRM):** Sponsor the implementation of an enterprise-wide CRM strategy in GSA.

**Branding the President's 24 E-Gov Initiatives:** Brand and promote the President's entire E-Government effort to ensure the public is aware of this Administration's commitment to developing and implementing a more citizen-centered government.

**Corporate Messaging:** Develop a "Corporate" GSA brochure to serve a multi-purpose marketing and information piece.

**Budget Link**

FY 2002 Actual	\$1.125 M
FY 2003 Estimate	\$1.267 M
FY 2004 Request	\$1.328 M

**Validation/Verification**

The Office of Communications will utilize Web Trends software reports to determine actual Web page views for the GSA.gov Web site.

## Office of Citizen Services and Communications

GSA Strategic Goal	Maintain a World-Class Workforce and World-Class Workplace.
GSA Strategic Objective	Provide a GSA work environment that supports superior performance.

### Performance Goal

#### Transform OCSC into a World-Class Workforce and World-Class Workplace.

The Office of Citizen Services and Communications, created in July 2002, is the result of the merging of several offices, staffs, and management teams with diverse organizational cultures. Consistent with the normal progression all new teams face, we expect team-building challenges to be raised and met by all parts of the total organization, as we work through the predictable phases of organizational maturity (“forming,” “storming,” “norming” and “performing”) and Maslow’s hierarchy of needs. Because of this, management and all associates must work together to meet the challenges of team building.

The Gallup Q12 survey measures associate attitudes to differentiate the top-performing workplaces from the average and low-performing ones. This is accomplished by the administration of an agency-wide survey that has been designed and validated by a professional survey organization that asks associates to respond to statements that most closely capture their perceptions of their workplace environments, thereby deducing what is defined as associate engagement. Gallup determined that organizations that achieve a grand mean score in the 75<sup>th</sup> percentile are considered “World Class Workplaces.” In 2002, a grand mean score equal to 3.86 qualified for the 75<sup>th</sup> percentile in the private sector, while 3.72 qualified for the 75<sup>th</sup> percentile among government agencies. During FY 2003, we will take the Gallup Q12 survey for the first time as an OCSC organization. This will establish the baseline upon which we will set future performance measurement targets. Managers and leaders throughout GSA receive their units’ scorecard. Managers will develop, implement and measure action plans to address the concerns expressed by associates.

### Performance Measure

Achieve a grand total mean score representing the 75<sup>th</sup> percentile.

### Targets

FY 2003 Target	Establish baseline.
FY 2004 Target	To be determined based on baseline results.

### Strategies for Accomplishment

Upon receiving the results from our participation in the Gallup Q12 survey, we will share findings with the teams, and conduct feedback and action planning sessions for developing strategies to reach the 75<sup>th</sup> percentile. Make OCSC strategic performance plans accessible to all OCSC associates so they may better understand how their performance is linked to internal and external strategic goals and objectives. Utilize the online GSA Performance Measurement Tool to help the entire organization focus on linking their action plans and monitoring performance measures to achieve OCSC’s, GSA’s, and the Administration’s overall strategic business goals. Develop and make available to all OCSC associates a collection of quick guides for providing the information necessary for performing day-to-day office tasks to enhance everyone’s ability to get their job done efficiently and effectively. Encourage all associates and supervisors to use individual development plans to act as a roadmap to further associates’ career development while providing a much needed source of critical job skills and knowledge to achieve the

organization's mission. Expect the very best from all associates. Reward associates' performance based upon their contribution toward achieving the organization's strategic goals.

**Budget Link**

The GSA Office of the Chief People Officer administers the Gallup Q12 survey within the Working Capital Fund. Work is also performed within the Services, other Staff Offices and regions to support this effort.

**Verification/Validation**

The Gallup Organization will develop and administer survey in close coordination with a GSA Q12 team.

## Office of Citizen Services and Communications

GSA	
Strategic Goal	Carry out Social, Environmental, and Other Responsibilities as a Federal Agency.
GSA Strategic Objective	Communicate strategic messages to citizens, businesses, governments and GSA associates by conducting media events and communications rollouts.

### Performance Goal

#### Disseminate strategic information messages to all audiences.

The **Public Affairs Division** manages GSA media relations and associate communications, presenting an integrated and coordinated message to GSA associates, the news media, the federal government, industry, trade, and professional associations. Public Affairs manages the media relations program for FirstGov.gov, USA Services and other E-Gov initiatives, analyzes news coverage for relevance to GSA and communicates GSA news items and associate information throughout the agency.

### Performance Measure

Move strategic messages to industry standards (considering gross impressions, strategic events, and media analysis).

FY 2002 Actual	N/A
FY 2003 Target	1/3 Positive 1/3 Neutral 1/3 Negative
FY 2004 Target	1/2 Positive 1/4 Neutral 1/4 Negative

The Public Affairs Division uses standard communications models to track performance. The models are called gross impressions and media analysis.

Gross Impressions takes into consideration the amount of space, the placement of stories, the amount of airtime, time of day the story was aired and the cost to purchase that space or airtime had it not been acquired through the efforts of the Public Affairs Division. Gross impressions provide a real dollar value based on the amount of time and space GSA receives in the media.

Media Analysis consists of counting the number of media hits and reviewing content to determine if print articles and electronic news stories are positive, neutral or negative. The review also takes account of messages. Messages are carefully crafted information that highlight aspects of the topic of interest. The accepted industry standard for successful media coverage is 1/3 positive, 1/3 neutral and 1/3 negative. Strategic events increase the likelihood of positive media coverage.

Strategic Events drive media coverage and the media coverage provides the measurable outcome. By increasing the amount of strategic events, we should increase the amount of positive media coverage, which we measure after the event.

### Strategies

Planned Media Events and Communications Rollouts

Press Conferences and Press Releases

The delivery of each strategic message could require at least one press conference, roll-out event or press availability (newsmaker available to the press), and a number of follow-on press releases to meet OCSC responsibilities to communicate with all audiences as well as GSA associates.

In communicating via these tools, OCSC notifies the public, business, government, and associates of results and of further expectations. These results can then be employed by all audiences to determine whether OCSC is relating true and accurate information to the public.

**Budget Link**

FY 2002 Actual	N/A
FY 2003 Estimate	\$1.267 M
FY 2004 Request	\$1.327 M

**Validation/Verification**

The Office of Communications will keep a log of media events and communications rollouts conducted in support of delivering strategic messages.



## **IX. STAFF SUPPORT**

The following GSA Staff Offices are independent of the Services and OGP but are responsible for important performance goals.

### **Office of Chief Financial Officer**

The Office of Chief Financial Officer provides policy leadership in financial matters and provides accounting and payroll services to all parts of GSA and external customers.

### **Office of Chief Information Officer**

Office of Chief Information Officer provides policy and technical guidance concerning the GSA IT infrastructure.

### **Office of Chief People Officer**

Office of Chief People Officer provides policy and technical guidance concerning the human capital of GSA. CPO provides personnel services, administrative services, and labor relations.

### **Office of Small Business Utilization**

Office of Small Business utilization works with the GSA acquisition community to provide opportunities for small businesses to participate in government contracting.

### **Office of Performance Improvement**

Office of Performance Improvement leads efforts across all parts of GSA to implement changes necessary to enhance performance. Note that this office participates in the Q-12 survey as part of the GSA assessment for a world-class workforce. However, with less than 5 employees, it does not receive results as a separate unit.



## **Office of the Chief Financial Officer**

The Office of the Chief Financial Officer is committed to ensuring the financial integrity of the General Services Administration through alliances with GSA's business managers and clients. We are dedicated to cost-effective, best-in-class financial stewardship and to being a valuable resource in achieving our customers' business goals.

The Government Management Reform Act (GMRA) and the Chief Financial Officers Act of 1990 (CFOA) require agencies to produce annual financial statements and to have those statements audited. For the 14<sup>th</sup> consecutive year, our independent audits yielded an unqualified opinion. GSA's tradition of receiving unqualified opinions on its consolidated financial statements is unsurpassed among federal agencies. While we take great pride in this accomplishment, we recognize that there is more to successful financial management than clean audit opinions.

The emphasis on electronic-government combined with usage of new technology will challenge us to continue to strengthen financial accountability and become more efficient. Our efforts include expanded use of electronic media such as Electronic Funds Transfer and the Government Purchase Card. In addition, paramount in our efforts to provide accurate financial information, we are committed to eliminating reportable conditions for financial and non-financial components.

## Office of the Chief Financial Officer

GSA Strategic Goal	Operate Efficiently and Effectively
GSA Strategic Objective	Increase the use of electronic means for financial transactions.

### Performance Goal

**Increase the percentage of vendor invoices received electronically by Electronic Data Interchange (EDI) through the Internet.**

### Performance Measure

Percentage of electronic invoices received.

FY 1999 Baseline	12%
FY 2000 Actual	12%
FY 2001 Actual	24%
FY 2002 Target	35%
FY 2002 Actual	38%
FY 2003 Target	50%
FY 2004 Target	60%

### Strategies

Encourage vendors to submit invoices via the Internet by placing clauses in GSA contracts and orders.

### Budget Link

This function is performed primarily by the CFO Office of Finance operating within the Working Capital Fund.

### Verification/Validation

Date source is the Pegasys system. Measure will be tracked through PMT.

## Office of the Chief Financial Officer

GSA	
Strategic Goal	Operate Efficiently and Effectively
GSA Strategic Objective	Increase the use of electronic means for financial transactions.

### Performance Goal

Increase the percentage of vendor payments made by electronic media such as Electronic Fund Transfer (EFT) and purchase card.

### Performance Measure

Percentage of invoices paid electronically.

FY 1999 Baseline	62%
FY 2000 Actual	71%
FY 2001 Actual	79%
FY 2002 Target	80%
FY 2002 Actual	79%
FY 2003 Target	81%
FY 2004 Target	85%

### Strategies

Emphasize the use of purchase cards to procurement officials when a purchase is less than \$100,000.

Utilize direct mail and personal telephone contact to solicit vendor-banking data.

### Budget Link

This function is performed primarily by the CFO Office of Finance within the Working Capital Fund.

### Verification/Validation

Data source is the Pegasys system. Measure will be tracked through PMT.

## Office of the Chief Financial Officer

GSA Strategic Goal	Ensure Financial Accountability
GSA Strategic Objective	Provide accurate and timely financial information – internal and external.

### Performance Goal

**Meet all requirements to maintain a clean opinion on GSA's financial statements.**

### Performance Measure

Receive a clean opinion on financial statements.

FY 2002 Target	100%
FY 2002 Estimate	100%
FY 2003 Target	100%
FY 2004 Target	100%

### Strategies

The reporting of accurate information is a responsibility shared across the entire GSA financial management community. Responsible for the preparation of the official financial statements for GSA, the CFO works with various financial organizations to: 1) address new accounting and reporting requirements; 2) analyze financial results to identify and resolve irregularities and inaccuracies; and 3) ensure internal controls are monitored and weaknesses resolved timely.

Using the latest OMB guidance, the CFO office works closely with the Office of Inspector General (OIG), external auditors, Services and Staff Offices to identify key milestones and deliverables that each office must meet, as well as more detailed breakouts of assignments of individual responsibilities. The CFO office oversees the reporting process to ensure due dates are being met and that adequate attention is given to any items that could impede timely completion of tasks. The challenge of meeting this goal is that standards of accountability reporting are raised each year. In addition OMB has accelerated the reporting deadline and will continue to do so for years to come.

### Budget Link

This function is performed primarily by the CFO Office of Finance operating within the Working Capital Fund.

### Verification/Validation

An unqualified opinion is issued on GSA's financial statements by the independent external auditor.

## Office of the Chief Financial Officer

GSA	
Strategic Goal	Ensure Financial Accountability
GSA Strategic Objective	Provide accurate financial information.

### Performance Goal

**Eliminate material weaknesses and reportable conditions for financial and non-financial components identified by the agency's third party auditor.**

### Performance Measure

Zero internal control material weaknesses found in financial and non-financial components

FY 2002 Target	0
FY 2002 Actual	0
FY 2003 Target	0
FY 2004 Target	0

### Strategies

Develop action plans to resolve in one year or less and track to ensure dates are met.

Meet all corrective action plan dates.

### Budget Link

This function is performed primarily by the CFO Office of Finance operating within the Working Capital Fund.

### Verification/Validation

OIG and GSA's external auditors identify internal material control weaknesses. The audit follow-up function tracks reportable conditions against action plan dates. The Management Letter prepared by the external auditor identifies that action on reportable conditions for FY 2002 has been completed.

## Office of the Chief Financial Officer

GSA	
Strategic Goal	Maintain a World-class Workforce and a World-class workplace
GSA Strategic Objective	Use human capital effectively.

### Performance Goal

#### Rank in the 75<sup>th</sup> percentile in the Gallup Q-12 Survey.

The Gallup Q12 survey measures associate attitudes to differentiate the top-performing workplaces from the average and low-performing ones. This is accomplished by the administration of an agency-wide survey that has been designed and validated by a professional survey organization that asks associates to respond to questions that most closely capture their perceptions of their workplace environments, thereby deducing what is defined as associate engagement.

### Performance Measure

Increase the CFO grand total mean score from the 67<sup>th</sup> percentile to the 75<sup>th</sup> percentile.

FY 2000 Target	NA
FY 2001 Target	NA
FY 2002 Actual	67 <sup>th</sup> percentile
FY 2003 Target	75 <sup>th</sup> percentile
FY 2004 Target	75 <sup>th</sup> percentile

### Strategies

CFO will develop, implement and measure action plans to address the concerns expressed by associates.

### Budget Link

GSA-wide survey administered by the Office of the Chief People Officer.

### Verification/Validation

Survey conducted for GSA by the Gallup Organization, which will develop and administer survey in close coordination with GSA Q 12 team.



## Office of the Chief Information Officer

### Performance Overview

In FY 2002, the Office of the Chief Information Officer (CIO) published GSA's IT Strategic Plan to guide the agency's IT effort over the next five years. There are four strategies identified in the plan that will give IT managers a yardstick to measure achievement and overall success. These strategies include: improving GSA's business processes and customer focus; creating a secure IT environment; optimizing IT investments using portfolio management, sharing services and enterprise architecture; and maintaining a world-class workforce.

Since FY 2002, the CIO has actively worked on implementing the President's Management Agenda (PMA). The CIO is GSA's lead for the PMA's government-wide initiative "Expanding Electronic Government." CIO established a joint program management office to more effectively deliver results for the five e-gov projects led by GSA. These projects directly support the PMA. As managing partner for five of the e-gov initiatives, we are responsible for interagency coordination of project plans, leveraging of funding and in-kind contributions from participating partners, communications, marketing and results from the planning stage through operational capability. CIO will continue both of these efforts in FY 2003 and 2004.

Six CIO goals and 26 measures will be used to track CIO's FY 2004 performance. These goals align with 3 of the GSA-wide goals: operate efficiently and effectively, achieve responsible asset management and maintain a world-class workforce and workplace. The FY 2004 goals and measures have specific stretch targets for FY 2002, 2003, and 2004 that are intended to move the agency toward becoming a customer-focused organization that uses information to target, reach and serve its customers. CIO's FY 2004 Government Performance and Results Act (GPRA) goals and measures addressed in this Performance Plan are tracked using a GSA-wide system, the Performance Management Tool.

CIO is responsible for detecting and resolving IT security vulnerabilities and weaknesses. We act timely on all audit findings involving IT security, and we take preventive actions to protect our systems, data, and information assets.

Earlier this year, the office implemented a governance structure that guides GSA's IT Capital Planning and Investment Control Process. This is an integrated management process that provides for the continuous selection, control, life cycle management, and evaluation of GSA's IT investments. During FY 2003 and 2004, CIO will strive to continually optimize our IT Investment portfolio management and decisionmaking by fully integrating GSA's enterprise architecture to map GSA's IT investments to the agency's mission, technology infrastructure, and architecture. We will also incorporate IT security reviews as part of the business case criteria for the review and evaluation of investments in a manner consistent with the Government Information Security Reform Act (GISRA) and OMB guidance.

In conjunction with the GSA Human Capital Strategic Plan, the office will address GSA's IT workforce needs by conducting annual agency-wide IT skills assessments to determine skills gaps, recruitment needs, and training requirements for maintaining a world-class IT workforce. And the office will focus more attention on GSA's business, data, and application architectures and promulgate architecture policy and guidance for enterprise architecture development, management and use within GSA.

Finally, CIO is responsible for applying state-of-the-art information technology to the processes of the agency to improve its customer focus, achieve its business goals and support its programs. CIO's goal is to extend shared GSA enterprise infrastructure operations to take advantage of mature and scalable technologies.

## Office of the Chief Information Officer

GSA	
Strategic Goal	Achieve Responsible Asset Management.
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the Government and transactions with industry partners and citizens.

### Performance Goal

#### Provide a secure IT environment

GSA has had several audits and reviews conducted by PriceWaterhouseCoopers and the Office of Inspector General, which have identified IT Security vulnerabilities and weaknesses. GSA will take a much more aggressive approach to resolve vulnerabilities and weaknesses so that the agency is better able to protect our system, data, and information assets.

#### Performance Measure

Percent high-risk vulnerabilities resolved within 30 days of report.

FY 2000 Actual	NA
FY 2001 Actual	NA
FY 2002 Actual	100%
FY 2002 Actual	83%
FY 2003 Target	100%
FY 2004 Target	100%

#### Strategies

Resolving high-risk vulnerabilities within 30 days of report enables GSA to minimize long-term exposure to high risk vulnerabilities.

The following security monitoring strategies will allow GSA to efficiently and effectively identify and remedy high risk vulnerabilities proactively:

Employ external penetration testing as a means to gauge the level of existing security within the current system architecture from the attacker's perspective.

Perform follow-up penetration testing reviews to ensure known vulnerabilities have been remedied.

Dial selected telephone numbers to attempt to identify possible information entry points into the agency's network.

Employ system scanning and wireless scanning to detect which resources are vulnerable for possible attacks or are unsecured.

Identify those known vulnerabilities that are exploitable within the current system architecture and make recommendations for remedial action based on the needs of the agency.

#### Budget Link

FY 2002	FY 2003	FY 2004
\$388,525	\$399,211	\$411,417

**Verification/Validation**

Data sources include system scanning reports will be reviewed to verify action taken on audit recommendations made for remedial action.

Government Information Security Reform Act (GISRA) reviews will be performed on security documentation to verify IT security-planning expenditures in relation to the IT Capital planning process.

Services and Staff Office compliance reporting will serve as a method of relaying the accomplishments for implementation and enforcement of the IT Security Order in support of the performance measure.

The measure will be tracked through the Performance Management Tool.

## Office of the Chief Information Officer

GSA	
Strategic Goal	Operate Efficiently and Effectively
GSA Strategic Objective	Ensure that IT Capital Investments achieve their objectives.

### Performance Goal

#### Improve IT Capital Planning and Investment Control and Implementation.

In accordance with the requirements of the Clinger-Cohen Act, the GSA CIO is responsible for ensuring that all of GSA's IT investments remain within 10% of the planned cost and schedule.

### Performance Measure

Percentage of major IT investment projects that are within 10% of planned cost and schedule.

	<u>Percentage within Cost &amp; Schedule</u>
FY 2000 Actual	NA
FY 2001 Actual	NA
FY 2002 Actual	82%
FY 2003 Target	100%
FY 2004 Target	100%

### Strategies

Ensure GSA's IT Capital Investment projects remain within 10% of the cost and schedule approved by the IT Investment Review Process.

Identify and track the number of IT investments that are reviewed and approved through the IT Capital Planning and Investment Control Process.

Identify and track the IT investments with a completed project plan, cost benefit analysis and risk management plan.

In collaboration with the Services and the Staff Offices, track and report on projects' planned cost, schedule, performance measures, benefits, mitigation of risks and on any deviations in these areas.

### Budget Link

FY 2002	FY 2003	FY 2004
\$950, 000	\$978,500	\$1,103,776

### Verification/Validation

Data sources are the GSA IT Capital Investment Fund Projects and status reports. Measure will also be tracked through the Performance Management Tool.

## Office of the Chief Information Officer

GSA	
Strategic Goal	Operate Efficiently and Effectively
GSA Strategic Objective	Ensure that eGov Capital Investments achieve their objectives.

### Performance Goal

#### Improve Capital Planning and Investment Control and Implementation for the 5 GSA-led eGov initiatives.

As a participant in the President's Management Agenda, the GSA CIO has Project Management Office (PMO) responsibility for the 5 GSA-led eGov initiatives. Each eGov initiative (USA Services, eAuthentication, eTravel, Federal Asset Sales, Integrated Acquisition Environment) has a project manager who interacts with the PMO. The PMO is responsible for ensuring that the 5 GSA-led eGov initiatives' IT investments remain within 10% of the planned cost and schedule.

### Performance Measure

Percentage of the major 5 GSA-led eGov initiatives' IT investment projects that are within 10% of planned cost and schedule. Targets for FY 2003 and FY 2004 include major e-gov investment projects.

	<u>Percentage within Cost &amp; Schedule</u>
FY 2000 Actual	NA
FY 2001 Actual	NA
FY 2002 Actual	60%
FY 2003 Target	100%
FY 2004 Target	100%

### Strategies

Ensure the 5 GSA-led eGov Capital Investment projects remain within 10% of the cost and schedule approved by the IT Investment Review Process.

Identify and track the 5 GSA-led eGov investments that are reviewed and approved through the IT Capital Planning and Investment Control Process.

Identify and track the 5 GSA-led eGov investments with a completed project plan, cost benefit analysis and risk management plan.

In collaboration with partner agencies, Services and Staff Offices, track and report on the 5 GSA-led eGov projects' planned cost, schedule, performance measures, benefits, mitigation of risks and on any deviations in these areas.

### Budget Link

FY 2002	FY 2003	FY 2004
\$540,000	\$1,631,000*	\$2,061,000*

**Verification/Validation**

Data sources are the GSA IT Capital Investment Fund Projects and status reports. Measure will also be tracked through the Performance Management Tool.

## Office of the Chief Information Officer

GSA Strategic Goal	Operate Efficiently and Effectively
GSA Strategic Objective	Incorporate employee feedback and customer employee satisfaction data in GSA's planning and decision-making processes.

### Performance Goal

**Provide secure, reliable, and cost-effective IT infrastructure services.**

The CIO Enterprise Infrastructure Operation includes a nation-wide area network, remote access, web services, mail messaging, and Lotus application services and systems for the entire agency. In addition, the CIO provides desktop support services for GSA's Central Office.

### Performance Measure

Percentage of customer satisfaction.

FY 2000 Actual	NA
FY 2001 Actual	NA
FY 2002 Actual	84%
FY 2003 Target	95%
FY 2004 Target	95%

### Strategies

Request immediate feedback on day-to-day service provided.

Conduct an annual survey to determine the level of customer satisfaction with services provided.

Annually assess the performance of the Desktop Management Services contractor.

The results of the survey and the contractor performance assessment will be evaluated to determine corrective actions or changes that may be required to improve service and to maintain a 95% customer satisfaction rating.

### Budget Link

FY 2002	FY 2003	FY 2004
\$498,540	\$1,303,604	\$1,579,601

### Verification/Validation

Sources for data are the results of day-to-day customer feedback, customer surveys and assessment of contractor performance. The CIO works with the Office of Citizen Services and Communications in the design of our customer surveys. Data will be tracked through the Performance Management Tool.

## Office of the Chief Information Officer

GSA Strategic Goal	Maintain a World-Class Workforce and World-Class Workplace
GSA Strategic Objective	Provide a GSA work environment that supports superior performance.

### Performance Goal

#### Rank in the 65<sup>th</sup> percentile in the Gallup Q-12 Survey.

The Gallup Q12 survey measures associate attitudes to differentiate the top-performing workplaces from the average and low-performing ones. This is accomplished by the administration of an agency-wide survey that has been designed and validated by a professional survey organization that asks associates to respond to questions that most closely capture their perceptions of their workplace environments, thereby deducing what is defined as associate engagement. CIO will develop, implement and measure action plans to address the concerns expressed by associates.

### Performance Measure

Increase the CIO grand total mean score from the 57<sup>th</sup> percentile to the 65<sup>th</sup> percentile. (The CIO goal of the 65<sup>th</sup> percentile equates to the score in Gallup's overall database above which 35% of all workgroups scored. The increase from 57<sup>th</sup> to 65<sup>th</sup> percentile reflects an increase of 0.1 in the CIO grand mean score, an improvement Gallup considers significant.)

FY 2000 Actual	NA
FY 2001 Actual	NA
FY 2002 Actual	57 <sup>th</sup> percentile
FY 2003 Target	65 <sup>th</sup> percentile
FY 2004 Target	65 <sup>th</sup> percentile

### Strategies

Participate in the annual survey to determine the level of CIO employee satisfaction.

The results of the survey and the contractor performance assessment will be evaluated to determine corrective actions or changes that may be required to improve the employee satisfaction rating.

### Budget Link

GSA-wide survey administered by the Office of the Chief People Officer.

### Verification/Validation

The Gallup Organization will develop and administer the survey in close coordination with a GSA Q12 team. CIO Data will be tracked through the Performance Management Tool.



## Office of the Chief People Officer

The President's Management Agenda (PMA) calls for improved management throughout the federal government. In GSA, the Office of the Chief People Officer plays a key role in direct support of the PMA, specifically in the areas of workforce, workplace, and administrative management. Additionally,

- GSA's Inspector General identified the demographics of GSA's workforce as a management challenge.
- The General Accounting Office (GAO) added human capital management to the Government-wide "high risk list" of federal activities.
- The President's Management Agenda identifies "Strategic Management of Human Capital" as one of five Government-wide management reforms.
- The Administrator of GSA has recently established "Maintain a world-class workforce and worldclass workplace" as one of the agency's six agency-wide goals.

As indicated above, the Office of the Chief People Officer (CPO) is responsible for providing GSA with workforce, organization and workplace solutions. Because it plays the lead role in coordinating GSA workforce management, the majority of CPO resources and efforts will continue to be focused on recruiting, developing, retaining and supporting the agency's workforce.

During FY 2004, the Office of the CPO will continue its ongoing focus of refining and implementing GSA's Human Capital Strategic Plan in support of the agency-wide strategic plan and the President's Management Agenda. Specifically, the CPO will work to achieve the goals outlined in the Human Capital Strategic Plan by focusing efforts on enhancing leadership competencies, working to reduce the skills gaps that exist within GSA's mission critical occupations, and improving our automated human resources and administrative systems. The office will continue to review its internal operations to ensure that it is operating as the most efficient organization under the President's competitive sourcing initiative.

## Office of the Chief People Officer

GSA Strategic Goal	Maintain a World-Class Workforce and World-Class Workplace
GSA Strategic Objective	Leverage learning to create a successful future at GSA.

### Performance Goal

Improve the value of GSA's OnLine University.

GSA OnLine University (OLU) is a "virtual campus" that offers a variety of electronic training opportunities to GSA associates. Associates can complete the training at the times most convenient for them, thereby reducing conflict with the daily demands of work.

Prior performance measures only included the number of elective GSA Online University (OLU) registrations. This measure is revised to reflect total number of registrations (including mandatory courses like IT security, ethics and credit cards). OLU is a cost effective and convenient method to provide all types of training, including mandatory.

GSA will be transitioning to the electronic government initiative Go-Learn in the spring of 2003. The impact on GSA OnLine University is uncertain with the introduction of Go-Learn at this time, so target registrations remain at 15% above last year's projected increase.

### Performance Measure

Percent increase in number of registrations over last year's target.

FY 2000 Actual	2,276 elective registrations
FY 2001 Actual	182% (6,410 elective registrations)
FY 2002 Target	15%
FY 2002 Actual	17.66%
FY 2003 Target:	15%
FY 2004 Target:	15%

### Strategies

Encourage the use of GSA OnLine University as an alternative to traditional classroom training, and promote its cost-effectiveness, timesavings, and variety of courses and convenience.

Consult with our business partners to identify and develop curriculum to add to OLU course selections.

Add new courses geared towards helping associates better contribute to the achievement of GSA's mission and strategic objectives to further increase its usage.

Partner with OPM on the governmentwide e-gov initiative Go-Learn.

### Budget Link

Funding is provided through the General Management and Administration, Working Capital Fund. 262X. Payment for specific training courses is paid from the budget activity that funds the salary of the individual associate.

**Verification/Validation**

On-Line University usage reports will provide data. Measure will be tracked through PMT.

## Office of the Chief People Officer

GSA	
Strategic Goal	Maintain a World-Class Workforce and World-Class Workplace
GSA Strategic Objective	Elevate the competencies of GSA associates.

### Performance Goal

#### Develop and implement strategies to address skills gaps in Mission Critical Occupations.

GSA had identified five Mission Critical Occupations (MCO's): acquisition, financial management, information technology, real estate and related positions, and law enforcement/security. GSA has begun an aggressive program to determine competencies needed for four of these occupations, and will begin to assess skills gaps against these competencies. NOTE: Positions in security and law enforcement are slated to move the Department of Homeland Security so are not discussed here.

GSA partnered with OPM in developing models for technology and real estate. GSA chose to use the Joint Financial Management Improvement Program competencies for financial management and the Federal Acquisition Institute models for acquisition. These models will be refined in FY 2003.

This function is performed collaboratively by the Office of the CPO and the organizations that have primary responsibility for each of the Mission Critical Occupations:

Acquisition	Office of Governmentwide Policy
Information Technology	Office of the CIO, Federal Technology Service
Real Estate	Public Buildings Service
Financial Management	Office of the CFO
Law Enforcement & Security	Public Buildings Service

#### Action Plan

MCO Skill Assessments Completed:  
 Information Technology – FY 2003 Target – May 2003  
 Financial Management – FY 2003 Target – September 2003  
 Real Estate - FY 2003 Target – March 2003  
     FY 2003 Actual – March 2003  
 Acquisition - FY 2003 Target – September 2003

#### Performance Measure

Fewer gaps in MCO's.

FY 2004 Target      TBD

#### Strategies

Complete skills gaps analyses.

Develop strategies to address those skills gaps and use them to set priorities for recruiting, training, retraining or outsourcing.

#### Budget Link

Within the Office of the Chief People Officer, this function is performed in the Office of Human Resources at the headquarters and regional levels. Funding is provided through the General Management and Administration, Working Capital Fund. 262X.

**Verification/Validation**

Agency personnel records will be the source of data. Measure will be tracked through the PMT.

## Office of the Chief People Officer

GSA	
Strategic Goal	Maintain a World-Class Workforce and World-Class Workplace
GSA Strategic Objective	Provide a GSA work environment that supports superior performance.

### Performance Goal

#### Rank in the 75<sup>th</sup> percentile in the Gallup Q12 survey.

The Gallup Q12 survey measures associate attitudes to differentiate the top-performing workplaces from the average and low-performing ones. This is accomplished by the administration of an agencywide survey that has been designed and validated by a professional survey organization that asks associates to respond to questions that most closely capture their perceptions of their workplace environments, thereby deducing what is defined as associate engagement. Gallup determined that organizations that achieve a grand mean score in the 75<sup>th</sup> percentile are considered “World Class Workplaces.” Managers and leaders throughout GSA will receive their units’ scorecard. Managers will develop, implement and measure action plans to address the concerns expressed by associates.

### Performance Measure

Increase GSA’s grand total mean score from the 67<sup>th</sup> percentile to the 75<sup>th</sup> percentile.

Baseline	67 <sup>th</sup> percentile
FY 2002 Target	67 <sup>th</sup> percentile
FY 2002 Actual	67 <sup>th</sup> percentile
FY 2003 Target	75 <sup>th</sup> percentile
FY 2003 Actual	75 <sup>th</sup> percentile
FY 2004 Target	75 <sup>th</sup> percentile

### Strategies

Identify Q12 champions representing good practices, work teams, and managers based on the results of the FY 2002 survey. These champions will be recognized in a brochure that will be available in hard copy and on various web sites throughout the agency.

Use the brochure for educational and other purposes, including new associate orientation.

Evaluate the overlap between this survey and the OPM government-wide survey to determine if both are needed.

### Budget Link

The administration of these types of programs is primarily performed within the Working Capital Fund. Work is also performed within the Services, other Staff Offices and regions to support this effort. During FY 2003 the funding for the Gallup Q12 survey was moved to centralized charges. The estimated cost in FY 2003 is \$675,000 and includes a renewed emphasis on education and training. It is projected that the FY2004 cost would be in the neighborhood of \$745,000 for an agencywide survey.

### Verification/Validation

The Gallup Organization will develop and administer survey in close coordination with a GSA Q12 team.

## Office of the Chief People Officer

GSA Strategic Goal	Maintain a World-Class Workforce and World-Class Workplace
GSA Strategic Objective	Create a performance culture in GSA.

### Performance Goal

#### Develop stronger linkage between organizational and individual performance.

GSA is building a more effective and more comprehensive Performance Management System. This "System" includes the development of a new Strategic Plan, the establishment of more detailed performance plans (with goals and measures) agency-wide, and the implementation of a new automated data system – the Performance Measurement Tool (PMT). Hand-in-hand with that effort is the linkage between individual performance and organizational performance. Establishing new performance appraisal systems for GSA associates is key to ensuring this linkage.

### Performance Measure

Develop new performance appraisal systems that link individual appraisals/awards to performance metrics and differentiates high and low performance.

FY 2003 Target	100% of executives covered under new performance appraisal system
FY 2004 Target	100% of managers covered under new performance appraisal system

### Strategies

Implement a new appraisal system for all executives.

Cascade that plan down to all managers and supervisors who are not in the Senior Executive Service.

Review existing system for all other GSA associates and determine, what, if any, changes should be made to that appraisal system.

### Budget Link

This function is performed by the Office of Human Resources and the Executive Resources Staff in the Office of the Chief People Officer at the headquarters level, and by Human Resources Offices in the regions. Funding is provided through the General Management and Administration, Working Capital Fund. 262X.

### Verification/Validation

Agency human resource records will be the source of data. Measure will be tracked through the PMT.



## **Office of Small Business Utilization**

The mission of the Office of Small Business Utilization (SBU) is to engage in strategies that provide opportunities for small businesses in government contracting. In working to live up to this mission, SBU is working with GSA's acquisition community (nationwide) to insure that GSA utilizes small businesses in its procurement activities, including small businesses owned by members of the nation's minority communities, women, veterans, and businesses located in HUBZones (historically underutilized business zones).

GSA has a history of success in working with small business. We intend to build on GSA's historic successes to insure that small businesses are given a fair opportunity to compete for GSA's business. By providing opportunities to small businesses, we broaden the number of competitors for procurement opportunities, thereby insuring that the government obtains the best value for the agency's customers and taxpayers.



## Office of Small Business Utilization

GSA Strategic Goal	Carry Out Social, Environmental, and other Responsibilities as a Federal Government Agency
GSA Strategic Objective	Broaden the number of small business competitors for procurement opportunities.

**Performance Goal**

**Meet or exceed the goal of providing contracting opportunities to small businesses.**

**Performance Measure**

Achieve or exceed GSA-wide small business procurement goals

	Small Business	Section 8a	Other Small Disadvantgd.	Woman Owned	Service Disabled Veterans	HUBZone
FY 1999 Actual	41.5%	6.5%	7.24%	4.75	N/A	0.05
FY 2000 Actual	40.3%	3.72%	11.30%	3.66%	N/A	0.13%
FY 2001 Actual	40.09%	4.16%	11.05%	4.42%	N/A	0.56%
FY 2002 Target	40.0%	6.0%	10.0%	5.0%	3.0%	2.5%
FY 2003 Target	40.0%	6.0%	10.0%	5.0%	3.0%	3.0%
FY 2004 Target	N/A*	N/A	N/A	N/A	N/A	N/A

\*The Small Business Administration provides targets for small business on an annual basis, and FY 2004 target is not yet available.

**Strategies**

Secure Senior Staff (Central office & Regional) commitment to achievement of small business goals by:

- Selling the vision for SBU to senior GSA officials (in CO and Regions) through direct contact with the Associate Administrator.
- Present SBU plan and provide subsequent updates to Regional Administrators, Deputies, and Assistant Regional Administrators at their periodic gatherings.

Increase collaboration with the Acquisition Community through a number of strategies:

- By assigning responsibility to individual SBU Associates for the performance of each Service, the Regions, and the small business programs.
- By providing timely information on small business program activities (policy and regulatory) to the regions and the services
- By working with the Federal Supply Service to develop marketing programs to help small business schedules contract holders sell to GSA.
- By instituting quarterly nationwide networking meetings between GSA acquisition personnel and qualified small businesses (qualified based on references of past performance).

- By developing training modules for Contracting Officers and other acquisition professionals on the small business programs.

Implement focused outreach with the following strategies:

- Promote and participate in events that can best benefit under performing programs and/or industry segments.
- Explore ways to efficiently offer Schedules Workshops in the regional offices.

Pursue opportunities for small business through the implementation of A-76 by:

- Have an SBU Associate assigned to the GSA A-76 taskforce.
- Market opportunities to small businesses to compete for designated tasks opened to competition through implementation of A-76.

Explore the benefits of a “Mentor/Protégé” program for GSA contractors

- Examine the possibility of participating in the Small Business Administration’s current program.
- Facilitation of informal collaborations between small businesses.

Make greater use of Compliance Reviews and other means for enforcing subcontracting plan compliance (including policy changes).

#### **Budget Link**

This function, performed within the Working Capital Fund, has a FY 2003 budget of 1.4 million.

#### **Verification/Validation**

Source of performance data is the GSA Federal Procurement Data System.

## **Office of Performance Improvement**

The Office of Performance Improvement was established to provide a more rigorous process for developing and executing performance improvement initiatives. It provides direct assistance to the Administrator in overseeing the implementation of action plans, process changes, organizational changes, and other performance improvement initiatives developed to meet GSA-wide goals.



## Office of Performance Improvement

GSA Strategic Goal	Provide Best Value for Customer Agencies and Taxpayers
GSA Objective	Encourage Competition

### Performance Goal

**Meet OMB targets for the competition and/or direct conversion of commercial FTE's as reported on GSA's FAIR Act Inventory.**

### Performance Measure

Number of FTE's studied/direct converted and dollars saved.

	<u># FTE's Studied</u>	<u>\$ Saved</u>
FY 2002 Actual	398 FTE	\$2.185 million
FY 2003 Target	703 FTE	\$1.905 million
FY 2004 Target	750 FTE	To Be Determined

During FY 2002 GSA successfully surpassed its goal of studying/direct converting 5% (367 FTE) of our commercial activities by 37 FTE. This was accomplished with direct conversions in the Public Buildings Service and the Federal Supply Service. GSA was able to accomplish this task with little negative impact on GSA employees. GSA also conducted extensive training and education and created a web-site to provide our employees with access to current information regarding Competitive Sourcing and GSA.

GSA is also in the process of developing a Competitive Sourcing Strategic Plan that will take us to our ultimate goal of 50% (3,669 FTE) of our commercial activities to be competed and/or converted.

### Strategies

GSA utilizes a cross-functional team to develop guidance and insure compliance with OMB guidelines. This team also assists those organizations being studied and the contractors hired to support these studies. Contractor support is also retained to assist in the training and strategic planning functions.

A target of 10% (375 FTE) has been established FY 2004. GSA, in conjunction with contractor support, is in the process of developing a Competitive Sourcing Strategic Plan for FY 2004 and Beyond.

GSA will participate in conferences and panel discussions sponsored by government and industry. This will allow GSA to capitalize on best practices and new and emerging practices in competitive sourcing.

### Budget Link

Cost of the program is to be determined.

### Verification/Validation

Results will be subject to independent review.

## APPENDIX

### X. DATA VALIDATION AND VERIFICATION

The need to demonstrate that performance measures are backed up with accurate, reliable data is vital, not only to GPRA plans and reports and financial statements, but equally importantly to support management decisions on a day-to-day basis.

GSA uses a broad range of performance goals. Accordingly, the data and the means to validate and verify the measures are similarly diverse. This discussion will address general themes only. The specific explanations for validation and verification for individual measures are included in the discussion of individual performance goals.

The financial data used in annual plans and reports complete and reliable. GSA has had an unbroken series of 14 unqualified opinions on its financial statements. Performance data is generally complete and reliable. Improvements are underway, however, to increase our confidence in the data. Briefly, we are taking the following actions:

- In conformance with a finding made by the Inspector General, we are reviewing the procedures used to collect performance data and the basis on which an assertion of validity can be made at the program activity level. The review of the PBS and FSS has been completed, and the review of FTS is in process. In some cases, the reviews may lead to an enhancement of the written documentation for the procedures or systems being used. Similarly, there must be current, clear designations of responsibility for data collection and review.
- GSA is developing a performance measurement data system. The Performance Management Tool will prescribe procedures for data collection and entry, as well as identify those responsible for data entry and review. The database will be another means of raising confidence in the performance data.

GSA's performance measurement data can be divided into five types. The controls and procedures used to validate and verify each type is outlined below.

1. Financial data. As stated above, GSA has a high degree of confidence in its financial data. Normal audit and other financial controls maintain the integrity of these data elements.
2. Data from Large Computer Systems. GSA has undertaken an extensive process of systems certification to ensure that its computer systems operate as intended. Data quality is also maintained through ongoing training. Finally, many of the problems with the STAR system and other large computer systems are related to the conversion of old databases "as is." As these databases are cleaned up, the errors from this source will be eliminated.
3. Data from Manual or Small Computer Systems. For these systems we stress confirmation so that more than one person is responsible for data and written policy and procedures.
4. Benchmark Data from External Sources. Where there is a close correspondence between a GSA activity and a private sector counterpart, we use external data as a benchmark. When we do this we strive to find highly reputable sources of data that are recognized as industry standards.
5. Data Obtained under Contract. GSA often contracts with outside polling firms, such as the Gallup Organization, to develop customer satisfaction or other survey data. Use of an



outside contractor can make customers more eager to participate and add credibility to the results. In using such data, we always deal with reputable firms that are leaders in the industry. Our contract provisions require that sound business practices be followed and we follow-up to make sure we can have confidence in the results. All of these firms have their own validation and verification procedures.

We are committed to continuously improving our ability to measure our work and to use these measurements to build a successful future at GSA.