U.S. GENERAL SERVICES ADMINISTRATION

FY 2007

CONGRESSIONAL JUSTIFICATIONS

U. S. General Services Administration
FY 2007 Congressional Justifications

SUMMARIES

INTRODUCTION

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

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

GSA is organized into the Public Buildings Service (PBS), the newly established Federal Acquisition Service (FAS), which is being implemented in fiscal year 2006, the Office of Governmentwide Policy (OGP), Office of the Chief Acquisition Officer (OCAO), the Office of Citizen Services and Communications (OCSC), and various staff support offices. Geographically, operations are conducted through 11 regional offices located throughout the country.

Mission Statement

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

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

Values

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

Strategic Goals

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

PERFORMANCE BUDGET

GSA's Fiscal Year 2007 Performance Budget was developed through our Performance Management Process for strategic planning, budgeting and program evaluation. Through this process, we can define our strategic direction, as well as identify the specific strategies, actions, and funding requirements necessary to achieve the strategic direction. Through the process, we also set performance goals and targets to measure our success in achieving our strategic direction. This cyclical process allows for collaborative crosscutting decision-making among senior leadership. GSA's performance goals emphasize improving customer service, improving product value and delivery, constraining costs, leveraging technology, and implementing responsible asset management.

This request contains the critical resources GSA needs to fulfill its primary mission of serving Federal customers. The long-term outcome goals, performance measures and targets, and related resource requests reflect GSA's continuing efforts to better fulfill its mission of helping Federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies.

While Federal agencies comprise the majority of GSA's customers, our client base has grown to state and local governments, and international partners. The thousands of vendors with whom we exchange information and do business are critical to accomplishing our mission. In addition, the Office of Citizen Services and

Communications supports a citizen-centric Federal Government by providing public access to Government information and services through multiple channels.

PROGRAM ASSESSMENT RATING TOOL (PART)

GSA's Fiscal Year 2007 Performance Budget addresses the various programmatic directions prescribed through PART performance evaluations. Since 2002, GSA and the Office of Management and Budget have conducted fourteen program performance assessments using the PART process.

The major findings of the PART reviews were that these programs needed meaningful long-term outcome goals which can be accurately measured. Since the initial assessments, GSA has made great strides in identifying and establishing meaningful long-term goals for its major programs. By the end of the 2005 PART cycle, eight programs have achieved successful evaluations.

Due to the improvement in the number of programs successfully evaluated, GSA was able to achieve "Yellow" in status on the Budget and Performance Integration (BPI) initiative of the President' Management Agenda. Continued improvement will allow GSA to achieve a status of "Green" for this initiative on the BPI scorecard in fiscal year 2006. Additional information on the PART reviews may be found in the Federal Buildings Fund (FBF), Acquisition Services Fund (ASF), Governmentwide Policy and Chief Acquisition Officer, and Operating Expenses justification packages.
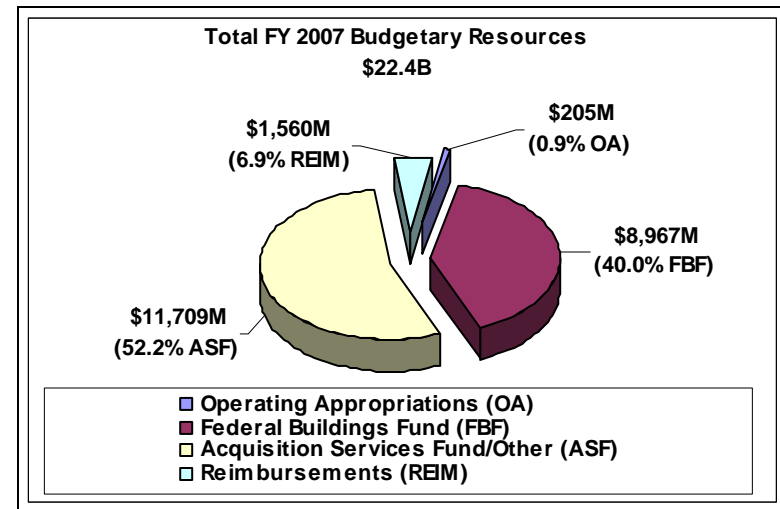
FUNDING TOTALS AND SOURCES

Measured in obligations, GSA's fiscal year 2007 request totals approximately $22.4 billion for programs funded under our agency's accounts. Most funds become available to GSA from customers through reimbursements to revolving funds for purchase of goods and services, or as Rent paid for space in GSA-owned and leased buildings.

We are requesting appropriations of $204.8 million for GSA direct funded activities, about 1% of total funding. In addition, we are requesting an appropriation of $245 million for the Federal Buildings Fund (FBF). The remaining 98% of GSA funding is from customer requested work that is funded under reimbursements to revolving funds for the purchase of goods and services, or as Rent paid to the FBF for space in GSA-owned and leased buildings.

Budgetary resources (obligations) by fund source are as follows:

Total FY 2007 Budgetary Resources
$22.4B

$1,560M
(6.9% REIM)

$205M
(0.9% OA)

$8,967M
(40.0% FBF)

$11,709M
(52.2% ASF)

☐ Operating Appropriations (OA)
■ Federal Buildings Fund (FBF)
☐ Acquisition Services Fund/Other (ASF)
☐ Reimbursements (REIM)

General Services Administration
FY 2007 BUDGET SUMMARY AND HIGHLIGHTS

THE FY 2007 BUDGET IN SUMMARY
$ (Thousands)

	FY 2005 Actual	FY 2006 Current	FY 2007 Request
TOTAL OBLIGATIONS			
Operating Accounts (Appropriations)	$ 209,555	$ 218,430	$ 205,369
Federal Buildings Fund Direct (Including Appropriations)	7,381,930	8,667,849	8,966,827
Acquisition Services Fund 1/	10,801,671	11,931,994	11,708,973
Working Capital Fund	375,520	481,403	447,742
Reimbursable Programs	907,182	1,038,288	1,071,753
Real Property Relocation	1,734	1,750	2,000
Federal Citizen Information Center Fund (Reimb.)	6,232	5,575	5,580
Permanent Appropriations	16,269	31,916	32,988
	$ 19,700,093	$ 22,377,205	$ 22,441,232
REQUIRING APPROPRIATIONS ACTION			
Operating Appropriations:			
Office of Governmentwide Policy	$ 61,603	$ 52,268	$ 52,550
Operating Expenses, GSA	91,934	98,891	83,032
Electronic Government Fund	2,976	2,970	5,000
Office of Inspector General	42,012	42,976	44,312
Federal Citizen Information Center	14,787	14,850	16,866
Former Presidents	3,081	2,922	3,030
Subtotal Budget Authority/Appropriations	$ 216,393	$ 214,877	$ 204,790
Federal Buildings Fund New Obligational Authority:			
Construction & Acquisition of Facilities	$ 760,353	$ 854,140	$ 690,095
Repairs and Alterations	867,722	1,072,410	866,194
Installment Acquisition Payments	161,442	168,180	163,999
Rental of Space	3,912,781	4,288,185	4,322,548
Building Operations	1,738,005	1,900,102	2,003,830
Subtotal FBF New Obligational Authority	*$ 7,440,303*	*$ 8,283,017*	*$ 8,046,666*
FBF Net Budget Authority	*116,911*	*407,980*	*245,025*
FBF Appropriations	*0*	*38,000*	*245,025*
TOTAL, Appropriation Action (BA/NOA)	**$ 7,656,696**	**$ 8,497,894**	**$ 8,251,456**
Budget Authority	*333,304*	*622,857*	*449,815*
Appropriations	*216,393*	*252,877*	*449,815*
EMPLOYMENT			
FULL-TIME EQUIVALENTS (FTE)	12,504	12,249	11,991

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

BUDGET AND PERFORMANCE HIGHLIGHTS

A major focus of the Fiscal Year 2007 Performance Budget is "Acquisition Excellence". This is defined as implementing a streamlined procurement process that delivers the highest quality product, on schedule, at the best value, when the customer needs it, while adhering to relevant laws and regulations. Acquisition Excellence is the foundation of GSA's overall effort to significantly improve service delivery and GSA's effectiveness in providing best value to Federal agencies.

A key factor in achieving "Acquisition Excellence" hinges on implementation of the Federal Acquisition Service (FAS) reorganization in fiscal year 2006. FAS will enhance GSA's capability to meet the Federal customer's requirements for timely delivery of quality goods and services while at the same time improving internal efficiencies, streamline processes and increase agency savings. Continuing in fiscal year 2007 and beyond, the new FAS will help agencies participate in government-wide efforts to improve administrative efficiencies by identifying procurements that support strategic sourcing and developing IT systems that support the Federal Enterprise Architecture. The FAS vision is to become the premier source of contracting, technology and project management expertise within the Federal government.

The proposed Acquisition Services Fund (ASF) merges the programs and activities currently performed under two separate revolving funds, the General Supply Fund and the Information Technology Fund, to finance the major activities of the Federal Acquisition Service (FAS). The FAS was formed through the consolidation of the Federal Supply Service and the Federal Technology Service. The FAS is organized around three business portfolios that deliver total solutions to customer agencies. These portfolios are Integrated Technology Services (ITS), the General Supplies and Services (GSS), and the Travel, Motor Vehicle and Card Services (TMVCS). The result of the restructuring will yield significant organizational efficiencies, and increase agency savings. The full benefits cannot be realized without the merger of the Information Technology and General Supply Fund.

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

Funding initiatives for the Agency continue to focus on real property capital investments. The fiscal year 2007 budget request for New Obligational Authority (NOA) of $8.05 billion includes authority to use resources within the Federal Buildings Fund for construction, repairs and alterations, installment acquisition payments, rental of space, and building operations. In addition, a direct appropriation of approximately $245 million is requested as part of a $1,556.3 million capital program.

Repairs and Alterations (R&A) funding remains a high priority with GSA. A significant backlog in repairs and alterations has left many assets in poor condition. The Public Buildings Service budget request includes $866.2 million for repairs and alterations.

Repairs and Alterations highlights include:

- $375 million for basic Repairs and Alterations;
- $23 million for limited scope projects;
- $398 million for full scope major Repairs and Alterations projects;
- $25 million for design;
- $10 million for chlorofluorocarbons program;
- $15 million for energy conservation program;
- $10 million for glass fragmentation retention program; and
- $10 million for fire and life safety program

The PBS budget request will also provide $690 million for new construction of needed facilities for critical Federal government functions. This includes 6 border station projects identified by the Border Station Partnership Council as the highest priority border station needs.

New construction highlights include:

- $179 million for FDA Consolidation in Montgomery County, MD;
- $352 million for projects in Washington, DC: Coast Guard Headquarters, White House Remote Delivery Facility II, and St. Elizabeths West Campus;
- $53 million for transfer to the Navy Department;
- $96 million for 6 Border Stations; and
- $10 million for non-prospectus construction and acquisition

The total for all the operating appropriations in GSA's fiscal year 2007 request is $204.8 million. The request includes:

- $83.03 million for Operating Expenses;
- $52.55 million for Governmentwide Policy & Chief Acquisition Officer;
- $5 million for E-Gov;
- $44.31 million for the Inspector General;
- $3.03 million for Former Presidents; and
- $16.86 million for Federal Citizen Information Center

Employment

The budget supports 11,991 FTE in fiscal year 2007, resulting in a net decrease of 258 FTE from fiscal year 2006 projected levels. The planned decrease is the result of savings due to the consolidation of the FAS (204 FTE), and competitive sourcing (56 FTE). In addition, an increase of 2 FTE are required for increased activity of the Federal Acquisition Institute. The following chart shows GSA's FTE employment levels from fiscal year 1997projected through fiscal year 2007.

GSA FTE EMPLOYMENT
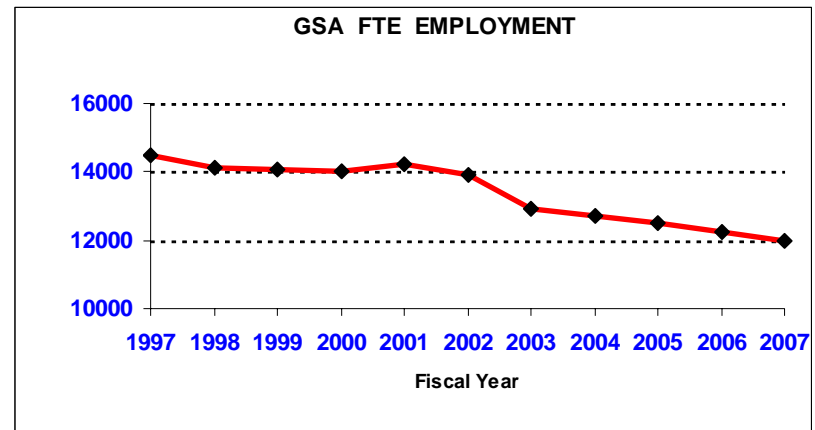
General Services Administration
FY 2007 BUDGET SUMMARY AND HIGHLIGHTS

WATERFALL TABLE
Changes in Appropriated Accounts
($ in Thousands)

	Governmentwide Policy	Operating Expenses	Inspector General	Federal Citizen Info. Ctr.	Former Presidents	Electronic Government	Total
FY 2006 Enacted	**52,796**	**99,890**	**43,410**	**15,000**	**2,952**	**3,000**	**217,048**
1% Rescission	-528	-999	-434	-150	-30	-30	-2,171
FY 2006 Adjusted Enacted	**52,268**	**98,891**	**42,976**	**14,850**	**2,922**	**2,970**	**214,877**
Transfer:							
USA Services to FCIC		-1,530		1,530			0
Federal Acquisition Institute to AWTF	-500						-500
Decreases							
One-time Cost for GSA Headquarter Relocation		-16,153					-16,153
Rent Increase Associated with the Relocation		-211					-211
Increases							
Part Year Incr. for FY 06 & FY 07 Pay Increases				88			88
Payment to Working Capital Fund		2,035	385				2,420
Management Information System Local Area Network Upgrade			951				951
Federal Bridge Certification Authority	782						782
Increased Inflation Costs				398			398
Benefits for Former Presidents					20		20
Increased cost of goods and services					18		18
Rent increase for Former President Clinton					25		25
Health Benefits for Former President Clinton					1		1
Benefits for Personnel					14		14
Infrastructure Contingency Planning					30		30
Increase to Electronic Government Fund						2,030	2,030
FY 2007 Congressional Request	**52,550**	**83,032**	**44,312**	**16,866**	**3,030**	**5,000**	**204,790**

WATERFALL TABLE
Changes in FBF NOA
Dollars in Thousands

	Installment Acquisition Payments	Rental of Space	Building Operations	Construction and Acquisition	Repairs and Alterations
FY 2006 New Obligational Authority	$168,180	$4,288,185	$1,900,102	$854,140	$1,072,410
Increase in Capitalized Interest Payments	64				
Decrease in Interest Payments	-4,245				
Part year cost of expansions acquired thru Indefinite Authority in FY 2006		-136,254			
Annualization of Remaining FY 2006 Program		536			
Rental Increases		62,677			
Lump Sum Payments for taxes and lease buyouts		100,129			
Lease Cancellations		-20,363			
Lease Expansions (all other)		27,638			
Hurricane relief funding			-15,000		
Building Services in New Space			33,841		
Increase cost of Supplies, Materials and Service Contract (2.1%)			22,186		
Part Year Increase of FY 2006 Pay Act (2.3%), effective January 2006			2,920		
Wageboard and Pay Act Increase (2.2%), effective January 2007			8,713		
Increase for Utilities and Fuel Rates			33,050		
Increase for Cleaning & Maintenance Contract Labor Rates and Benefits			3,513		
GSA Headquarters Move			-21,000		
Increase for IT Services			9,496		
Energy Metering			7,000		
Increase to the Working Capital Fund			12,549		
Nebraska Avenue Complex Move			4,290		
Improvements to Capital Projects Delivery Process			2,170		
Increase to Construction for Executive Agencies				176,208	
Decrease to Construction for Judiciary				-340,253	
Decrease to Basic R&A program					-83,079
Decrease to Line-Item R&A program					-123,137
FY 2007 New Obligational Authority	$163,999	$4,322,548	$2,003,830	$690,095	$866,194

Note: FY 2007 Rental of Space request excludes lease expansions acquired through Indefinite Authority.

FEDERAL BUILDINGS FUND
New Obligational Authority

2007 Construction and Acquisition of Facilities	
In Priority Order	
Dollars in Thousands	
New Construction:	
Montgomery County, MD, Food and Drug Administration Consolidation	$178,526
Washington, DC, St. Elizabeths West Campus Infrastructure	6,444
Washington, DC, Coast Guard Consolidation & Development of St. Elizabeths Campus	306,139
Washington, DC, Remote Delivery Facility II	39,612
Washington, DC, For transfer to Department of the Navy	52,835
McAllen, TX, Anzalduas Border Station	7,478
El Paso, TX, Ysleta Border Station	20,217
San Luis, AZ, Border Station II	42,029
Columbus, NM, Border Station	2,629
Calexico, CA, Calexico West Border Station	14,350
Nogales, AZ, Nogales West Border Station	9,836
Nonprospectus Program	10,000
Subtotal, Executive Agencies	**690,095**
Subtotal, Federal Judiciary (none)	**$0**
TOTAL CONSTRUCTION AND ACQUISITION OF FACILITIES PROGRAM	**$690,095**

FEDERAL BUILDINGS FUND (Cont'd)

2007 Repairs and Alterations Program (NOA)	
In Priority Order	
Dollars in Thousands	
Nonprospectus (Basic) Repairs and Alterations Program	**$374,913**
Repairs and Alterations Construction Program	
Albuquerque, NM, Federal Building	5,783
Milwaukee, WI, United States Federal Building - Courthouse	5,599
Silver Spring, MD, Building 130, Center for Radiological Devices and Health	5,793
Laurel, MD, Center for Veterinary Medicine, Food and Drug Administration	6,028
Washington, DC, Eisenhower Executive Office Building Phase II	56,000
New York, NY, Thurgood Marshall United States Courthouse	46,385
Washington, DC, Main Interior Federal Building	47,179
Washington, DC, Harry S. Truman Building	4,629
Kansas City, MO Richard Bolling Federal Building	96,608
Washington, DC, Mary E. Switzer Federal Building	50,881
Chicago, IL, Dirksen United States Courthouse	96,571
Fire and Life Safety Program	10,000
Glass Fragment Retention Program	10,000
Chlorofluorocarbons Program	10,000
Energy Program	15,000
Subtotal, Repairs and Alterations Construction	**466,456**
Design Program	**24,825**
TOTAL REPAIRS AND ALTERATIONS PROGRAM	**$866,194**

FEDERAL BUILDINGS FUND (Cont'd)

2007 Repairs and Alterations Design	
In Priority Order	
Dollars in Thousands	
Design Program	
Washington, DC, Eisenhower Executive Office Building (Phase III)	$8,447
Jackson, MS, Dr. A. H. McCoy Federal Building (Additional Design)	1,043
Brooklyn, NY, U.S. Post Office - Courthouse	4,723
Washington, DC, Nebraska Avenue Complex	1,200
Columbus, OH, Joseph P. Kinneary U.S. Courthouse	1,068
Miami, FL, David W. Dyer Federal Building - Courthouse	4,502
New Bern, NC, Post Office - Courthouse	1,279
Orlando, FL, George C. Young Federal Building - Courthouse	2,563
	-
TOTAL DESIGN PROGRAM	**$24,825**

Acquisition Services Fund Results of Operations Dollars in Thousands				
	FY 2005 **Actual**	**FY 2006** **Current**	**FY 2007** **Request**	**FY06/07** **Change**
Revenue				
Integrated Technology Services (ITS)	7,677,443	8,248,578	7,968,417	(280,161)
General Supplies and Services (GSS)	1,357,595	1,395,317	1,436,081	40,764
Travel, Motor Vehicle and Card Services (TMVCS)	1,420,529	1,523,995	1,568,673	44,678
Acquisition Workforce Training Fund (AWTF)	(14,003)	(17,059)	(17,834)	(775)
Subtotal Revenue	10,441,564	11,150,831	10,955,337	(195,494)
Expense				
Integrated Technology Services (ITS)	7,517,501	8,070,135	7,753,371	(316,764)
General Supplies and Services (GSS)	1,312,829	1,342,150	1,375,130	32,980
Travel, Motor Vehicle and Card Services (TMVCS)	1,353,104	1,470,127	1,507,561	37,434
Contribution to GSA Corporate	131,834	147,286	156,283	8,997
Reserve Expenses	48,350	52,568	109,350	56,782
Subtotal Expense	10,363,618	11,082,266	10,901,695	(180,571)
Net Operating Results	77,946	68,565	53,642	(14,923)
Net Outlays	(13,160)	(31,000)	(150,000)	(119,000)
FTE	4,384	4,203	3,999	(204)

OBLIGATIONS SUMMARY

By Object Classification
(IN THOUSANDS)

	FY 2005 ACTUAL	FY 2006 CURRENT	FY 2007 REQUEST
Personnel Compensation:			
11.1 Full-time Permanent	931,950	957,465	966,679
11.3 Other than permanent	7,424	7,388	7,039
11.5 Other personnel compensation	27,597	29,619	33,418
11.8 Special personal service payments	547	487	384
11.9 Total personnel compensation	967,518	994,959	1,007,520
12.1 Civilian personnel benefits	251,653	254,085	259,133
13.0 Benefits for former personnel	4,502	4,910	4,017
21.0 Travel and transportation of persons	38,376	40,611	41,235
21.0 Motor Pool travel	3,540	3,530	3,607
22.0 Transportation of things	60,402	61,727	63,162
23.1 Rental payments	75,117	91,694	94,764
23.2 Rental payments to others	3,897,497	4,288,470	4,322,813
23.3 Communications, utilities, and misc.	411,891	433,110	462,378
24.0 Printing and reproduction	8,611	8,707	12,530
25.1 Advisory and Assistance Services	122,048	204,746	195,842
25.2 Other services	9,438,050	11,400,072	11,271,564
25.3 Purch. of goods & services from Govt	344,107	329,438	326,123
25.4 Operation & maintenance of facilities	653,317	840,050	896,224
25.5 Research and development contracts	0	0	0
25.6 Medical Care	0	0	0
25.7 Operation & maintenance of equipmt	49,980	55,356	58,647
25.8 Subsistence and support of persons			
26.0 Supplies and materials	2,218,705	2,318,282	2,371,801
31.0 Equipment	879,707	852,087	865,825
32.0 Lands and structures	72,052	19,014	23,013
33.0 Investments and loans	74	0	50
41.0 Grants, subsidies and contributions	17,523	50	51
42.0 Insurance claims and indemnities	10,235	310	328
43.0 Interest and dividends	175,188	175,997	160,605
44.0 Refunds	0		
91.0 Unvouchered	0	0	0
99.9 Total New Obligations	**19,700,093**	**22,377,205**	**22,441,232**

GSA'S GENERAL PROVISIONS: Brief explanations of proposed GSA general provisions are listed below. Sections 607 through 610 have been deleted; new proposed provisions are numbered Section 607 and 608 and are reflected in bold text.

GSA General Provisions
Sec. 601................ Provides for reimbursement by wholly owned Government corporations and agencies to GSA for provision of building services, including costs of operations, protection, maintenance, upkeep, repair and improvement, included as part of rentals.
Sec. 602................ Provides GSA authority for the hire of passenger motor vehicles, to satisfy its requirements for vehicles from other sources when the motor pool system cannot supply the required vehicles.
Sec. 603................ Provides that notice of any proposed transfers for the Federal Buildings Fund, GSA, shall be transmitted in advance to the Committee on Appropriations for activities that may be transferred between such activities only to the extent necessary to meet program requirements.
Sec. 604................ Provides that requests for Courthouse construction must (1) meet the GSA/OMB/ Judicial Conference design guide standards, (2) reflect the Judicial Conference approved 5-year construction plan, and (3) include a standardized courtroom utilization study.
Sec. 605................ Provides that GSA shall not provide usual building services to agencies that do not pay the assessed rental rate as determined by GSA in compliance with law.
Sec. 606................ Provides that claims against the Government for less than $250,000 arising from direct construction and the acquisition of buildings may be liquidated from savings in other construction projects provided that the Appropriations Committees are notified in advance.
Sec. 607................ Acquisition Services Fund. (a) 40 U.S.C.321 is amended as follows: In the heading, strike "General Supply" and insert "Acquisition Services". In subsections strike "General Supply" and insert "Acquisition Services". The Fund shall replace the General Supply Fund and the Information Technology Fund. All assets, liabilities, commitments, and obligations of the General Supply Fund and the Information Technology Fund shall be assumed by the Acquisition Services Fund. (b) 40 U.S.C 321 Is amended by adding the following at the end of subsection (f): From any uncommitted balances of the Fund, less amounts retained for the purposes authorized in Section 607 of this Act, the Administrator may, after consulting with the Office of Management and Budget, retain not to exceed $40,000,000 in fiscal year 2007, to be available for allocation to Federal agencies for government wide Electronic Government (E-Gov) projects, authorized under 44 U.S.C. 3604: Provided, that such allocations may not be made until 10 days after a proposed spending plan and justification for each project to be undertaken has been submitted to the Committees on Appropriations.
Sec. 608................ Notwithstanding any other provision of law, hereafter, the Administrator of General Services may retain the net proceeds from the sale of real and related personal property under the custody and control of the Administrator, otherwise authorized by law, and deposit such proceeds in the Federal Buildings Fund, to be used for the General Services Administration's real property capital needs.

ACQUISITION WORKFORCE EDUCATION AND TRAINING
FY 2007 BUDGET DATA

As prescribed by 41 U.S.C. 433(h), following are funding levels included in the FY 2007 program for education and training of the acquisition workforce.

Organization	Amounts programmed for Acquisition Workforce Education and Training		
	FY 2005 Actual	**FY 2006 Current**	**FY 2007 Request**
Federal Acquisition Service:	1,967,927	2,790,768	2,903,006
Acquisition Services Fund (FAS-FSS): Former General Supply Fund	(1,779,927)	(1,932,768)	(2,027,006)
Acquisition Services Fund(FAS-FTS): Former Information Technology Fund	(188,000)	(858,000)	(876,000)
Public Buildings Service: Federal Buildings Fund	1,162,600	1,326,900	1,351,500
General Management: Working Capital Fund	11,539	11,712	11,888
Operating Expenses	14,034	14,245	14,459
Office of Governmentwide Policy/Office of the Chief Acquisition Officer: Governmentwide Policy	19,873	20,171	20,473
Working Capital Fund	22,215	22,548	22,886
Total	$3,198,188	$4,186,344	$4,324,212

FY 2007: Long-Term Outcome Goals
$ (Thousand)

• **LONG-TERM OUTCOME GOALS** o PERFORMANCE MEASURES	FY 2005 ACTUAL	FY 2006 TARGET	FY 2007 TARGET
GOVERNMENTWIDE POLICY			
Office of Electronic Government and Technology			
• **Develop and issue administrative management policies on-schedule and within cost parameters**			
o Number of components submitted for approval to IAC registered at Core	10	25	45
• **Provide an effective policy framework and key enablers for E-Gov operational development and implementation**			
o Percentage of major agencies adopting cross-agency policy and uniform standards for Federal Identity Credentials	54%	75%	91%
Office of Technology Strategy			
• **Engage and assist agencies in achieving compliance with Federal administrative management policies**			
o Percentage of Authentication service lines with 3 or more providers to achieve competition	N/A	50%	75%
o Percentage of agencies whose work demonstrates the use of Section 508 tools	0%	30%	60%
• **Improve the accessibility of all electronic and information technology as a result of the widespread demand by Government purchasers for accessible electronic and information technology (E&IT)**			
o Percentage of agencies whose work demonstrates the use of Section 508 tools	0%	30%	60%
Office of Real Property			
• **Develop and issue administrative management policies on-schedule and within cost parameters. Engage and assist agencies in the adoption and use of OGP-formulated policies to achieve effectiveness, efficiency and best value.**			
o Percentage of agencies reporting real property performance measures tracked by OGP	61%	67%	73%

FY 2007 Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2005 ACTUAL	FY 2006 TARGET	FY 2007 TARGET
OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS			
Office of Citizen Services (Operating Expenses and FCIC)			
• **Increase citizen usage and accessibility of OCSC products and services and help the government become more citizen-centric by enabling Americans' interaction with the government via their preferred OCSC channel**			
o ACSI Satisfaction Survey Index	73	74	75
o Strategic Messages (Favorable, Neutral, and Unfavorable)			
o Favorable	27.54%	30%	31%
o Neutral	65.17%	60%	59%
o Unfavorable	7.29%	10%	10%

FY 2007 Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2005 ACTUAL	FY 2006 TARGET	FY 2007 TARGET
PUBLIC BUILDINGS SERVICE			
New Construction			
• **Reduce average cycle time on new courthouse construction projects to 2,800 days or less by FY 2019**			
o Number of days to complete new courthouse construction projects	2,928	3,100	3,100
• **Register 100% of the new construction program for Leadership in Energy and Environmental Design (LEED) in the same fiscal year design funding is authorized and appropriated and certify 75% of the new construction program for LEED within 18 months of substantial construction completion**			
o Percent of new construction program registered for LEED in the same fiscal year design funding is authorized and appropriated	9%	25%	50%
o Percent of new construction program LEED certified within 18 months of substantial construction completion	17%	20%	25%
• **Improve the operational and maintenance efficiency of GSA buildings by independently verifying newly constructed buildings for achievement of established operational requirements within eighteen months of substantial construction completion (Commissioning)**			
o Percent of newly constructed buildings independently verified for achievement of established operational requirements (Commissioning)	22%	30%	35%
• **Execute the new construction program on the schedule committed to our customers 90% of the time by FY 2010**			
o Construction projects on schedule	100%	86%	87%

FY 2007 Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2005 ACTUAL	FY 2006 TARGET	FY 2007 TARGET
PUBLIC BUILDINGS SERVICE - continued			
Leasing Program • **By FY 2010, the leasing program will deliver new leases at least 9.5% below the industry average cost for office space, deliver the space when the customer needs it 90% of the time or better, and utilize the National Broker Contract for expiring leases 90% of the time**			
o Cost of leased space relative to industry market rates	-9.2%	-8.5 %	-8.8%
o Percent of customers surveyed who say they received their leased space when needed	82%	82%	84%
o Percent of expiring leases using the National Broker Contract	N/A	60%	70%
• **By FY 2010, the leasing program will receive satisfied tenant customer satisfaction scores (4's & 5's) 80% of the time and will incorporate the results of the Office of Real Property Asset Management's annual review of existing leases (where market data is available) into customer strategic planning**			
o Satisfied tenant customer satisfaction rating (4 and 5 responses) in leased space surveyed	78%	72%	74%
o Percent of existing lease inventory reviewed for beneficial opportunities	N/A	100%	100%
o Percent of vacant space in leased inventory	1.2%	≤1.5%	≤1.5%
o Percent of leased revenue available after administering the leased program	2.2%	0% - 2%	0% - 2%

FY 2007 Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2005 ACTUAL	FY 2006 TARGET	FY 2007 TARGET
PUBLIC BUILDINGS SERVICE - continued			
Asset Management			
• **Achieve a viable, self-sustaining inventory with an average Return on Equity (ROE) of at least 6% by FY 2010 for 80% of our government owned assets**			
o Percentage of government owned assets with a ROE of at least 6 percent	74%	71%	74%
o Percentage of government-owned assets achieving a positive Funds from Operation	80%	85%	90%
o R&A projects on schedule	95%	88%	88%
o Percent of minor R&A budget obligated on planned projects by the end of the fiscal year	87%	75%	75%
o Percentage of vacant and committed space in government-owned inventory	6.8%	7%	7%
o Percent of escalations on R&A projects	0.4%	<1%	<1%
• **Reduce energy consumption 20% by FY 2015 over the FY 2003 baseline while maintaining overall operating costs 12% below the private sector and customer satisfaction levels at or above 80%**			
o Percent reduction in energy consumption over the FY 2003 baseline	N/A	-2%	-4%
o Customer Satisfaction – tenants in owned space	78%	73%	75%
o Percent below private sector benchmarks for cleaning, maintenance, and utility costs in office and similarly serviced space	-11%	-12%	-12%

FY 2007 Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2005 ACTUAL	FY 2006 TARGET	FY 2007 TARGET
PUBLIC BUILDINGS SERVICE – continued			
Real Property Disposal • **To help Federal landholding agencies realize maximum utilization and efficiencies from real property holdings and, when appropriate, to redeploy their unneeded properties to benefit the Federal Government and surrounding communities or to sell on the open market.**			
o Percentage of Utilization & Donation awarded within 240 days	39%	90%	95%
o The percentage of public sales awarded within 170 days	92%	95%	100%
o Percent of disposal transactions that "exceed" or "greatly exceed" customer expectations	93%	93%	93%
o Cost of reimbursable sales as a percentage of sales proceeds	0.13%	1.08%	1.08%

FY 2007 Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2005 ACTUAL	FY 2006 TARGET	FY 2007 TARGET
WORKING CAPITAL FUND			
Office of Chief Financial Officer			
• **Deliver timely and accurate financial and performance management policies and services needed for management decision-making and financial reporting.**			
o Percentage of vendor invoices received electronically	64%	68%	75%
Office of Chief People Officer			
• **Develop and deliver human capital programs, policies and services that promote GSA's strategic management of human capital, in order to enhance GSA's capability to achieve its mission, strategic goals, and performance outcomes.**			
o Number of days to fill a vacancy	26.3	45	45
Office of Chief Information Officer			
• **Ensure GSA's information technology investments increase Federal productivity, customer satisfaction, and legal compliance**			
o Percentage of major IT systems that have completed certification and accreditation	100%	100%	100%
o Percentage of the IT Portfolios DM&E Projects that have a cost variance within 10% of plan	100%	100%	100%

FY 2007: Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS ○ PERFORMANCE MEASURES	FY 2005 ACTUAL	FY 2006 TARGET	FY 2007 TARGET
FEDERAL ACQUISITION SERVICE – ITS Portfolio			
Regional Telecommunications Business Unit			
• **Provide telecommunications solutions that best meet the client agencies' mission needs at competitive prices**			
○ Percentage of dollar value of eligible service orders awarded with performance based statements of work	72%	50%	60%
○ Percentage of projects meeting agreed performance according to the Quality Assurance Surveillance Plan (QASP)	Not Measured	75%	76%
○ Percentage of negotiated award dates for commodities and services that are met or bettered	96%	76%	77%
• **Provide effective management of client agency telecommunications acquisitions, including compliance with statutes, policy, regulations, and internal procedures**			
○ Percentage of task and delivery orders subject to the fair opportunity process	90.6%	80%	80%
○ Percentage of schedule task orders solicited using e-Buy	Not Measured	80%	90%
• **Provide a high-quality, cost-effective source of assisted telecommunications acquisition services for client agencies**			
○ Total program expense as a percentage of gross margin	52%	66%	66%
○ Percentage of solutions that are met at or below initial cost estimates	Not Measured	80%	90%
Long Distance Business Unit			
• **Provide telecommunications solutions that best meet client agencies' mission needs at competitive prices**			
○ Customer satisfaction with value added solutions	Not Measured	80%	80%
○ Percentage of solutions reviewed compliant with policy and regulations and internal policies and procedures	100%	100%	100%
• **Provide effective management of Network Services acquisitions, including compliance with statutes, policies, regulations and internal procedures**			
○ Networx Program Milestones planned versus actual	99.1%	100%	100%
○ Completed Transaction Planning Milestones planned versus actual	Not Measured	Not Measured	80%

FY 2007: Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2005 ACTUAL	FY 2006 TARGET	FY 2007 TARGET
FEDERAL ACQUISITION SERVICE – ITS Portfolio continued			
Long Distance Business Unit			
• **Provides a high quality, cost effective source of Network services for Client agencies**			
o Total program expense as a percentage of gross margin	41.3%	55%	55%
o Percentage of FTS Network Services prices are below best commercial prices	41.5%	35%	35%
o Savings provided to customers	$633M	$550M	$500M
o Percentage of agencies serviced by Network Services	88.2%	90%	90%
Professional Services Business Line			
• **Provide solutions that best meet the client agencies' mission needs at competitive prices**			
o Percentage of dollar value of eligible service orders awarded with performance-based Sows	64%	50%	52%
o Percentage of projects meeting agreed performance according to the Quality Assurance Surveillance Plan (QSAP)	Not Measured	Not Measured	76%
o Percentage of negotiated award dates for services and commodities that are met or bettered	88%	>95%	>96%
• **Provide effective management of client agency acquisitions, including compliance with statutes, policy, regulations, and internal procedures**			
o Percentage of task and delivery orders subject to the fair opportunity process	81%	>86%	>86%
o Percentage of Schedule task orders solicited using e-Buy	78%	90%	90%
• **Provide a high-quality, cost-effective source of assisted acquisition services for Federal agencies**			
o Total program expense as a percentage of gross margin	50%	66%	65%
o Percentage of solutions that are met at or below initial cost estimates	Not Measured	90%	90%

FY 2007: Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2005 ACTUAL	FY 2006 TARGET	FY 2007 TARGET
FEDERAL ACQUISITION SERVICE – ITS Portfolio continued			
National IT Solutions Business Line			
• **Provide IT solutions that best meet the client agencies' mission needs at competitive prices**			
o Percentage of dollar value of eligible service orders awarded with performance-based statements of work	26%	>50%	>50%
o Percentage of negotiated award dates for services and commodities that are met or bettered	87%	>95%	>95%
• **Provide effective management of client agency IT acquisitions, including compliance with statutes, policy, regulations, and internal procedures**			
o Percentage of task and delivery orders subject to the fair opportunity process	94%	>95%	>95%
• **Provide a high-quality, cost-effective source of assisted IT acquisition services for client agencies**			
o Direct operating expense as a percentage of gross margin	83%	62%	61%
Regional IT Solutions Business Line			
• **Provide IT solutions that best meet the client agencies' mission needs at competitive prices**			
o Percentage of negotiated award dates for services and commodities that are met or bettered	84%	>95%	>95%
• **Provide effective management of client agency IT acquisitions, including compliance with statutes, policy, regulations, and internal procedures**			
o Percentage of task and delivery orders subject to the fair opportunity process	92%	>95%	>95%
• **Provide a high-quality, cost-effective source of assisted IT acquisition services for client agencies**			
o Percent of dollar savings between independent government cost estimates (IGCEs) and award amounts	8%	>8%	>8%

FY 2007: Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2005 ACTUAL	FY 2006 TARGET	FY 2007 TARGET
FEDERAL ACQUISITION SERVICE – GSS			
Global Supply Program			
• Provide supply chain solutions for the global needs of our customers (DOD, Homeland Security, USDA, et. al.) by delivering dependable, reliable and timely supplies at best value			
o Percentage of Supply mark-up (percent) on stocked items	42.9%	40.1%	37.5%
o Percent of domestic non-hazardous orders shipped within 24 hours	83%	93%	93.5%
o Operating costs per $100 business volume	$17.58	$17.38	$17.18
o External customer satisfaction survey score	77.3	79.9	80.0
Personal Property Management Program			
• Provide optimal property disposal solutions for Federal agencies to maximize cost avoidance (Utilization/Donation) while efficiently and effectively managing the exchange/sale of surplus property			
o Cycle time for disposal process (days)	56	56	55
o Direct cost of Sales Program as a percent of revenue	35%	46%	45%
o Operating cost per $100 business volume	$15.23	$22.00	$21.50
o External customer satisfaction survey score	74.6	79	79

FY 2007: Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2005 ACTUAL	FY 2006 TARGET	FY 2007 TARGET
FEDERAL ACQUISITION SERVICE - TMVCS			
Fleet Program			
• **Continue to achieve leasing rates to customer agencies that offer 20% or more savings when compared to commercial rates**			
o Percentage GSA Fleet leasing rates below commercial rates on the GSA Vehicle Leasing Schedule	43.13%	=>29%	=>29.25%
o Program support and operational expenses per vehicle year of operation	$508	$504	$500
o Number of vehicles managed per onboard associate	329	335	340
o External customer satisfaction survey score	85.9	83	83.1
Vehicle Acquisition Program			
• **Achieve acquisition cost savings for customer agencies by providing vehicles at 28% or more below manufacturers' invoice price**			
o Percentage discount from invoice price	40.6%	=>28%	=>28.5%
o Number of vehicles purchased per FTE	1,498	1,300	1,310
o External customer satisfaction survey score	79.3	79	80
GSA Travel Program			
• **Provide an end-to-end and fully integrated travel management shared service that is: Policy compliant, cost-effective, and customer focused; Fulfilling Agency needs**			
o Direct cost as a percent of revenue	56%	64%	63%
o Operating cost per $100 business volume	$0.95	$0.95	$0.94
o External customer satisfaction survey score	73.6	74	74.25
o Number of vouchers serviced through the eTS (percent of total voucher population)	37,304 (1.1%)	450,000 (12.9%)	1,700,000 (48.6%)
o Percentage of agencies migrating to eTS	29.2%	58.3%	100%

FY 2007: Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2005 ACTUAL	FY 2006 TARGET	FY 2007 TARGET
FEDERAL ACQUISITION SERVICE – TMVCS continued			
GSA Transportation Programs			
• **Provide end-to-end fully integrated management system/solutions to increase value for agency customers**			
o External customer satisfaction survey score	73.3	78	79
o Direct cost as a percent of revenue	56.33%	52%	51.5%
o Freight and household goods savings	$128 M	Tracking	Tracking
o Domestic delivery savings	$515 M	Tracking	Tracking
o Percent of audits performed electronically	94%	95%	95%
o Percent of claims processed within 120 days	69%	52%	55%

GOVERNMENTWIDE POLICY
&
CHIEF ACQUISITION
OFFICER

General Services Administration
GOVERNMENTWIDE POLICY & CHIEF ACQUISITION OFFICER

INTRODUCTION

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

EXPLANATION OF ESTIMATES

The Governmentwide Policy & Chief Acquisition Officer account funds (1) the Office of Governmentwide Policy, and (2) the Government-wide acquisition policy functions of Office of the Chief Acquisition Officer.

Direct Program

The fiscal year 2007, Office of Governmentwide Policy (OGP) and Office of the Chief Acquisition Officer (OCAO) combined budget request of $52,550 thousand and 159 FTE reflects a net increase of $282 thousand.

The net increase of $282 thousand consists of: (1) a $782 thousand increase to provide for a Federal Bridge Certification Authority back-up site; and (2) an offsetting $500 thousand decrease from the budget of the Federal Acquisition Institute (FAI). The decrease in the FAI appropriation will be offset by funding received from the Acquisition Workforce Training Fund (AWTF).

Reimbursable Program

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

Transfers for Management Councils

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

General Services Administration
GOVERNMENTWIDE POLICY & CHIEF ACQUISITION OFFICER

<div align="center">

EXPLANATION OF BUDGET CHANGES
IN PRIORITY ORDER
$(Thousands)

</div>

	FTE	$
FY 2006 Enacted Appropriation	159	$52,796
Reduction for 1% Rescission	0	-528
FY06 Current Level	159	52,268
Increases:		
Federal Bridge Certification Authority	0	782
Decreases:		
Federal Acquisition Institute	0	-500
FY 2007 Congressional Budget Request	159	52,550

Explanation of Changes:

The FY 2007 Budget request of $52,550 thousand reflects a net increase of $282 thousand above the amount for FY 2006. The net increase of $282 thousand consists of: (1) a $782 thousand increase to provide for off-site backup processing capabilities of the Federal Bridge Certification Authority; and (2) an offsetting $500 thousand reduction in the Federal Acquisition Institute's (FAI) appropriated budget. The Acquisition Workforce Training Fund (AWTF) will provide additional funding support, as well as funding for two additional FAI FTE that will help manage FAI's increased workload.

General Services Administration
GOVERNMENTWIDE POLICY & CHIEF ACQUISITION OFFICER

BUDGET AUTHORITY
$(Thousands)

	FY 2005 Actual	FY 2006 Current	FY 2007 Request	FY 2006/FY 2007 Change
DIRECT PROGRAM:				
New Budget Authority				
Office of Governmentwide Policy	53,080	42,304	43,086	+782
Office of Chief Acquisition Officer	8,523	9,964	9,464	-500
TOTAL NEW BUDGET AUTHORITY	**61,603**	**52,268**	**52,550**	**+282**
TOTAL DIRECT (Obligations)	**61,072**	**52,268**	**52,550**	**+282**
REIMBURSABLE PROGRAM:				
Reimbursable Programs - OGP	6,587	4,000	4,000	0
Reimbursable Programs - OCAO	252	1,000	1,000	0
Transfers for Management Councils	13,074	10,000	17,000	+7,000
TOTAL REIMBURSABLE (Obligations)	**19,913**	**15,000**	**22,000**	**+7,000**
NET OUTLAYS	**51,396**	**53,729**	**52,689**	**+1,040**
EMPLOYMENT (FTE):				
DIRECT - OGP	198	119	119	0
DIRECT - OCAO	25	40	40	0
TOTAL DIRECT FTE	**223**	**159**	**159**	**0**
REIMBURSABLE - OCAO	**0**	**0**	**2**	**+2**

GOVERNMENTWIDE POLICY & CHIEF ACQUISITION OFFICER			
Obligations by Object Class			
$(Thousands)			
	FY 2005 Actuals	FY 2006 Current	FY 2007 Request
Personnel Compensation:			
11.1 Full-time permanent	20,745	16,313	16,910
11.5 Other personnel compensation	1,220	719	735
11.9 Total personnel compensation	**21,965**	**17,032**	**17,645**
12.1 Civilian personnel benefits	5,191	3,467	3,499
21.0 Travel and transportation of persons	489	479	424
21.0 Motor pool travel	7	0	0
22.0 Transportation of things	0	0	0
23.1 Rental payments to GSA	1,924	1,839	1,840
23.3 Communications, utilities, and misc. charges	417	398	348
24.0 Printing and reproduction	586	500	521
25.2 Other services	14,511	9,560	10,594
25.3 Purchases of goods and services from Government accounts	15,538	18,794	17,529
26.0 Supplies and materials	165	149	100
31.0 Equipment	279	50	50
99.0 Subtotal direct obligations	61,072	52,268	52,550
99.0 Reimbursable obligations	19,913	15,000	22,000
99.9 Total Obligations	**80,985**	**67,268**	**74,550**

OFFICE OF GOVERNMENTWIDE POLICY

Strategic Assessment

OGP's mission is to improve Government-wide management. OGP's policymaking authority and policy support cover the areas of personal and real property management, travel and transportation, information technology, regulatory information and use of Federal advisory committees. OGP's strategic direction has been focused on management improvements in these major areas. To reach the goal of improving Government-wide management of property, technology, and administrative services, OGP builds and maintains a policy framework, by (1) incorporating the requirements of Federal laws, Executive Orders, and other regulatory material into policies and guidelines, (2) facilitating Government-wide reform to provide Federal managers with business-like incentives and tools and flexibility to prudently manage their assets, and (3) identifying, evaluating, and promoting best practices to improve efficiency of management processes.

Guided by the principles of the President's Management Agenda (PMA) and the Office of Management and Budget (OMB), some of OGP's recent efforts have been devoted to providing leadership in the development of a policy environment and key enablers for electronic Government (eGovernment), and supporting OMB in the implementation of various eGovernment initiatives to standardize and streamline government processes. Significant resources have also been allocated to: identify and promote best practices and performance measures to make the Federal Government's management processes more efficient and effective; encourage innovative solutions toward more productive work environments; and, coordinate major Government-wide management improvement initiatives. OGP plays an active policy role that helps agencies understand and implement new ways of doing business, effectively align with common standards, and adopt Government-wide solutions that increase efficiencies.

Strategic Direction

OGP's direction for the next several years will be the continuing drive to move Federal management towards enterprise level decision-making rather than at individual program level. This will help the Government align its business processes with best commercial practices. Specifically, OGP is in a unique position through its policy-making authority to champion and facilitate agencies' adoption of a holistic management of Federal assets and employee services through their life cycle. This is of particular importance for those assets and services that have common business processes regardless of the multitude of diverse stakeholders. By exercising its regulatory authority, identifying and promulgating best practices, and evaluating agencies' policy adoption and performance, OGP can drive significant savings and cost avoidance in critical activities of the business of government.

For example, OGP is developing policies and regulatory requirements that are facilitating a Government-wide solution for end-to-end travel management. Working closely with OMB, OGP is providing leadership in developing policy "bridges" that are assisting agencies in consolidating key businesses into centers of expertise, e.g., financial management, human resource management, and grants management into a nucleus of service providers. OGP is driving to embed the policy goals of the PMA into the services that GSA operationally provides across government including travel, e-Authentication, software asset management, real property asset management, and SmartBuy. These are current examples that portend the future for GSA in servicing the changing needs of agencies. The principles of the PMA emphasize standards, interoperability, collaboration, and decision-making at the enterprise level instead of program by program. GSA's services through partnership with OGP policies can provide the operational capability for agencies that are consistent with these trends and are central to an effective Federal government in the 21st century.

In the planning year ahead, OGP will demonstrate this capability by developing more effective asset management policies for real and personal property and the reengineering and alignment of business and work processes Government-wide. OGP will continue to build on its successful record of policy-making through collaboration with Federal agencies, interagency governing bodies, and other governments, and act as a change agent throughout Government to advance new policy agenda on behalf of OMB and Congress. Greater emphasis will be placed on (1) analysis of performance data for evaluating policy adoption and implementation by other agencies, and (2) targeted efforts on key emerging policy issues (e-Authentication, security, etc.) and policy formulation (life-cycle asset management) recommended by stakeholders and customers. In addition, OGP will work closely with the Resource management Offices (RMO) at OMB to ensure policy support for Administration initiatives.

Proposed Initiatives and Priorities

- Improve/increase data collection mechanisms to gain better understanding of government performance, and partner with agencies to establish performance criteria and capture data for analysis.
- Clarify agency accountability for delegated programs to achieve compliance.
- Establish clear lines of accountability and management controls within GSA organizations, and apply performance metrics to maximize internal management of GSA assets and comply with Government-wide policy.

Real Property:
- Re-engineer real property information database to increase data accuracy and integrity, and capture performance information, per Executive Order 13327 and under the direction of the Federal Real Property Council.

- Develop life cycle cost policy for sustainability.
- Develop plain language regulations and guidance promoting asset management and alternative work arrangements.

E-Government:
- Work with OMB to ensure the effective development and policy drivers for the implementation of an effective cross-servicing environment Government-wide.
- Support the implementation of Homeland Security Policy Directive (HSPD)-12, the Federal Public Key Infrastructure (FPKI) and the Federal e-Authentication initiative.

Travel, Transportation and Asset Management:
- Ensure timely and accurate policies and best practices are communicated to our customers.
- Develop and improve data collection to gain better understanding of our sphere of influence, to develop more effective Government-wide policies and annual agency scorecards.
- Continue and improve customer outreach efforts to encourage collaborative policy making.
- Use a business-oriented approach whenever feasible, developing and measuring meaningful outcomes.

GSA Administrative Policy (funded under the Working Capital Fund):
- Update internal GSA regulations and directives to ensure policy compliance and the application of enterprise solutions.
- Establish collaborative approaches to making decisions regarding the use of GSA assets.

Major Offices:

1. Office of Technology Strategy

The Office of Technology Strategy creates opportunities for intergovernmental and public-private collaboration, to ensure an integrated policy and technical infrastructure for the Government's use of information technology. It leads the development of uniform standards and interoperability guidelines for electronic commerce, and facilitates Government-wide implementation of electronic applications. It also helps to develop the policy for adoption of common business approaches, architectures and innovative technologies to improve usability and accessibility of Government information and services. The Financial System Integration Office, an independent entity, was transferred to OGP in FY 2006. This office also provides guidance and interagency council support for the Chief Information Officers Council, Chief Financial Officers Council, Chief Human Capital Officers Council, and Chief Acquisition Officers Council.

2. Office of Real Property Management

The Office of Real Property Management provides policy guidance in real property asset management. It serves as a focal point that brings the public and private sector together to improve Government asset management practices and facilitate the adoption of a best-practices management approach for real property. Its primary customers are Federal landholding agencies. It promotes greater efficiency in the use of real property resources and better work environments for a more productive workforce.

3. Office of Travel, Transportation and Asset Management

The Office of Travel, Transportation and Asset Management develops Government-wide policies and guidelines for the administrative management of personal property, aircraft, motor vehicles, mail, and travel and transportation. These programs address issues that traditionally involve significant Congressional interest and private sector concerns. In addition to commenting during the formal rule-making process, customers and stakeholders provide input through two forums, interagency committees and executive-level councils that discuss strategic direction and policy concerns.

Summary of Program Assessment Rating Tool (PART) Review

The Office of Governmentwide Policy received a rating of "Results Not Demonstrated" for the FY 2004 PART review. The findings of the PART indicated OGP's need to develop long-term outcome measures, and the need for regularly scheduled independent evaluations of OGP programs. (Note: the OCAO was not part of this review.)

OGP undertook a complete overhaul of its performance measurement system and pioneered a new approach to measuring the effects of policy. The result of this effort is OGP's Policy Performance Portfolio System (3PS. Under the 3PS system, there are four long-term outcome measures of the effectiveness of the policies under the direction of OGP and OGP's internal efficiency in developing those policies. For each fiscal year, all of the long term measures as based on a portfolio of program-specific performance measures. Each year's portfolio includes measures from the policy areas that comprise OGP's most important policy initiatives for that year. The results of the program-specific measures in each year's portfolio are aggregated to generate the metrics for the four long-term measures. This portfolio approach allows OGP to measure its success in achieving its strategic priorities (which may be different from year to year) within the framework of a consistent set of long-term measures.

One component of the 3PS portfolio measurement system is the use of focus groups to assess OGP's effectiveness. Input from the user community and stakeholders provides continuous feedback and helps to identify issues that need to be addressed or

improvements that need to be made. In addition, OGP will consider
independent evaluations on a regular basis based on budget
availability and strategic priorities.

PART FUNDING SUMMARY

	FY 2005 ACTUAL	FY 2006 CURRENT	FY 2007 ESTIMATE
Governmentwide Policy - Direct	51,159	42,304	43,086
Governmentwide Policy - Reimbursable for Regular Programs	6,587	4,000	4,000
Governmentwide Policy - Reimbursable for Management Councils	13,074	10,000	17,000
Electronic Government Fund	2,466	2,279	0*
Working Capital Fund	661	817	761
Centralized Charges	1,819	4,086	2,856
GRAND TOTAL	**$75,766**	**$63,486**	**$67,703**

*NOTE: FY 2007 e-Gov Fund allocations will be determined in FY 2007.

TECHNOLOGY STRATEGY

Strategic Direction

The OGP Office of Technology Strategy provides leadership and direction in the policymaking and use of electronic Government and information technology within the Federal Government. It provides Federal agencies with guidance and support in using Internet-based and related Information Technology (IT) services and delivering information to citizens, business partners, associates, agencies and governments in order to accomplish its mission. The Office of Technology Strategy is committed to furthering Electronic Government through the promotion of interagency collaboration and interoperable solutions as it encourages agencies to use common ways of leveraging IT across Government. The Office also provides extensive support to OMB in carrying out the President's Management Agenda by establishing new governance processes and structures to address the cross-agency nature of e-Gov services, and developing improved IT policy and guidance collaboratively with agencies.

Future policy agenda in electronic Government is limited to policy support initiatives that facilitate the transition of eGov efforts from development to deployment to an integrated way of doing business. The office will continue to support OMB to identify and follow-up on key emerging eGov and related policy issues, such as identity management, authentication, telecommunications and security, and coop operations.

The standardization of IT Architecture in industry and Government offers the possibility of consolidated Government-wide IT support by Business Line. OGP will help facilitate the development and implementation of the various components of Federal Enterprise Architecture that can be used across Government. Completing a fully defined data reference model and data harmonization are large efforts that require government attention. OGP is frequently sought as the catalyst and incubator for new eGov initiatives and Lines of Businesses (LoB). The trend has been to initiate 3 to 5 new lines of businesses each year, and after initial scoping and planning, the projects are assigned to agencies for development and operations.

The Financial System Integration Office (FSIO), an independent entity, was transferred from OMB to the Office of Governmentwide Policy in FY 2006. The funding for FSIO, including the costs associated with its 7 FTE will continue to be funded on a reimbursable basis from Chief Financial Officer Council funds. FSIO provides policy leadership and supports improved financial management practices in the Federal Government.

FEDERAL ENTERPRISE ARCHITECTURE (FEA)

Directly supporting the e-Government initiative of the PMA, the FEA Program was established by OMB in February 2002 to build a comprehensive business-driven blueprint for information technology (IT) across the entire Federal Government. The FEA framework and four of its supporting reference models (Performance, Business, Service Component and Technical) are now used by agencies in developing their IT budgets and setting strategic goals. OMB has established a group to complete the Data Reference Model (DRM); the Department of Homeland Security leads this initiative.

The FEA provides a strategic model and plan to improve Federal information technology (IT) investment management, and enhance Government-wide information sharing. The framework has yielded results demonstrating a new ability for the Federal Government to accelerate consolidation of redundant activities and save taxpayer dollars. The FEA provides analytical underpinning for the 24 e-Gov initiatives and the Line of Business (LoB) activities and is being incorporated into agency guidance and policy for use during budget formulation activities. GSA provides the infrastructure support for the FEA, contracts for specialized expertise, leads the development of decision documents and organizes agency participation in collaborative activities.

Strategies

To promote Government-wide electronic Government and technology initiatives via FEA and eGov LoB, GSA will pursue the following strategies in fiscal year 2007:

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

Annual Action Plan

In fiscal year 2007 GSA will use the FEA framework to further develop LoB architectures. As requested by the Office of Management and Budget (OMB), GSA will provide the leadership and direction to the development of the new Line of Business initiatives to ensure the initiatives are synchronized with policy direction.

Long-term Outcome Goal:

Develop and issue administrative management policies on-schedule and within cost parameters.

Performance Goal:

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

Performance Measures:

Number of components submitted for approval to IAC Component Organization & Registration Environment (CORE) steering committee registered at CORE.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
0	10	25	45
FY08 Target	FY09 Target	FY10 Target	FY11 Target
70	100	135	175

FY 2007 Budget Request / Performance Goal
Budget Links
Office of Electronic Government and Technology: Federal Enterprise Architecture and COE
$ (Thousands)

Long-term Outcome Goal

Develop and issue administrative management policies on-schedule and within cost parameters.

Performance Goal	Performance Measure	FY 2005		FY 2006		FY 2007		Change FY 2006 to FY2007	
		Actual	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
1.FEA/CORE – Increase adoption of common business processes and/or key components enabling those processes.	Number of components submitted for approval to IAC registered at Core	10	$0 approp. and $6,204 other funding*	25	$0 approp. and $5,500 other funding*	45	$0 approp. and $5,500 other funding*	20	0 approp.

*CIO Council pass-the-hat funds. Fiscal year 2007 target is dependent on decisions made by the CIO Council.

Explanation of Dollar Changes:

N/A

Personal Identity Validation

OGP helps implement Homeland Security Policy Directive (HSPD)-12, the Federal Public Key Infrastructure (FPKI) and the Federal e-Authentication initiative by providing implementation guidance, policy support, and acquisition strategy coordination for authentication products and services. The Federal Identity Credentialing Committee (FICC) provides a forum for interagency cooperation in implementing the requirements of HSPD-12, as further defined in Federal Information Processing Standard (FIPS) 201. OGP chairs the FICC, and will continue to enhance implementation guidance and acquisition strategy to meet the wide range of HSPD-12 requirements. During the FY2007 budget cycle, OGP will address three key areas to successfully consolidate the requirements for Federal identity credentialing:

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

The FICC has developed the Common Federal PKI Policy, which sets the parameters for the use of this technology within Federal organizations. OMB has issued a policy letter requiring Federal agency adherence to this policy to ensure logical credential (access control and digital signature) interoperability across the Federal enterprise. OGP leads and supports the Federal Bridge Certification Authority (FBCA) and Federal PKI Policy Authority, providing the technical and policy framework to enable interoperability for entities both within and external to the Federal Government. While the FBCA is operated within the Federal Acquisition Service (FAS), OGP oversees the spending plan for the FBCA contract and continues to assess policy compatibility with relevant external communities and evolve the architecture of the FBCA.

    2. FIPS201 Products and Services Approval Process

GSA OGP has established the accepted test, evaluation, and approval processes for personal identity verification products and services under HSPD-12. GSA is proceeding to establish testing and evaluation facilities to ensure that all Interoperability and common performance criteria will also be established.

    3. Federal deployment of personal identity verification solutions.

Working with FICC and OMB, OGP has developed and issued the Federal Identity Management Handbook as a guide to Federal agencies in implementing smart card-based identity credentials for both physical and logical access. The Handbook is a how-to guide for agencies in implementing HSPD-12 and provides worksheets, tools, and lessons learned as a resource in navigating the requirements of HSPD-12 and FIPS-201. The Handbook has been updated on a quarterly basis since March 2005, based on new standards and requirements issued by the National Institute of Standards and Technology, and will continue to be updated periodically as additional standards and requirements are issued.

Strategies

To promote enhanced identity management and verification of external users of eGovernment online services and Federal employees and contractors, OGP will:

- Create strong governance structures to ensure participation, progress, accountability and compliance.
- Provide leadership to cross-organizational endeavors to meet the requirements of e-Authentication and Homeland Security Presidential Directive (HSPD)-12.
- Oversee that Federal government agencies' carry out their responsibilities of complying with identity management policies including HSPD-12 Personal Identity Verification requirements.

Annual Action Plan

- Continue to enhance the cross-organizational implementation steering committees comprised of government-wide agency e-Authentication and HSPD-12 Implementation Coordinators to establish a sustainable business model, leverage best practices, share product/service information, and engage in problem solving.
- Enhance collaboration with industry associations, advocacy/consumers groups, states and state organizations. Build external partnerships to promote progress within as well as outside government. This includes involvement in standards-setting and enforcing bodies, as well as a Government configuration management board.
- Continue oversight and promotion of technology solutions to enable implementation
- Establish Federal Acquisition Regulations (FAR) rules and acquisition strategy to ensure Agencies obtain "compliant" SmartCard products and services.
- Develop Federal Acquisition strategy to assist in HSPD-12 implementation. OGP has established the Authentication Services Component (ASC) as a Special Item Number on IT Schedule 70. The ASC will issue Bulk Purchase Agreements (BPA) to make approved services and products available to the Federal agencies to aid in implementing common solutions and ensure that a sufficient range of FIPS201 compliant products and services are readily available to agencies of all sizes.
- Align GSA acquisition services to meet the policy and standards requirements of e-Authentication and HSPD-12.
- Manage the transition to a common policy for Public Key Technology, including the processes for Shared Service Providers. GSA will work with agencies to ensure a contract vehicle is available and meeting agency needs to allow agency uptake of offered services.
- Establish a program to promote cross-organizational support for small agencies and employees in remote locations.

Long-term Outcome Goals:

1) Provide an effective policy framework and key enablers for e-Gov operational development and implementation.

2) Engage and assist agencies in achieving compliance with Federal identity management policies.

Performance Goals:

1) Develop and issue effective guidance and implementation policies in support of the Federal identity credentials.

2) Assist agencies in the re-engineering of the identity management process for external eGovernment online services and for physical and logical access to Federal facilities and systems.

Performance Measures:

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
N/A	54%	75%	91%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
100%	100%	100%	100%

The FICC builds consensus among the 24 major departments and agencies on the management and governance structures for Federal Identity Credentials. Thirteen of the 24 agencies adopted cross-agency policy and uniform standards for Federal Identity Credentials in FY05. This FICC membership will make the commitment on behalf of their member agencies. Through

education and awareness, 91% of Federal executive agency adoption can be expected by fiscal year 2007.

2) Percentage of Authentication service lines with 3 or more providers to achieve competition. Authentication service lines include Authentication components and standardized components meeting FIPS-201 requirements. Four services lines are identified.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
N/A	N/A	50%	75%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
100%	100%	100%	100%

OGP provides oversight and builds consensus among the departments and agencies on the management and governance structures for Authentication and Personal Identity Verification solutions. Compliance with FIPS-201 Part One requires re-engineering the identity proofing and badging processes of the agencies. OMB will provide overarching guidance on adopting the FIPS-201 requirements while OGP assists agencies with practical solutions. Through education and awareness, 100% of Federal executive agency buy-in can be expected by September 30, 2007. OGP plans to have an additional measure "Number of approved FIPS 201 compliance products available for agency purchase and implementation", with an initial target of three approved products per service line.

FY 2007 Budget Request / Performance Goal Budget Links Office of Electronic Government and Technology: Federal Identity Credentialing $ (Thousands)								
Long-term Outcome Goal Provide an effective policy framework and key enablers for e-Gov operational development and implementation.								
Performance Goal	Performance Measure	FY 2005		FY 2006		FY 2007		Change FY 06 to FY 07
		Actual	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Develop and issue effective guidance and implementation policies in support of Federal Identity Credentials	Percentage of major agencies adopting cross-agency policy and uniform standards for Federal Identity Credentials	54%	$2,577 PKI & $1,594 FBCA	75%	$2,577 PKI & $1,633 FBCA	91%	$2,577 PKI & $2,415 FBCA	16%	0 +$782 FBCA

Explanation of Dollar Changes:

GSA requests an additional $782 thousand to provide for the operation of off-site backup processing capabilities due to the growing demand of Federal PKI operations and services required by the Federal Bridge Certification Authority (FBCA).

FY 2007 Budget Request / Performance Goal **Budget Links** **Office of Technology Strategy: Personal Identity Verification of Federal Employees and Contractors** **$ (Thousands)**									
Long-term Outcome Goal Engage and assist agencies in achieving compliance with Federal identity management policies.									
Performance Goal	Performance Measure	FY 2005		FY 2006		FY 2007		Change FY 06 to FY07	
		Actual	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Assist agencies in the re-engineering of the identity management process for external eGovernment online services and for physical and logical access to Federal facilities and systems.	Percentage of Authentication service lines with 3 or more providers to achieve competition.	N/A	$677	50%	677	75%	677	25%	-
	TOTAL		677		677		677		-

SECTION 508 ACCESSIBILITY

OGP is the Government's principal advocate and coordinator for Section 508 implementation, which requires agencies to make information technology accessible for people with disabilities. OGP is recognized as the Government-wide policy resource for promoting Section 508 compliance across Government.

Strategies

To further Section 508 implementation in FY 2007, OGP will:

- Provide on-line tools and resources to guide Federal buyers through the acquisition of electronic and information technology E&IT while complying with the requirements of Section 508. The Buy Accessible Wizard (BAW) and the Section 508 website are two key resources.
- Provide vendor product accessibility information to Federal agencies to support Section 508 procurement requirements to achieve an IT environment accessible to all citizens. Building a partnership with industry to produce and provide a wide-range of accessible products and accurate information on their accessibility.
- Provide policy and technical leadership to ensure that E&IT serves people regardless of their physical and cognitive ability. The network of agency Section 508 led by GSA leverages best practices, shares product information, and highlights agencies' point of contact for Federal buyers, developers and vendors.
- Oversee that Federal government agencies carry out their responsibilities of complying with Section 508 accessibility requirements.

Annual Action Plan

- Provide Technical Assistance, Resources and Tools:

  - www.Section508.gov website
  - Buy Accessible Wizard, which provides agency officials and procurement officers with an easy way to determine which 508 specifications are required
  - Market Research Data Center (formerly Buy Accessible Database)
  - Step508 Tool
- Work with FAS and other GSA components to align services to make it easier for agencies to obtain Section 508 compliant products
- Lead a network of Governmentwide agency Section 508 Coordinators to leverage best practices, share product information, highlight agencies' point of contact for Federal buyers, developers and vendors
- Partner with industry to produce and provide a wide-range of accessible products and accurate information on their accessibility.

Long-term Outcome Goal:

Improve the accessibility of all electronic and information technology as a result of the widespread demand by Government purchasers for accessible electronic and information technology (E&IT).

Performance Goal:

Improve the compliance with Section 508 government-wide by improving the compliance of GSA contracts and programs.

Performance Measure:

Percentage of agencies whose work demonstrates the use of
Section 508 tools.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
N/A	0	30%	60%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
83%	99%	99%	99%

FY 2007 Budget Request / Performance Goal
Budget Links
Office of Technology Strategy: Section 508 Accessibility
$ (Thousands)

Long-term Outcome Goal
Improve the accessibility of all electronic and information technology as a result of the widespread demand by Government purchasers for accessible electronic and information technology (E&IT).

Performance Goal	Performance Measure	FY 2005		FY 2006		FY 2007		Change FY 06 to FY07	
		Actual	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Improve the compliance with Section 508 government-wide by improving the compliance of GSA contracts and programs.	Percentage of agencies whose work demonstrates the use of Section 508 tools.	0	$1,600	30%	$1,600	60%	$1,600	+30%	-
	TOTAL		$1,600		$1,600		$1,600		-

TRAVEL, TRANSPORTATION AND ASSET MANAGEMENT

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

Strategies

- Use a "business case" approach to program management that supports periodic review of policy guidance and provides measurable and meaningful performance outcomes.
- Develop and improve OGP's reporting systems that are capable of analyzing agency-specific programs that can be used to evaluate policy compliance and enhance policy formulation.
- Continue to improve upon customer outreach programs that encourage collaborative policy making and the identification and promotion of "best practices".

Annual Action Plan -

- Periodically review and/or revise existing internal processes and policy guidance which reflects "best practices", maximizes efficiencies, and minimizes fiscal expenditures for Travel, Transportation (including mail) and Asset Management (including personal property, aircraft and motor vehicles) – across all Federal agencies.

- Conduct periodic evaluations of Travel, Transportation (including mail), and Asset Management (personal property, aircraft and motor vehicles) programs for the Federal

Government which link policy guidance with agency execution.

- Develop and improve data collection and analysis systems for Travel, Transportation (including mail), and Asset Management (personal property, aircraft and motor vehicles) programs within the Federal Government.

- Develop and publish a score card that reflects agencies' efficiency, effectiveness and compliance with Travel, Transportation (including mail), and Asset Management (personal property, aircraft and motor vehicles) policies and best practices.

- Support executive level steering committees and inter-agency working groups that develop and manage effective Travel, Transportation (including mail), and Asset Management (personal property, aircraft and motor vehicles) programs.

Long-term Outcome Goal:

Improve the management of travel, transportation (including mail) and asset management (personal property, aircraft and motor vehicles) across the Federal Government.

Performance Goals:

Develop new policies to optimize Federal travel, transportation (including mail), and asset management (including personal property, aircraft and motor vehicles)

Develop a sound evaluation process through collaboration with agencies and other stakeholders, enabling them to identify improvements in travel, transportation, and asset management.

REAL PROPERTY MANAGEMENT

Strategic Direction

The OGP Office of Real Property Management provides policy guidance, best practices, inventory information, and performance measurement data for real property asset management, alternative workplaces and sustainability. Under the guidance of the OMB, the Federal Real Property Council and its committees, the Office of Real Property Management will continue in its key role under Executive Order 13327 in the management and improvement of the government-wide real property inventory system, for the collection of government-wide data for Federal land, buildings, and structures. The governmentwide inventory system will feed into the Disposition Algorithm, model to be designed to use inventory and performance measure data to better identify assets for disposal, investment, or other management decisions.

Executive Order (EO) 13327 requires GSA to:

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

Through the OGP Office of Real Property Management, GSA will continue working with agencies to improve asset management in accordance with EO 13327 in FY 2007.

Strategies

The Office of Real Property Management plays a critical role in implementing and supporting Executive Order 13327 (i.e. Federal Real Property Asset Management). In FY 2007 this office will continue to follow the direction and guidance of the Federal Real Property Council (FRPC) and its Committees to oversee the implementation of the objectives outlined in the Executive Order and will work to correct the inefficiencies outlined in the numerous General Accountability Office (GAO) reports on the state of Federal real property asset management.

More specifically, the OGP Office of Real Property Management will:
- Improve data collection mechanisms to gain better understanding of Government performance in managing its real estate assets. This effort will be achieved through: (1) the expansion of performance measures and benchmarking initiatives to support the analysis of FRPC data; and (2) the re-engineering of the management information database to increase data accuracy and integrity when capturing performance information.
- Target efforts on key emerging issues to standardize and streamline Government processes by: (1) developing life-cycle cost policy for sustainability and analytical spreadsheet model; and (2) updating cost per person metrics, which include space, IT connectivity, and alternative workplace arrangements.
- Develop and issue plain language guidance on alternative workplace and real property asset management; such as, policy guidance on alternative workplace issues for Federal community, and work with the FRPC on directives on the FRPC's Guiding Principles for achieving real property management improvement.

The OGP Office of Real Property Management will also continue to take a lead role in benchmarking with other agencies and private sector real estate organizations and lead the effort for legislative reform to promote greater efficiency and effectiveness in Government-wide management.

Long-term Outcome Goals:

Develop and issue administrative management policies on-schedule and within cost parameters.

Engage and assist agencies in the adoption and use of OGP-formulated policies to achieve effectiveness, efficiency and best value.

Performance Goal:

Provide tools and incentives to improve the effectiveness of property management operations.

Performance Measure:

1) Percentage of agencies reporting real property performance measures tracked by OGP.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
52%	61%	67%	73%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
79%	85%	91%	100%

General Services Administration
GOVERNMENTWIDE POLICY & CHIEF ACQUISITION OFFICER

FY 2007 Budget Request / Performance Goal
Budget Links
Office of Real Property Management
$ (Thousands)

Long-term Outcome Goals:
Develop and issue administrative management policies on-schedule and within cost parameters.
Engage and assist agencies in the adoption and use of OGP-formulated policies to achieve effectiveness, efficiency and best value.

Performance Goals	Performance Measure	FY 2005		FY 2006		FY 2007		Change FY 06 to FY07	
		Actual	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Provide tools and incentives to improve the effectiveness of property management operations	Percentage of agencies reporting real property performance measures tracked by OGP	61%	$858	67%	$700	73%	$700	6%	-
	TOTAL		$3,122		$4,061		$3,952		-$109

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OFFICE OF THE CHIEF ACQUISITION OFFICER

Overview

The Office of the Chief Acquisition Officer (OCAO) was established June 15, 2004 as a result of the Services Acquisition Reform Act (SARA) of 2003 (Title XIV, Pub L. 108-136), which called for the creation of a Chief Acquisition Officer. Former functions of the Office of Acquisition Policy, Office of Governmentwide Policy, were transferred to the new organization. OCAO's mission is to advise the GSA Administrator on the acquisition management and acquisition business strategy necessary to achieve the agency's mission.

OCAO establishes GSA's vision for acquisition and assistance programs and then implements that vision by establishing policies, processes, metrics, and oversight programs. The organization will continue to develop meaningful measures to gauge performance, which will include quality measures to assess customer and stakeholder satisfaction, and process improvements. OCAO currently has 10 operating divisions in addition to the Executive Office. Those operating divisions are: Contract Policy Division, Program Management Policy Division, Suspension and Debarment Division, Procurement Management Review (PMR) Division, GSA Acquisition Workforce Division, Federal Acquisition Institute, Regulatory and Federal Assistance Division, Integrated Acquisition Environment (IAE) Division, GSA Acquisition Systems Division, and Operational Contracting Staff.

PART Status

The Office of the Chief Acquisition Officer has not undergone the PART process.

Long-Term Outcome Goal:

To provide tools and advice to assist the GSA Administrator and other senior agency officials in the management of the agency's acquisition and federal assistance activities and to ensure the acquisition workforce has the training, tools, and guidance necessary to provide best value solutions to customer agencies and taxpayers.

FEDERAL ACQUISITION INSTITUTE (FAI)

Strategic Direction

FAI will support development of a skilled, high-performing acquisition workforce and ensure exceptional training through high quality operation and management of FAI.

Strategy and Action Plans

FAI will continue to 1) work in partnership with the Defense Acquisition University (DAU) and Office of Personnel Management (OPM) to establish and maintain core acquisition workforce competencies; 2) operate and manage the Acquisition Career Management Information System (ACMIS), a governmentwide database of information on acquisition workforce qualifications, including chairing and organizing the user group and configuration control board; 3) establish career development program; and 4) establish and manage Federal acquisition certification programs. FAI will continue to provide timely management and budget reports to GSA, Office of Federal Procurement Policy (OFPP), the FAI Board of Directors and other senior management. FAI will also provide project management support.

To manage the development of the Acquisition Workforce, FAI will continue to: 1) Manage the Acquisition Workforce Training Fund (AWTF) established under the Services Acquisition Reform Act

(SARA, P.L.108-136), and deliver training with Fund resources; 2) leverage existing course offerings and develop new courses based on need; 3) promote performance support tools; 4) promote equivalent providers for common curriculums; 5) establish performance measures for FAI to measure the effectiveness of training delivered; 6) establish performance measures that agencies may use in assessing their acquisition workforce development programs; and 7) conduct strategic analyses of the acquisition workforce. FAI will also leverage any additional training resources transferred as a result of the FAS reorganization.

FAI will conduct special studies and reports. FAI will also continue its communication and outreach activities, such as, the FAI newsletter, speaking engagements, and exhibit booths.

In FY 2007, portions of the FAI and two reimbursable FTE will be funded by resources provided by the Acquisition Workforce Training Fund (AWTF).

Long-Term Outcome Goal:

Provide tools necessary for the administrator of the Office of Federal Procurement Policy and the GSA Administrator and other senior agency officials to ensure the acquisition workforce has the training, tools, and guidance necessary to provide best value solutions to customer agencies and taxpayers.

PROCUREMENT MANAGEMENT REVIEW DIVISION

Strategic Direction

The OCAO Procurement Management Review (PMR) division was created in FY 2005 to support OCAO's mission
of advising the GSA Administrator on acquisition management and acquisition business strategy. The PMR division supports this

mission and aids GSA in achieving acquisition excellence, through programs such as the "Get It Right" Initiative.

Strategy and Action Plans

- Complete and follow the procurement management reviews schedule.
- Refine the process for review of acquisition plans.
- Develop long-term strategies to address impacts on overall acquisition operations in GSA.
- Develop and disseminate best practices learned from PMRs and work with FAI and the Center of Acquisition Excellence to develop training to implement best practices and address any identified weaknesses.
- Meet or exceed all established suspense dates for completion of all draft and final reports.
- Review acquisition plans as requested and as frequently as possible.

Long-Term Outcome Goal:

Conduct procurement management reviews in each GSA region and selected GSA and other agency contracting activities each fiscal year. The PMR division will:
- Review contract files for appropriate documentation that is accurate and complete;
- Evaluate the acquisition process, including compliance with all Federal and agency specific rules, policies, and procedures; and,
- Identify best practices and opportunities for training to address any identified weaknesses.

Trends, Issues and Concerns

As a part of the Federal Acquisition Service (FAS) reorganization, it was agreed that the PMR teams will be the lead in conducting reviews of GSA's buying activities. These reviews will be

supplemented with personnel from each of the GSA services, the Office of General Counsel, and the Office of the Chief Financial Officer. This integrated concept, led by OCAO, will bring a higher level of coordination to the reviews, more regional buy-in to the process, and help create a strong framework which will make the buying activities more accountable for results. OCAO will continue to lead the coordination of PMR teams in FY 2007.

ACQUISITION POLICY DIVISION

Strategic Direction

The Acquisition Policy Division develops policy and guidance for GSA acquisition activities, and establishes clear lines of authority, accountability and responsibility for acquisition decision-making. Agencies obtain best value acquisition solutions compliant with all laws, regulations and policies that meet their needs. The division also manages FAR casework seeking to improve the timeliness for processing new regulations, and works with other entities to improve acquisition planning.

Strategy and Action Plans

Federal Acquisition Regulations: Continue to monitor and improve the process for rule development based on a strategy of: committee consolidation; direct accountability of committees to the FAR signatories; concurrent rather than sequential CAAC and DARC reviews; quicker response times through tasking noncomplex changes to lower level staff rather than committee, improved stakeholder involvement, and obtaining policy direction from the FAR Council earlier in the process.

GSA Regulations (GSAR): OCAO will continue to review and revise the GSAR to ensure it contains all of the most recent policies and procedures. The division will continue to develop, coordinate,

and incorporate clear and concise policy and guidance for the GSA Acquisition Workforce to ensure the workforce understands how to comply with regulations. Further, the policy division will implement a streamlined process for rule development based on the system used to streamline the FAR rulemaking process; write clear and concise acquisition letters to instruct the acquisition workforce on changes; coordinate regulatory and policy changes with the appropriate offices; issue acquisition alerts to inform the acquisition workforce of existing policy; and provide training on new and existing regulatory and policy changes.

Acquisition Planning: The result of good program/project management is obtaining the right solution, on time and within budget. The disciplined use of acquisition planning ensures that any mission fulfilled through a contract achieves a best value result. The GSA Inspector General identified inadequate planning as a weakness of GSA acquisition system and a cause for cost overruns, late delivery, and unsatisfying results in general. To address these issues, OCAO revised its acquisition planning order to improve oversight and accountability, and ensure that program/project managers understand their critical role in acquisition planning. OCAO will continue to update and enhance the Acquisition Planning Wizard to assist program/project managers develop acquisition plans compliant with the GSA acquisition planning order. This disciplined approach to acquisition planning will result in improved results from contracts, to include on time delivery of the right solution within budget and that fulfills the socio-economic goals for which the agency and the Chief Acquisition Officer are responsible.

Long-Term Outcome Goal:

Make acquisition policies, regulations and procedures clear and explicit.

PROGRAM MANAGEMENT POLICY DIVISION

Strategic Direction

The Program Management Policy division will work with Procurement Management Review Teams to assess acquisition program management within GSA and identify and share lessons learned, best practices, and process improvements across GSA's Regions and Services. The division will prepare program management reports and brief field and headquarter staff on our findings. The division will also formulate recommendations for corrective action in areas identified for improvement.

Strategy and Action Plans

- Review and monitor the performance of acquisition programs being used in various GSA organizational segments.
- Select and/or develop performance measures for application to specific program areas, functions, and operations as they relate to program management.
- Work with the Acquisition Policy and Acquisition Workforce Divisions and outside agencies such as the Office of Personnel Management to continue to identify and develop program management competencies, including Earned Value Management System (EVMS), and determine new policies required to address these competencies.
- Continually assess (1) GSA program management workforce requirements and skill measurements, and (2) Earned Value Management Systems (EVMS) implementation on GSA contracts and make improvements, as necessary.

- Conduct assessments of program management in coordination with the procurement management reviews,

which will identify lessons learned, best practices, as well as improvements to be made on contracts under performance.

Long-Term Outcome Goal:

Make program management policies, regulations and procedures clear and explicit.

REGULATORY AND FEDERAL ASSISTANCE DIVISION

Strategic Direction

The Regulatory and Federal Assistance Division is divided into two business lines:

Regulatory Publications: The Regulatory Secretariat will improve the efficiency and effectiveness of GSA regulation preparation and dissemination through the increased use of automation. The preparation and dissemination process for the following regulations will be improved: the Federal Acquisition Regulation (FAR), the Federal Travel Regulation (FTR), the Federal Management Regulation (FMR), and the Federal Property Management Regulation (FPMR). Increased automation will include the use of desktop publishing to produce additional formats (i.e., PDF and HTML) for Internet publication and using the eRulemaking process of electronic retrieval storage of data.

Federal Assistance Publications: Through automation, the Catalog of Federal Domestic Assistance (CFDA) Team will continue to improve the efficiency and effectiveness in the collection, preparation, approval, and dissemination over the Internet of information on government-wide domestic assistance programs managed by Federal agencies. Measurements address results achieved through the system; i.e., ability of agencies, GSA, and

OMB to perform required functions in a timely and accurate manner through a portal system, thus eliminating the need for paper.

Strategy and Action Plan

Support the Office of the Chief Acquisition Officer's vision and implementation of that vision for the GSA acquisition community and assistance programs by publishing timely, accurate, and complete regulations and the Catalog of Federal Domestic Assistance Programs.

Regulatory Secretariat

- With the assistance of a contractor, GSA will continue to maintain databases necessary for efficient and effective publication.

Federal Domestic Assistance Catalog Staff

- With the assistance of a contractor and through the continued refinement of its Catalog of Federal Domestic Assistance (CFDA) Portal System, the team is achieving greater efficiency and effectiveness in the collection, preparation, approval, and dissemination over the Internet of information on government-wide domestic assistance programs managed by Federal agencies.
- Given acceptable performance by the contractor, assure continuity of development and O&M activities. A system development plan is in place to assure delivery of required functionality under this contract.
- Constantly monitor and test receipt of deliverables and operational capability for all users.

Long-term Outcome Goal:

Publish regulations and Federal domestic assistance information in the most effective and efficient basis to provide best value solutions to customer agencies and taxpayers.

GSA ACQUISITION WORKFORCE DIVISION

Strategic Direction

Lead in the recruitment, development and retention of a world class acquisition workforce

Strategy and Action Plans

Use the results of the Skills Assessment from the Applied Learning Center (ALC) to target training needs and assess other workforce associates (e.g., CORs).

In FY07, OCAO will target the training needs of GSA's 1102 and 1105 Series associates, including all Contracting Officers, designated CORS/ COTRs, and program/project managers to improve skills in key areas. OCAO will continue to identify and develop the acquisition workforce, by assessing staffing needs, training requirements, and implementing other workforce development strategies,. OCAO will work with to develop short and long term human capital strategic plans for training, competency fulfillment, career development, accession, recruitment and retention. OCAO will insure agency policies and procedures for workforce management are consistent with those established by OFFP. Recommendations will be made to the Senior Procurement Executive (SPE) on waivers to the GS-1102 education and training requirements. The organization will also maintain and manage consistent agency-wide data on those serving in the GSA's

acquisition workforce in the Acquisition Career Management Information System (ACMIS).

To implement the above objectives OCAO will:

- Establish a GSA-wide Acquisition Internship Program
- Achieve a fully competent and Clinger-Cohen compliant acquisition workforce
- Reduce in Agency Skill Gaps
- Expand the Applied Learning Center to other members of the Acquisition workforce
- Manage the GSA Contracting Officer Warrant Program
- Develop targeted training courses for GSA Associates

Long-Term Outcome Goal:

Provide tools and advice to assist the GSA Administrator and other senior agency officials in managing the agency's acquisition and federal assistance activities that will ensure the acquisition workforce has the training, tools, and guidance necessary to provide best value solutions to customer agencies and taxpayers.

INTEGRATED ACQUISITION ENVIRONMENT (IAE) DIVISION

Strategic Direction

In FY 2007, the IAE Division will oversee and manage the government-wide Integrated Acquisition Environment and the GSA-wide acquisition systems to ensure that acquisition professionals have the tools necessary to make intelligent acquisition decisions.
- Create a simpler, common, integrated business process for buyers and sellers that promotes competition, transparency and integrity.

- Increase data sharing to enable better business decisions in procurement, logistics, payment and performance assessment.
- Take a unified approach to obtaining modern tools to leverage investment costs

Strategy and Action Plans

IAE is funded and controlled by the Acquisition Committee for eGov (ACE), a subcommittee of the CAO Council. Current actions are focused on maintaining the nine existing IAE systems: Federal Procurement Data System – Next Generation (FPDS-NG), electronic Subcontracting Reporting System (eSRS), FedBizOpps (FBO), Excluded Parties List System (EPLS), Central Contractor Registration (CCR), Federal Agency Registration (FedReg), Federal Technical Data Solutions (FedTeDS), Wage Determinations On-Line (WDOL) and the Online Representations and Certifications Application (ORCA).

Long-Term Outcome Goal:

To achieve its goal to support the entire acquisition lifecycle in a unified manner, IAE will (a) consolidate existing tools to develop a single point of reporting and retrieval of contractor performance data accessed by all agencies; (b) obtain agreement on standard requirements for Federal contract writing systems and implement a testing process to pre-qualify software providers; and (c) develop a standard glossary and vocabulary to facilitate exchange of data between and within agencies, preferably through a portal linking all IAE systems.

GSA ACQUISITION SYSTEMS DIVISION

Strategic Direction

Like the IAE division, the GSA Acquisition Systems Division oversees and manages the GSA-wide acquisition systems so that acquisition professionals have the tools necessary to make intelligent acquisition decisions. In addition to items listed in the strategic direction for the IAE division, the GSA Acquisition Systems Division will:

- Develop a GSA enterprise wide acquisition system solution that provides an easy to use, effective tool for writing contracts that will facilitate collaboration and interface with Federal and agency shared systems.

Strategy and Action Plans

The GSA Acquisition Systems Division consolidates GSA, OCAO, and acquisition-related information technology (IT) systems and support functions which were formerly located and managed by different program areas. The GSA Acquisition Systems Division:

- Provides a single source for source selection, COTR, and system administration services for various OCAO-sponsored systems,
- Represents GSA on IAE committees and workgroups
- Represents OCAO on the GSA Enterprise Architecture project and other GSA–wide IT committees, and
- Supports IT policy and planning within the OCAO.

In FY 2007, OCAO will develop, coordinate and implement a GSA enterprise solution for all acquisition functions, including maintenance and improvements.

Long-Term Outcome Goal:

Develop and validate enterprise-level acquisition system requirements and strategically select (or develop), and implement the best enterprise contract writing solution for GSA. Enterprise-level acquisition system requirements will increase GSA's ability to operate effectively and efficiently by maximizing the productivity of the Acquisition workforce via GSA acquisition systems.

SUSPENSION AND DEBARMENT DIVISION

Strategic Direction

In FY07, the Suspension and Debarment Division will continue to plan, direct, and coordinate all aspects of GSA's contractor integrity program through the following activities: (1) suspension or debarment of contractors, or participants in non-procurement programs; (2) responding to agency level protests, and acting as agency ombudsman; (3) representing the Administrator of GSA on the Federal Prison Industries' Arbitration Board; and (4) participation in the activities of relevant private groups such as the American Bar Association and the Ethics Office Association.

Strategy and Action Plans

- Process referrals and investigations in a timely manner according to applicable rules and regulations
- Continue to review Agency Protest procedures to improve process.
- Continue to expand and refine the role of the Competition Advocate.
- Continue to review and recommend changes to the eligibility determination procedures.

Long-Term Outcome Goal:

Improve the suspension and debarment process to provide timely and accurate determinations while ensuring appropriate protection of the Federal Government and the taxpayer.

OPERATIONAL CONTRACTING

Strategic Direction

The Operational Contracting Staff provides "cradle-to-grave" contract operations support to GSA headquarters staff offices including: Offices of the Chief Acquisition Officer (OCAO), Chief People Officer (OCPO), Chief Financial Officer (OCFO), Governmentwide Policy (OGP), the Office of Citizen Services and Communications (OCSC) and the Office of the Chief Information Officer (OCIO). A new effort for FY 2007 will be the implementation of a contract writing system as a means to generate OCAO contract documents in one system and the connection of this system to GSA's financial systems. Presently, Contracting Officers must access a minimum of six separate and distinct systems for contractual documents (e.g. Pegasys for funding, AcqNet for clauses, desktop for e-forms, Microsoft Office for Word and Excel documents, the Acquisition Wizard for acquisition plans and FPDS-NG for reporting). Comprizon will reduce the effort to two. Also, as the Contract Operations customer base grows and the complexity of the types of requirements increases, the ability to make timely awards will improve. The implementation of a contract writing system is consistent with the President's Management initiative to leverage technology to provide greater internal efficiency and effectiveness.

Strategy and Action Plans

- Continue to provide "cradle-to-grave" contract operations support to GSA headquarters staff offices.
- Expand staffing with Clinger-Cohen compliant support, to provide depth and breadth in contract acquisition and contract administration experience.
- Enhance capability of current contract writing system that will allow for efficient tracking of requirements and timely contract award.
- Join the PBS NCR rollout of a contract writing system called Comprizon, for which GSA has an enterprise license.
- Expand contract writing process, with no cost for software licenses, customization, data migration and training. The FY 2006 and FY 2007 costs are minimal ($150 per user per year). Though there is currently no interface between Comprizon and Pegasys, the Comprizon contract includes a task for the future interface anticipated in FY 2006.

Long-Term Outcome Goal:

Provide Best Value through an efficient and effective acquisition process for OCAO customers

INSPECTOR GENERAL

General Services Administration
OFFICE OF INSPECTOR GENERAL

Strategic Assessment

The Office of Inspector General (OIG) was established by the Inspector General Act of 1978 as an independent unit, charged with responsibility for promoting economy, efficiency, and effectiveness and detecting and preventing fraud, waste, and mismanagement in the General Services Administration's (GSA) programs and operations. This is accomplished primarily through a comprehensive, nationwide audit and investigative program covering GSA's internal operations and external contractors.

The OIG's primary operational components consist of the following:

Office of Audits: A multidisciplinary staff of analysts, financial, information systems, and performance auditors who provide audit coverage of GSA's internal operations and external contractors.

Office of Investigations: An investigative unit that provides nationwide investigative services and conducts criminal and other investigations into allegations of fraud, waste, or abuse to prevent and detect illegal and improper activities involving GSA programs, operations, and personnel.

Office of Counsel: An in-house legal staff that provides advice and assistance to all OIG components, represents the OIG in connection with audits and investigations, and in litigation arising out of or affecting OIG operations, and handles legislative matters.

Office of Administration: A multidisciplinary staff that provides budgetary, human resources, information technology (IT), facilities, space and other administrative support services.

Office of Internal Evaluation: A staff that directs an in-house assessment program, including field office appraisals, and is responsible for internal affairs reviews of OIG operations.

Role of the OIG

The OIG's mission provides a unique ability to objectively evaluate GSA's operations and assist GSA in incorporating the results of those evaluations into the Agency decision and policy-making processes. We will focus our efforts on assisting GSA to bring about positive change in the performance, accountability, and integrity of Agency programs and operations that will ultimately provide enhanced benefits to the taxpayers as well as an increase in the public trust. We will assist GSA in adopting business-like practices, streamlining its organizations, cutting overhead and reducing costs, and modernizing its work processes to deliver quality goods and services to its customers. The OIG will also assist GSA by identifying and mitigating vulnerabilities, particularly those resulting from changes in its methods of doing business and from changing legal and administrative requirements, in an effort to maximize support provided to GSA as it continues to transform.

Following are our strategic goals:

Strategic Goal No. 1: Enhance the performance of GSA and ensure optimum value for the taxpayer.

Strategic Goal No. 2: Protect the integrity of GSA programs and operations.

Strategic Goal No. 3: Implement an efficient and effective human capital strategy.

Strategic Goal No. 4: Enhance our organizational performance.

General Services Administration
OFFICE OF INSPECTOR GENERAL

Budget Authority
$(Thousands)

	FY 2005 Actual	FY 2006 Current	FY 2007 Target	FY 06/07 Change
Direct Program:	$41,526	$42,976	$44,312	$1,336
Reimbursable Program:				
FAS Program	4,004	5,000	5,000	0
Fleet Card Program		350	350	0
Other Reimbursable		100	100	0
Net Outlays	$38,814	$42,939	$44,232	$1,293
Employment (FTE)				
Reimbursable	28	28	28	0
Direct	251	281	281	0

General Services Administration
OFFICE OF INSPECTOR GENERAL

EXPLANATION OF ESTIMATES

The Office of Inspector General's appropriation request is for $44,312 thousand to support 309 FTEs during FY 2007. This request reflects a net increase of $1,334 thousand over the comparable amount of $42,976 thousand for FY 2006. The net change of $1,336 thousand consists of: (1) $385 for increased payment to the Working Capital Fund; and (2) $951 thousand for a Management Information System Local Area Network Upgrade.

In addition, in the Reimbursable Program GSA proposes to continue to transfer $5,000 thousand from the newly consolidated Federal Acquisition Service (FAS) to increase preaward audits and contract performance assessments. Also, funds in the amount of $350 thousand will be made available to the OIG by FAS for increased oversight and investigatory activities relating to fraud, waste, and abuse in the Fleet Services charge card program. Funding of $100 thousand is requested for ongoing miscellaneous reimbursable programs.

Explanation of Budget Authority Changes in Priority Order Appropriation $(Thousands)		
FY 2006 Enacted Appropriation	309	$43,410
Less: 1% Rescission		-434
FY 2006 Base	**309**	**$42,976**
Increases:		
Payment to the Working Capital Fund		385
Management Information System Local Area Network Upgrade		951
FY 2007 Budget Request	**309**	**$44,312**
Reimbursables:		
FAS		5,350
Other Reimbursable		100
FY 2007 Total Request	**309**	**$49,762**

General Services Administration
OFFICE OF INSPECTOR GENERAL

OFFICE OF INSPECTOR GENERAL Obligations by Object Class $(Thousands)				
		FY 2005 Actual ($000)	FY 2006 Current ($000)	FY 2007 Request ($000)
	Personnel Compensation:			
11.1	Full-time permanent	20,616	23,042	23,606
11.3	Other than full-time permanent	96	126	129
11.5	Other personnel compensation	1,754	1,946	1,993
11.9	**Total personnel compensation**	**22,466**	**25,114**	**25,728**
12.1	Civilian personnel benefits	5,711	6,279	6,432
21.0	Travel and transportation of persons	1,153	1,260	1,286
21.0	Motor Pool	132	145	148
22.0	Transportation of things	61	70	71
23.1	Rental payments to GSA	2,973	2,965	3,028
23.3	Communications, utilities and miscellaneous charges	254	220	225
24.0	Printing and reproduction	123	133	136
25.1	Advisory and assistance services	643	700	715
25.2	Other services	3	5	5
25.3	Purchases of goods and services from Government Accounts	6,007	4,074	4,401
25.7	Operation and maintenance of equipment	113	250	255
26.0	Supplies and materials	192	150	153
31.0	Equipment	1,694	1,611	1,729
42.0	Insurance Claims	1		
99.0	**Total**	**41,526**	**42,976**	**44,312**
99.0	Reimbursable obligations	4,004	5,450	5,450
99.9	**Total Direct & Reimbursable**	**45,530**	**48,426**	**49,762**

General Services Administration
OFFICE OF INSPECTOR GENERAL

Activities

The OIG will accomplish its mission by several methods:

1) Conducting independent reviews of GSA's programs, systems, and internal operations to identify opportunities for improvement;

2) Conducting independent audits of GSA's contractors to ensure GSA and Federal customers are getting the best value for the taxpayers' dollars;

3) Providing research and benchmarking surveys that identify the best practice initiatives to help GSA improve its operations;

4) Conducting investigations of GSA's programs and operations when circumstances indicate potential fraud, criminal activity, or mismanagement;

5) Working with Congress, OMB, and GSA management to identify and implement program improvements by leveraging our knowledge and expertise to evaluate and refine GSA-related legislative, regulatory, and other policy initiatives;

6) Working with GSA management and employees to ensure that appropriate internal controls and performance measures are in place to help optimize the fulfillment of GSA's mission; and

7) Working with GSA managers and employees to increase their knowledge and awareness of fraud to help reduce and prevent its occurrence in GSA's programs and operations.

Budget in Summary

The Office of Inspector General's appropriation request is for $44,312 thousand to support 309 FTEs during FY 2007. This request reflects a net increase of $1,336 thousand over the comparable amount of $42,976 thousand for FY 2006. The net change of $1,336 thousand consists of: (1) $385 for increased pay; and (2) $951 thousand for a Management Information System Local Area Network Upgrade.

In addition, in the Reimbursable Program GSA proposes to continue to transfer $5,000 thousand from the newly consolidated Federal Acquisition Service (FAS) to increase preaward audits and contract performance assessments. Also, funds in the amount of $350 thousand will be made available to the OIG by FAS for increased oversight and investigatory activities relating to fraud, waste, and abuse in the Fleet Services charge card program. Funding of $100 thousand is requested for ongoing miscellaneous reimbursable programs.

In FY 2007, the OIG will continue to provide audit and investigative services across the broad spectrum of GSA's activities. We will continue to commit substantial audit resources to program evaluations of GSA's major programs, reviews of GSA's major information systems and related security issues, financial statement and accountability reviews, attestation reviews of GSA contractual activities, and statutorily required reviews. We will focus our investigative efforts on detecting and preventing fraudulent activity in GSA's procurement, property disposal, and leasing activities, and identifying program vulnerabilities.

The OIG will continue to seek better ways to provide high-level service to GSA by identifying and implementing internal steps to improve and reduce our administrative processes; using state-of-the-art computer capabilities; addressing our human capital needs; and focusing on customer service and satisfaction.

Explanation of Requested Additional Funding:

The OIG requires funding of $900 thousand to complete tasks partially funded in FY 2006 to upgrade our Management Information System Local Area Network (LAN) and to maintain the ability of the OIG Management Information System to operate by modernizing the network infrastructure, replacing outdated computers, and creating a Network Control Center.

The OIG IT environment consists of fourteen geographically dispersed servers that are independently managed and controlled by the OIG at the GSA Central Office. The OIG LAN is separate and distinct from GSA's LAN environment and funded through the GSA OIG annual appropriation. This separation is necessary to maintain our independence and ensure the integrity of the OIG data. Also, the separation is critical because it allows us to control sensitive and proprietary information arising from criminal and civil investigations, including investigations involving GSA employees or government contractors. Each LAN consists of a network server, a firewall, an intrusion detection server, several communication switches, and associated cabling providing access to the GSA backbone communication network.

As the OIG's audits and investigative work takes on more national significance with the increase and demand for nationwide audits as well as the nationwide impact from criminal and civil investigations, the legacy OIG LAN has struggled to provide the needed interconnectivity, data-sharing, and remote access. The lack of these attributes has significantly impacted the OIG users' ability to complete their tasks in accordance with scheduled and mandated deadlines.

Additionally, the warranties for our current portable notebook computers expire in 2006. In the past, the industry standard for computer equipment replacement was 3 years; currently, the standard has been cut to 18 months. The OIG has become dependent on notebook computers and the mobile-office concept for its daily operations to meet its mission requirements. It is important that our auditors, investigators, and administrative staffs have equipment with sufficient capabilities necessary to match changes in technology within the Agency. The OIG is currently behind in its replacement of its computer equipment. It is imperative that the OIG become current within industry standards.

While the mission of the OIG remains mandated by law, the changing technological environment has caused us to change the way we do our work. For example, various electronic tools and analysis techniques that did not exist a few years ago, such as electronic work papers, specialized analysis software, computer seizures and forensic analysis, and system penetration and security analysis, are now important aspects of our audit and investigative work. In addition, the move to cross-regional audits, enhanced publications, and remote-site audits and investigations are becoming more important as we continue to strive to meet our mission responsibilities. These activities have placed an unreasonable burden on the legacy OIG LAN. Our system needs extensive internal maintenance to remain effective and to reduce the dependence on third-party vendor support.

Staff Development:

1. Office of Audits: Key staff losses have started to occur in this office and additional losses are likely in FY 2007 and FY 2008. Approximately 35 percent of our senior graded managers (GS-15) in the Office of Audits became eligible to retire in FY 2004. In addition approximately 40 percent of our second level managers, senior auditors, and analysts are either eligible to retire, or will be eligible to retire beginning in FY 2006.

We have started to transition the Office as a result of recent key staff losses. We have brought in or promoted new senior managers to fill recent losses, and we will continue to do so as additional losses occur.

However, we still have too few experienced staff members ready to backfill these positions during this transition because of a decade of low recruitment and downsizing. We must rely on less experienced staff to backfill vacant positions who must quickly gain GSA, auditing, and supervisory knowledge and experience. To address this issue we will need to provide guidance and training to new managers and senior level staff to rapidly develop the skills necessary for our managerial positions. We will also need to continue to fill vacant positions with entry level hiring, supplemented with hiring at the journeyman and supervisory levels.

2. Office of Investigations: The Office of Investigations has a very young and comparatively inexperienced investigative workforce. Therefore, we are faced with having to devote considerable resources to training and developing new special agents. Additionally, guidelines for OIG law enforcement personnel issued by the Attorney General require us to provide each special agent with periodic law enforcement refresher training in skills needed to function as a criminal investigator. We have also seen a rise in the need for our agents to assume undercover roles to perform investigations. Undercover operations require highly specialized training, both for the agents involved and for those responsible for managing the investigations and assuring their safety. Additional specialized training is needed for special agents in order to develop and maintain the skills required to conduct investigations involving electronic (computer) crimes. We foresee the need for increased training expenditures due to these investigative training requirements.

<u>**Increasing Demand for Audit and Investigative Services:**</u>

Demands for our audit and investigative services keep increasing with Congressional mandates and OMB requirements covering such things as information system security reviews, competitive sourcing, Government Performance and Results Act (GPRA) reviews of Agency performance measures, reviews of Agency PART reports, and

increased oversight of audited financial statements and the agency's internal controls. The OIG is challenged to meet these and other new demands at its current funding level. A prime example of a new demand is the need to expand the OIG's Information Systems Audit Office. Information technology is profoundly impacting all aspects of government and business operations. Our audits are increasingly focusing on evaluating IT systems and the data produced by those systems. The IT Audit Office has been, and needs to be, in the forefront of this expanding role, performing audits of the reliability of GSA's computer systems, the cost-effectiveness of the development processes to create replacement systems, and the security of GSA's technological innovations. The OIG IT Audit Office has been supporting a large workload of key IT audits and has identified numerous system weaknesses and recommended corrective actions. This workload is critical to the GSA OIG statutory mission, and it will only continue to expand.

Another example of the increasing and changing demands placed upon the OIG involves our work to support the integrity of the government's acquisition process. The OIG devotes a portion of our resources to assist GSA in its efforts to suspend and debar unscrupulous government contractors. High profile corporate financial scandals have resulted in an increase in our investigative workload in this area far beyond what was planned for in our performance plans. The OIG's Office of Investigations is not located in all GSA regional offices but expends considerable revenue in conducting investigations in these locations. Additionally, the office supports a large workload of investigative cases outside of locations in which we have offices.

Long-Term Outcome Goals

The OIG has a two-fold mission—to protect against waste, fraud, and abuse, and to be an agent of positive change in helping GSA to achieve its goals.

Our long-term approach to achieving our mission involves initiatives, such as improving our methodologies for performing programmatic and other types of reviews and investigations; expanding the types of services we offer our customers; and improving our technical capabilities. We have increased the size of our financial and information system audit staffs, implemented better strategic and audit planning, improved networking and communications within our own organization and with GSA management, and instituted many other initiatives to better our operations.

Our actions have produced positive results. For example, our reports to Congress have documented many positive changes identified by our program reviews and implemented by GSA. In addition, customer surveys show that our products and services meet management's needs and add value; and the requests for audit services from management, the Congress, and OMB are increasing. Our audits and investigative efforts have resulted in identifying and mitigating systemic problems and fraud schemes involving GSA's programs and operations. The benefits from our initiatives continue to grow.

Following are highlights of our office's initiatives and performance measures with related budgetary requirements.

Operational Strategies for Meeting Long-Term Outcome Goals

Office of Audits

The OIG has become a force for positive change within GSA by repositioning itself to provide more value-added services to our clients. We are striving to develop our own expertise in GSA's business lines to complement our audit and evaluation skills. This enables us to better understand the complex issues and challenges faced by program officials, to design evaluations in the context of specific programs, and to facilitate resolution of audit recommendations.

We have reorganized the Office of Audits into centers of expertise for each of the core functions critical to GSA's success. This restructuring enables us to develop technical or specialized expertise in all key areas of GSA, so we can better identify and address the most significant issues and vulnerabilities facing the Agency.

For several years, we have been assisting GSA in identifying opportunities for improvement through benchmarking and best practice reviews. We are also working with management to improve program data integrity. Our application of team concepts and streamlined operating methods and our use of advanced technology allow us to expedite the transmission of important information to managers for decision-making. These efforts complement our more traditional responsibilities of safeguarding the integrity and ensuring accountability of Agency resources and operations.

Our office has been successful in fostering clear lines of communication with all of our stakeholders. We maintain an ongoing dialogue with the Congressional oversight committees and OMB. We work closely and exchange information with GSA's managers and personnel. To enhance our understanding of GSA's programs and initiatives and to improve our annual planning process, we have maintained contacts with GSA officials in each of the major Services and Staff Offices. In addition to our traditional services in the areas of management and systems control reviews as well as selected reviews of GSA's multi-billion dollar contract programs, we will continue to focus our resources on large-scale program reviews, IT system reviews, and financial reviews.

1. **Comprehensive Program Reviews.** These reviews produce formal audit reports that provide GSA management with an independent assessment of whether or how well a program is meeting its mission nationwide and identify specific areas where program outcomes can be improved. Program reviews have been a staple of our organization for the past several years, and we are

constantly refining and improving our approaches. We now focus on program goals and results and how the program officials measure their successes. We provide managers with optional solutions to issues when appropriate. We expect to continue to direct resources to this area.

2. **Information Technology and Systems Reviews.** Information technology in GSA is expanding exponentially and influences all aspects of business operations. GSA relies on its automated information systems to perform its mission and manage its operations. Many of these systems store sensitive information such as personal employee data and contractors' proprietary information. The Office of Audits faces the challenge of performing the necessary reviews in the areas of IT, systems, and telecommunications. We have dedicated 17 FTEs to the Information Technology Audit Office whose mission is to identify the IT workload in GSA, establish an OIG presence in this critical and growing area, develop the technical expertise to perform these complex reviews, and to perform IT and systems review work. However, our capabilities in IT and systems must continue to grow. GSA has an extensive IT universe with about 100 major automated information systems, many smaller systems, and numerous local area networks. GSA's IT universe also dictates that we must apply more audit resources to systems development efforts and to security issues associated with operating GSA systems and networks. In addition, the Federal Information Security Management Act of 2002 requires Inspectors General to conduct independent annual evaluations of their agencies' information security programs. Finally, we must address local, long distance, voice, data, and other issues associated with telecommunications. The fundamental changes IT has brought to the way GSA does business will require a corresponding increase in our technical and other training for existing and new staff associated with this effort. IT applications are fast becoming the mainstay of all Agency business and the entire audit staff needs to develop and enhance

technology skills to keep up. Only a few members of the audit staff currently possess sufficient IT knowledge and skills to do this work.

3. **Financial and Regulatory Requirements.** The passage of the Chief Financial Officers Act in 1990 has had a significant impact on our operations. Even before passage of this Act, the OIG and GSA arranged for the audit of GSA's financial statements by an independent public accounting firm. However, the time, effort, and expertise required to administer the audit of the financial statements has grown substantially; new legislation and complex accounting and auditing policies must be analyzed; efforts to assist GSA management in working through associated issues have grown; and time needed to address audit issues related to the audit of the governmentwide consolidated financial statements has increased. Moreover, we see a need for the OIG to evaluate the more detailed workings of GSA's financial activities and perform analyses of its major accounts.

We believe there are opportunities to enhance the efficiencies of operations and accountability of assets at the other levels of reporting. We want to increase the numbers of evaluations of GSA major individual financial accounts and major financial subsystems. In addition, there are new and increasing requirements imposed on our office due to GPRA and related legislation. These issues require that we have sufficient staff with the financial background and expertise to perform the necessary reviews. We intend to enlarge our financial audit group, by shifting existing resources, over the next several years to keep up with the increasing demands. As in the IT area, this is a specialized discipline. We must expand our financial and technical systems' training and staffing to accomplish our goals.

We will continue to offer our traditional audit services in the following areas:

1. **Management Control Reviews.** The Office of Audits will continue to test management controls built into programs and systems to ensure they function as intended and provide reasonable safeguards over assets. We believe control systems are becoming more important in an evolving work environment which calls for fewer supervisors, more decentralization of authority, and more individual empowerment. We will work closely with management to share our expertise in internal controls throughout GSA.

2. **Attestation Reviews.** As the central civilian procuring Agency within the Federal Government, GSA annually awards over $40 billion in contracts for goods and services. The OIG will continue to maintain a substantial contract review program. We will review selected vendors' records and develop financial information needed by GSA's contracting officers to negotiate favorable pricing arrangements on contract awards and to help administer existing contracts.

   As GSA moves to implement new procurement initiatives, we will continue dedicating resources to support contracting officers. Over the past 2 years, our audits have evaluated over $16 billion in proposed costs and have resulted in over $1.6 billion in monetary avoidances. We expect this trend to continue. In FY 2006, we intend to continue working with FAS to increase the number of preaward reviews of Multiple Award Schedule (MAS) vendors. The MAS program, which awards commercial item contracts for Federal agencies, is valued in excess of $36 billion. These reviews will help contracting officers negotiate fair and reasonable pricing on selected MAS awards and will assist FAS in accomplishing its best value performance measure.

3. **Financial Support for Attestation Reviews.** There are now in excess of 16,000 vendors doing over $36 billion in new business annually under this contracting program. Given this tremendous level of business activity and the fact that all agencies of the Federal Government rely on GSA to deliver high quality, fairly priced goods and services, it is imperative GSA employ appropriate measures to ensure the fiscal soundness and operational integrity of these procurement programs.

   A substantial portion of reimbursable funds ($5 million) will be used to increase the number of pre-contract award reviews of contractor submitted pricing and sales practices data. Possessing such information before negotiations materially increases the contracting officer's ability to make an effective award. Past history has shown that for every dollar invested in preaward contract reviews, at least $10 in lower prices or more favorable terms and conditions are attained for benefit to the government and the taxpayer.

   The funds will also be applied to increase the number of contract performance reviews conducted. Because most contracts are now written to be renewed on a 5-year basis, it is important that contractor performance be spot tested periodically to ensure compliance with pricing, billing, and the terms and provisions of their contracts. This helps ensure that Federal agencies continue to receive goods and services as agreed throughout the contract period. In addition to contract performance reviews, the OIG will also conduct periodic program evaluations to assess the efficiency, economy, and effectiveness of contracting activities. These reviews will also test internal controls to ensure they are adequate to provide program integrity.

   We anticipate that this level of funding of contract related audit work will enable us to produce between $500 and $525 million in cost avoidances and recoveries.

Office of Investigations

The Office of Investigations is responsible for conducting criminal, civil, and administrative investigations nationwide. The office is the OIG's fully accredited Federal law enforcement component and provides expert investigative services to GSA, the Department of Justice, United States Attorneys' offices throughout the country, and other Federal and state agencies. The Office of Investigations is committed to identifying and preventing fraud, waste, and abuse in GSA programs and operations and promoting economy and efficiency within GSA. Our investigative action plan contains the following elements:

- Investigations of criminal violations by contractors, employees, and others, relating to GSA acquisition programs.

- Criminal investigations relating to the integrity of GSA programs, operations, or personnel.

- The development and implementation of proactive investigations which address systemic investigative issues that cross GSA regional boundaries.

- Investigative support to the Office of Audit, Office of Counsel, and GSA officials.

- Investigations of serious misconduct by high ranking GSA officials which are conducted on a limited and as needed basis.

The major component of the Office of Investigations operations plan during the coming fiscal year is the detection and investigation of major criminal violations associated with GSA acquisition programs. We anticipate devoting significant investigative resources to criminal fraud violations associated with violations such as substandard products or material, false claims, criminal false statements, schemes seeking unfair advantage in the procurement, supply, property acquisition and disposal, and construction programs. Relatedly, the Office of Investigations will ensure the integrity of GSA programs and operations by thoroughly investigating allegations of criminal activity by GSA employees and officials. Bribery, extortion, acceptance of gratuities, conflict of interest, and procurement integrity violations will be emphasized and remain investigative priorities. Another major investigative emphasis in this area is associated with ensuring the integrity of GSA's procurement programs by conducting investigations and making recommendations for suspension and debarment of corporations which appear to/or lack corporate integrity. In FY 2007 we will increase the oversight and investigatory activities relating to fraud, waste, and abuse in the Fleet Services charge card program.

We also focus investigative resources on providing support to the Office of Audits, Office of Counsel, and regional officials on civil fraud or serious administrative matters. This includes serious allegations of official misconduct; investigations of this nature are only conducted on a very selected basis.

As part of our action plan we included the need to partner with GSA and assist in seeking ways to improve Agency programs and operations and prevent fraud from occurring. The Office of Investigations will continue to present fraud integrity awareness briefings to Agency employees and develop effective proactive investigative initiatives that will serve to identify wide ranging problems relating to fraud, waste, or abuse in GSA operations. Effective proactive cases have proven to be excellent techniques to prevent and deter program deficiencies from becoming major operational problems. Unfortunately, in a reduced manpower and budgetary environment, it may become necessary to de-emphasize or eliminate these cases when faced with overwhelming and immediate reactive investigative demands.

THE FY 2007 PERFORMANCE PLAN

The OIG will increasingly focus its efforts in areas intended to enhance the management and overall performance of GSA and will increasingly align its activities so that they more directly support the strategic goals and business objectives of the GSA. We will allocate approximately 70 percent of our audit and investigation resources to addressing the significant management challenges and vulnerabilities facing the Agency.

The OIG revised its strategic plan to more accurately reflect the activities we are performing to help GSA better manage its programs. We revised our strategic goals and performance measures to more effectively reflect the OIG's impact on GSA.

Strategic Goal No. 1

Enhance the performance of GSA and ensure optimum value for the taxpayer.

Discussion
GSA is a 12,000 person Agency that oversees Federal buildings, major supply and procurement programs, a fleet of 190,000 vehicles worldwide, telecommunications systems, and child-care facilities. It also provides policy leadership in areas such as acquisition, travel, real property, and other administrative services for the entire Federal government.

GSA realizes that changes in today's environment require it to be flexible in its business approaches and innovative in developing integrated solutions to longstanding and new challenges. Current Agency goals and initiatives, continuing government reform, high-risk areas defined by GAO, and management challenges identified by our office remain areas that must be addressed.

The OIG's audits and investigations assist GSA in its dual roles of policy leadership and provider of space, products, and services to the Federal workforce. At the same time, we intend to ensure that GSA's programs and operations are conducted at an optimal level of efficiency and effectiveness. In this capacity, we will continue to evaluate and bring to GSA's attention serious vulnerabilities and management challenges; we will also make constructive recommendations as to how these concerns can be alleviated. We will devote our resources to areas where focused management attention can bring about greater efficiencies for both GSA and the taxpayers. Through our audits, investigations, advice on legislation, and other services, we will raise to the policy making arena issues that affect the Agency's programs. Lastly, we will work with GSA on key initiatives to promote more effective government operations.

Anticipated Results
This strategic goal anticipates that changes in focus of OIG operations will accelerate over the next 5 years. This will result in: (1) a greater number of evaluations of GSA programs, management structures, and information systems; (2) increased financial accountability and legislatively mandated reviews; (3) enhanced testing of internal controls and security measures; and (4) a substantial amount of savings.

In addition, we anticipate an increased number of reviews of preaward and contract performance assessments of governmentwide contracts relating to the Federal Acquisition Service.

We will perform annual risk assessments of GSA operations to identify the most significant management challenges, high-risk areas, and major opportunities for improvement in programs, operations, and related activities. We will target the most significant issues facing GSA by planning and conducting audits and investigations in those areas. We will continue to work with GSA management on key initiatives. Finally, we will leverage our expertise by providing comments on

legislative and policy initiatives before they become program requirements. In this capacity, we will also work with the Office of Governmentwide Policy by sharing our knowledge, expertise, and experience in assisting GSA meet its central management policy responsibilities.

During FY 2007, the OIG will devote approximately $14,650 thousand in direct and $2,450 thousand in reimbursable of its requested resources to accomplish the planned outcomes related to this strategic goal.

Strategic Goal No. 2

Protect the integrity of GSA programs and operations.

Discussion
One of the OIG's fundamental responsibilities is combating and preventing waste, criminal, and civil wrongdoing in GSA programs and operations. We are committed to using resources to detect and prevent waste, fraud, and other wrongdoing in areas that we have determined to be most susceptible.

The OIG has a special concern that in an era of rapid change and emerging technology, these changes may present unintended increased opportunities for illegal and improper activities. As the evolving technology and the effects of a downsized and aging workforce take hold throughout GSA, the OIG emerges as the primary entity within GSA to assess the impact of this transformation. The OIG is concerned that many of the beneficial attributes of reforms designed to produce economy, efficiency, and increased effectiveness may be offset by new or modified practices that create unintended waste and contribute to increased opportunities for fraud. We believe it is important to assess whether a new initiative increases the potential for fraud, waste, and abuse and if so, mitigate these vulnerabilities early in the process.

Anticipated Results
During FY 2007, as part of a comprehensive initiative, the OIG will direct its efforts to protect the integrity of GSA operations by identifying and assessing vulnerabilities associated with its rapidly changing environment. The OIG intends to take a risk-based approach and focus its expertise in areas most susceptible to fraud, waste, and wrongdoing. We will perform various types of reviews to ensure programs operate within legal and regulatory limits. We will aim our efforts at detecting systematic vulnerabilities. We will investigate and deter illegal activities to the fullest extent of our abilities and resources. Our investigative resources will concentrate on high-impact cases, and we will respond to indications of illegal activities in a direct and timely manner. These areas include procurement integrity, facilities and personnel, management control, asset management, information technology, and financial accountability. We will particularly emphasize the controls over charge cards, security, and emerging technology issues. The efforts of the OIG will be directed towards reducing the overall level of waste and wrongdoing in GSA, increasing the awareness of GSA managers regarding the prevention of fraud and waste, improving the detection of and response to corruption, and increasing the public trust in GSA's programs and operations.

During FY 2007, the OIG plans to devote approximately $15,500 thousand in direct and $2,700 thousand in reimbursable of its requested resources to accomplish this strategic goal.

Strategic Goal No. 3

Implement an efficient and effective human capital strategy.

Discussion
Our people are our most important resource. A skilled, focused, flexible, and diverse workforce is essential if we are to continue to improve and provide the services necessary to carry out our mission. Beginning in the mid-1990s, the OIG realized the need to better align

our resources to meet our mission responsibilities. We took numerous actions to redefine our mission, restructure our operations, reduce management layers, redistribute management positions to direct line positions, and to more closely interact with our clients. Our goal was to become more results-oriented, and better serve GSA, the Congress, and the taxpayer. These actions were consistent with the stated goals of OMB Bulletin 01-07 "Workforce Planning and Restructuring."

Despite these actions, events over the past few years have combined to exacerbate our human capital issues. Specifically, we have had a difficult time hiring at mid-level positions and replacing and retaining qualified staff. Salaries, Federal hiring requirements and constraints, and stiff competition from the private sector and other government agencies have impacted our ability to hire people with the necessary skills. We are losing our younger staff to other agencies, while our older staff is retiring. We are faced with the potential loss of over 67 percent of our senior managers over the next 2 to 3 years. This has increased our need for managerial and leadership training for mid-level staff to prepare them to assume more senior leadership positions in the organization. In addition, the skills we need to do our work have changed. We have had a difficult time in hiring accountants and mid-level IT specialists. Major statutes aimed at increasing the fiscal and managerial accountability of Federal agencies have impacted our work and increased our emphasis on financial issues. In addition, technology has had a tremendous effect on how the government conducts business and consequently we need to apply technology in our audits, investigations, and internal management operations.

To meet the challenges ahead, the OIG has developed a human capital plan and continues to refine that plan. The OIG will implement its human capital management strategy to provide the highly competent professionals necessary to complete our mission and meet future demands. We will incorporate these efforts into our overall work planning, budgeting, and evaluation processes. This will include a commitment to recruit, develop, train, retain, and reward a workforce

that possesses the skills required to meet the changing and challenging demands for our services. We will address continuity of operations and skills through succession planning. The OIG will increase its commitment to both technical and managerial training to sustain functional expertise and encourage professional development.

Anticipated Results
Among the initiatives we plan to accomplish are enhancing our college recruiting program; completing a skills inventory and identification analysis; refining programs such as a career intern program, and various programs aimed at recruiting and retaining quality staff; streamlining and improving the efficiency of our hiring process; developing the required technical and managerial training programs needed to provide and maintain needed skills; and revising our performance appraisal system to ensure that employee performance is mission related.

During FY 2007, the OIG will devote approximately $4,400 thousand and $140 thousand in reimbursable of its requested resources to accomplish this strategic goal of its resources to accomplish this goal.

Strategic Goal No. 4

Enhance our organizational performance.

Discussion
This goal focuses on our work environment and business processes. We believe that this goal will serve two purposes—to make us more efficient in serving our clients and to help attract and retain a world-class workforce in our organization.

Our office's performance should be held to the highest standards. To achieve this, we will continue to emphasize improving the delivery of OIG products and services and create a more efficient work

environment by investing in the office infrastructure, both technological and physical, that supports our strategic goals.

Timely, cost-effective, and quality products and services are critical in today's fast-paced and changing environment. Our work products must be responsive to Agency and customer needs. Continued improvements in timeliness and operating efficiency will require reassessing existing business processes, employing technology to the extent possible, and improving management and coordination efforts. Further, we must better utilize the power of E-Government to make our products and services more accessible to our stakeholders.

We believe that appropriate and modern technological and physical work environments are important elements in successfully achieving our goals. We also believe that our audit and investigative functions must work closely with our administrative support activities to enhance our ability to meet mission requirements. We will ensure that we have the best possible work environment in several ways.

First, we recognize the benefits of technology in the work environment, and we have made great strides in incorporating it into our management approach and processes. We want to continue this progress toward providing reliable, integrated technology to our staff. We will maintain management information systems and networks that enhance our ability to exchange information, both inside and outside the OIG, and to conduct our work and perform analyses in a more secure paperless environment. This will also help us better plan and manage our resources by providing timely and reliable performance information and financial data. Also, providing sufficient, portable technology to the staff will help streamline our processes and better leverage our limited human capital resources.

Next, we need to make an investment in our physical environment in order to support our human capital strategies. Initiatives in this area will affect where we locate our staff and how it is configured.

Lastly, administrative activities and processes supporting our line operations need to be better integrated and improved.

Real-time fiscal information, comprehensive information systems support, and full-range human resource support are essential to improve our operations. It is imperative that we enhance and integrate this infrastructure to support our strategic planning, human capital initiatives, and business goals.

Anticipated Results:

1. Provide our customers with timely, quality OIG products in accordance with the standards established for the different types of audit and investigative reports we produce.

2. Provide comprehensive IT support and information systems availability necessary for our professional and support staffs to meet their mission requirements.

3. Provide timely and relevant budgetary, administrative, and human resource support to help our managers properly manage their resources and help them meet their mission needs.

4. Begin implementation of a nationwide office modernization process, which will enhance the working environment of selected regional and Central Office locations.

During FY 2007, the OIG will devote approximately $9,762 thousand in direct and $60 thousand in reimbursable of its requested resources to accomplish the planned outcomes related to this strategic goal.

Following is the OIG's Performance Plan that details the performance measures for each strategic goal.

OIG Strategic Goal #1 Enhance the performance of GSA and ensure optimum value for the taxpayer.

Performance Goal: The OIG will direct its resources to help GSA achieve its strategic goals and address its management challenges. We consider our past work in GSA, the Presidential Initiatives, GSA's Strategic Plan, and areas of vulnerability identified by our office, GSA management, or GAO in identifying key program issues. The following issues represent the key management challenges and vulnerabilities that the OIG believes merit attention: protection of Federal facilities and personnel, information technology, management controls, asset management (including aging Federal buildings), human capital, procurement activities, financial accountability, contract management, and policy and administration.

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:
- Providing best value for customer agencies and taxpayers;
- Achieving responsible asset management;
- Operating efficiently and effectively; and
- Ensuring financial accountability.

The following table reflects the proportion of OIG products and services (audit reports and comments on proposals and other efforts) that had an identifiable positive impact on improving Agency performance of the following GSA goals: (1) providing optimum value for the customer agencies and the taxpayers, (2) responsible asset management, and (3) operational efficiency.

Performance Measure	Performance Indicators		
	FY 2005 Actual	FY 2006 Current	FY 2007 Target
Performance audits	69%	70%	72%
Reviews of legislative/regulatory or policy initiatives	59%	60%	60%

OIG Strategic Goal #1. Enhance the performance of GSA and ensure optimum value for the taxpayer.

Performance Goal: This measure reflects OIG management's decision to allocate greater audit resources to major programmatic, control, systems, and other efforts which are aimed at helping GSA management achieve more positive outcomes in their operations. While these types of reviews require significantly more resources, and their immediate impact is not always quantifiable, their long-term benefits offer the potential for significant improvements in GSA performance and benefits to customers and taxpayers. Results from these audit efforts are based on actual reports issued and the resulting recommended avoidances, recoveries, and resolved management decisions.

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:
- Providing best value for customer agencies and taxpayers;
- Achieving responsible asset management;
- Operating efficiently and effectively; and
- Ensuring financial accountability.

Performance Measure	Performance Indicators		
	FY 2005 Actual	FY 2006 Current	FY 2007 Target
Total reports	191	183	202
Internal audit reports	69	54	57
Attestation reviews	122	129	145
Reimbursable reviews (Projected)	[60]	[70]	[75]
Value of results*			
Avoidances & recoveries	$1.088B/$1.057B	$507M/$456M	$516M/$258M
Management decisions	$444M/$388M	$450M/$405M	$476M/$252M

Represents total cost of avoidance and management decisions attributable to MAS audits. In FY 2005, while only $4M was billed as reimbursable other audit hours were incurred to complete the job and achieve these cost savings.

OIG Strategic Goal #2. Protect the integrity of GSA programs and operation.

Performance Goal: The OIG intends to focus its resources and expertise on areas that are susceptible to waste, fraud, and wrongdoing. Our intent is to: increase awareness of the potential for wrongdoing, identify and mitigate program and operational vulnerabilities and control deficiencies, pursue potential wrongdoing to the fullest extent of our ability, and produce a decrease in the overall level of waste and wrongdoing experienced by GSA beyond that which would be expected if this initiative were not undertaken. Our efforts will be directed to areas that our risk-based assessments determined are most susceptible to waste and wrongdoing. These areas include the protection of Federal facilities and personnel, information technology, management controls, asset management, procurement activities, and financial accountability. The combined efforts of the Office of Audits and the Office of Investigations will be directed towards the achievement of our outcomes.

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:
- Providing best value for customer agencies and taxpayers;
- Achieving responsible asset management;
- Operating efficiently and effectively; and
- Ensuring financial accountability.

The percentages shown for each outcome reflect the proportion of OIG products (audit reports, investigations, awareness initiatives, and other initiatives or evaluations) that have an identifiable positive impact on protecting the integrity of the Agency's programs and operations. We measure positive impact of internal audits based on input we receive from GSA managers on our customer surveys. On attestation reviews, we measure positive impact based on the actual savings resulting from the audit as evidenced by our assessment of the price negotiation memorandum prepared by the GSA contracting officer.

Performance Measure	Performance Indicators		
	FY 2005 Actual	FY 2006 Current	FY 2007 Target
Impacted program integrity in the following areas:			
• Control, compliance, and accountability issues	84%	65%	68%
• Integrity issues	60%	60%	60%

OIG Strategic Goal #2. Protect the integrity of GSA programs and operation.

Performance Measure	Performance Indicators		
	FY 2005 Actual	FY 2006 Current	FY 2007 Target
Number of Criminal Referrals	276	110	110
Number of Civil Referrals	33	28	28
Number of Admin. Referrals	255	267	267
Civil Settlements	8	6	6
Indictments/Information	109	40	40
Successful Criminal Prosecutions	48	38	38
Contractors Suspended/Debarred	117	150	150
Investigative Recoveries	$78.8M	$5.2M	$5.2M
Fraud Awareness Briefings	39	14	14
High Priority Investigations	73%	70%	70%

The following table reflects the planned reallocation of Office of Audit resources between contract audit issues, internal GSA program and operational issues. *(OIG Strategic Goals #1 and #2)*

Type of Audit	FY 2005 Actual		FY 2006 Current		FY 2007 Target		Change FY 06 to FY 07	
	Actual	Dollars	Current	Dollars	Target	Dollars	Target	Dollars
Attestation Reviews:								
Direct		$8.5M		$6.5M		$6.7M		
Reimbursable		$2.0M		$2.7M		$2.7M		
Total	48%	$10.5M	40%	$9.2M	40%	$9.4M	2%	$0.2M
Internal Audits								
Direct		$9.2M		$11.6M		$11.9M		
Reimbursable		$2.0M		$2.2M		$2.2M		
Total	52%	$11.2M	60%	$13.8M	60%	$14.1M	2%	$0.3M

The Office of Audits will continue to focus internal audit resources on reviews that assist GSA achieve its program goals. *(OIG Strategic Goals #1 and #2)*

Internal Audit Types	FY 2005 Actual		FY 2006 Current		FY 2007 Target		Change FY 06 to FY 07	
	Actual	Dollars	Current	Dollars	Target	Dollars	Target	Dollars
Non-Compliance:								
Program		$4.5M		$5.8M		$6.0M		$0.2M
Administration		$0.5M		$0.5M		$0.4M		-$0.1M
IT Systems		$1.7M		$1.8M		$1.9M		$0.1M
Financial		$0.3M		$1.1M		$1.2M		$0.1M
Non-Compliance	76%	$7.0M	80%	$9.3M	80%	$9.5M	2%	$0.2M
Compliance	24%	$2.2M	20%	$2.3M	20%	$2.4M	4%	$0.1M
Total	100%	$9.2M	100%	$11.6M	100%	$11.9M	2.5%	$0.3M

OIG Strategic Goal #3. Implement an efficient and effective human capital strategy.

Performance Goal: The OIG will implement a human capital management strategy to better support our mission. The purpose of the strategy is to ensure that we have a highly qualified workforce focused on our mission, and that we have identified key Agency problem areas. As part of our approach, we will identify and use available tools, such as the Career Intern Program, to more effectively recruit and retain staff. For staff development, we will address the critical technical, managerial, and leadership skills needed for continuity and improvement in operations. Additionally, we will ensure that our performance evaluation system provides meaningful feedback and fully recognizes individual and team accomplishments.

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:
- Maintaining a world-class workforce and a world-class workplace; and
- Carrying out social, environmental, and other responsibilities as a Federal Agency.

Performance Measure	Performance Indicators			
	Standard	FY 2005 Actual	FY 2006 Current	FY 2007 Target
Reassess our human capital strategy and identify specific initiatives that will foster improvement in: • Recruitment and retention • Staff development • Employee appraisal and recognition • Quality of life • Cost savings to OIG	Formalize a human capital management plan by the end of FY 2001 and implement plan initiatives over the following 4 years.[1]	Human capital plan fully implemented.	Plan will be reevaluated to ensure our human capital strategy continues to adhere to support the OIG mission.	Reassess human capital strategy and develop implemented plans.

[1] Each FY performance report will provide detail on each part of the human capital management plan implemented that year.

OIG Strategic Goal #4. Enhance our organizational performance.

Performance Goal: This performance measure reflects how our customers perceive our products and services. Our three main components each use customer surveys to gauge the level of customer satisfaction. The areas that are covered by the surveys are: meeting customer needs, clarity of information provided, relevancy, timeliness, and value added. Activities are evaluated against a "standard" that reflects "expected average performance."

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:
- Providing best value for customer agencies and taxpayers;
- Achieving responsible asset management;
- Operating efficiently and effectively;
- Ensuring financial accountability;
- Maintaining a world-class workforce and a world-class workplace; and
- Carrying out social, environmental, and other responsibilities as a Federal Agency.

Performance Measure	Performance Indicators			
	Standard	FY 2005 Actual	FY 2006 Current	FY 2007 Target
Effectiveness- Customer Surveys	Scale: 1-5 (5 high)			
• Audit/attestation review products	4.0[2]	90%	85%	85%
• Administrative products and services (internal to the OIG)	4.0[3]	N/A[4]	90%	92%

[2] Ninety percent of the customer surveys have a score of 4.0 or higher on a scale from 1 to 5, where 1 indicates the individual strongly disagrees and 5 indicates that the individual strongly agrees.
[3] This represents a composite score on various OIG products.
[4] A survey was not developed due to other priorities.

OIG Strategic Goal #4. Enhance our organizational performance.

Performance Goal: This performance measure demonstrates the timeliness and effectiveness of our products and services. OIG products and services are evaluated against a standard that reflects "expected average performance." For example, if a performance standard for completion of a particular type of audit or investigation is 30 days, it means that the average time it will take to complete the review will be 30 days or less. If the target is 65 percent that means that 65 percent of the OIG reports will be completed within 30 days. Of the activities listed, the following are noteworthy:

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:
- Providing best value for customer agencies and taxpayers;
- Achieving responsible asset management;
- Operating efficiently and effectively;
- Ensuring financial accountability;
- Maintaining a world-class workforce and a world-class workplace; and
- Carrying out social, environmental, and other responsibilities as a Federal Agency.

The Office of Audits establishes two unique performance targets for each type of audit—one measures the days (timeliness) and the other measures the direct work hours (cost effectiveness) it takes to complete an audit project. The performance standards listed below reflect the percentage of time that the office performs audits from beginning to end within the established standards.

Performance Measure	Performance Indicators			
	Standard	FY 2005 Actual	FY 2006 Current	FY 2007 Target
Audits and Reviews: Cost effectiveness • Contract/Attestation • Internal	Direct hours to perform audits based on a unique performance standard for each type.	 62% 84%	 55% 67%	 57% 67%
Timeliness • Contract/Attestation • Internal	Days to perform audits based on a unique standard for each type of audit.	 37% 65%	 55% 62%	 57% 65%

We perform preaward MAS, preaward cost or pricing, and claims audits among others. Similarly, we perform internal audits, attestation reviews, program compliance, management control reviews, and many others. We have identified different performance standards in terms of days and hours for each type of audit/review. The performance and target goals represent the composite result, in terms of percentage of time, that the office meets various product standards measured in direct hours and days estimated to accomplish audit work products.

OIG Strategic Goal #4. Enhance our organizational performance.

The Office of Investigations has established a standard that reflects a dramatic improvement in the time frame within which they will conduct nearly all of their activities.				
Performance Measure	**Performance Indicators**			
	Standard	**FY 2005 Actual**	**FY 2006 Current**	**FY 2007 Target**
Investigations: Timeliness	Days to perform different types of investigations based on a unique standard for each type of investigation.	Percentage of investigations that meet unique performance standards.		
• Fraud/Other Crime •	Class I is 480 days; Class II is 240 days	75%	75%	75%
• Suspensions/ Debarments •	Class I and II is 45 days.	80%	80%	80%
• Administrative	Class I is 180 days; Class II is 90 days.	80%	80%	80%

Investigation descriptions:

Class I – Involves allegations concerning GSA programs, operations, and/or personnel which has one or more or the following characteristics:
- criminal or civil violation with a loss to the Government of $250,000 or more;
- GSA contractor integrity issue (suspension/debarment) involving potential or actual contracts with a value of $250,000 or more;
- significant health and safety issue;
- corruption of GSA official/ employee; and/or
- serious integrity issue involving GS-15 or above.

Class II – Involves allegations concerning GSA programs, operations, and/or personnel which has one or more or the following characteristics:
- criminal or civil violation with a loss to the Government of less than $250,000;
- GSA contractor integrity issue (suspension/debarment) involving potential or actual contracts with a value of less than $250,000;
- serious integrity issue involving GS-14 or below.

OIG Strategic Goal #4. Enhance our organizational performance.

The Office of Administration, Internal Evaluation Staff, and Office of Counsel to the IG applied standards to reflect the need to improve performance in specific targeted areas.

Performance Measure	Performance Indicators			
	Standard	FY 2005 Actual	FY 2006 Current	FY 2007 Target
	Days to perform different types of legal, field office reviews, and administrative type activities.[5]	Percentage of administrative activities that meet unique performance standards.		
• FOIA/PA Requests	30 days to process a FOIA/PA request	98.2%	90%	91%
• System Availability	Systems are available to all OIG users 97% of the time.	97%	97%	97%
• Provide Information Resources	Requests to review hardware/software applications are responded within 5 days.	94%	95%	95%
• Budget and Management Reports	Reports are completed within 5 days of a reporting period.	97%	98%	98%
• Procurement Actions	Ninety-five percent of procurement actions are completed within 5 days.	95%	97%	97%
• Personnel Actions/Requests	Time varies depending upon the nature of the action/request; it varies between the same day and 21 days depending on the action/request.	95%	97%	97%
• Formalize plans for modernizing work environment (physical and technological) and implement initiatives.[6]		N/A	N/A	N/A

[5] Each of the performance measures listed has performance standards in terms of days to complete.
[6] New target goals have not been established due to the possible renovations of GSA Central Office and NCR.

General Services Administration
OFFICE OF INSPECTOR GENERAL

Performance Plan: Allocation of OIG Resources												
Organization	**Performance Indicators (in thousands)**											
	FY 2005		**FY 2006**		**FY 2007**		**FY 2008**		**FY 2009**		**FY 2010**	
Total OIG	100%	$41,526	100%	$42,976	100%	$44,312	100%	$44,312	100%	$44,312	100%	$44,312
Audits	48%	$20,314	48%	$20,793	48%	$21,381	48%	$21,381	48%	$21,381	48%	$21,381
Investigations	33%	$13,536	31%	$13,111	31%	$13,472	31%	$13,472	31%	$13,472	31%	$13,472
Administration	13%	$5,281	15%	$6,421	15%	$6,762	15%	$6,762	15%	$6,762	15%	$6,762
Counsel	3%	$1,233	3%	$1,374	3%	$1,390	3%	$1,390	3%	$1,390	3%	$1,390
IG Office/Evaluations	3%	$1,162	3%	$1,277	3%	$1,305	3%	$1,305	3%	$1,305	3%	$1,305

FY 2007 Allocated Resources to Each Strategic Goal	Audits	Audits Reimb.	Invest.	Invest. Reimb.	Admin.	Counsel	IG Office/ Evaluations
Strategic Goal No. 1: Enhance the performance of GSA and ensure optimum value for the taxpayer.	13.68	2.5	0.0	0.0	0.0	0.62	0.58
Strategic Goal No. 2: Protect the integrity of GSA programs and operations.	4.92	2.5	9.70	.25	0.0	0.56	0.58
Strategic Goal No. 3: Implement an efficient and effective human capital strategy.	1.92	0.1	1.62	.04	.65	0.14	0.13
Strategic Goal No. 4: Enhance our organizational performance.	.86	0.0	2.15	.06	6.11	0.07	0.00
Total by Organization	**21.38**	**5.0**	**13.47**	**.35**	**6.76**	**1.39**	**1.30**

ELECTRONIC GOVERNMENT FUND

General Services Administration
ELECTRONIC GOVERNMENT FUND

MISSION

This fund supports the expansion and adoption of electronic government principles and best practices in managing information technology, and assists to improve service delivery by providing timely and accurate information to the citizens and government decision makers.

In the fall of 2001, the Office of Management and Budget (OMB) and Federal agencies identified 24 E-Government Initiatives which were approved by the President's Management Council. Developed, operated and supported by agencies, the President's Initiatives are providing high-quality and well-managed common solutions for services such as citizen tax filing, Federal rulemaking, and Internet-based training. Beneficiaries include citizens, businesses, and Federal government employees. In the spring of 2004, OMB announced the formation of five Line of Business task forces. These five Lines of Business (LoB) were identified through a comprehensive analysis of agencies' enterprise architecture data. The LoB task forces identified common solutions and methodologies in order to improve service delivery to agencies in administrative areas allowing agencies to focus resources on agency core mission areas, while decreasing unnecessary duplication and increasing operational efficiencies.

Selected examples of how citizens and Federal employees are benefiting through the use of the Presidential E-Government Initiatives include:

GovBenefits.gov – Currently, GovBenefits.gov is receiving more than 190,000 visits per month by citizens and, on average, is providing more than 128,000 referrals per month to agency benefits programs. GovBenefits.gov provides a single point of access for citizens to locate information and determine potential eligibility for government benefits and services.

IRS Free File – For the 2005 filing season, more than 5.1 million citizens filed taxes online for free using the Free File E-Government solution, representing an increase of 46 percent over the 2004 season.

E-Rulemaking – Since the initiative launched in 2003, over 1.6 million citizens have visited Regulations.gov to participate in the Federal rulemaking process. To date, more than 8.9 million rules and regulations have been downloaded by members of the public.

Disaster Management – Deployed at 25 Federal agencies, the Disaster Management Interoperability Services (DMIS) E-Government tool has been used by first responders and other public safety organizations to share information in over 116 disaster situations, including fire, floods, and power outages.

Grants.gov – Of the 2,259 funding opportunities for discretionary Federal assistance in FY05, 994 (44 percent) were available for electronic application submission via Grants.gov. Grants.gov currently provides Federal grant-seekers with access to over 1,000 Federal grant programs and is the single access point for all grants offered by the 26 Federal grant making agencies. Examples include the Small Business Innovation Research Program (SBIR), the New Bedford Harbor Restoration Project, and the Emerging Technologies in Cancer Research Program.

E-Training (www.USALearning.gov) – To date, over 680,000 Federal employees have registered in the GoLearn.gov Learning Management System. Federal employees have completed more than 1.3 million courses provided through the E-Training initiative. E-Training is assisting the Federal government in maintaining a highly skilled workforce at a fraction of the cost otherwise afforded through solely classroom training.

Recruitment One-Stop – Each month, over 100,000 resumes are created on USAJobs.gov, the Federal online recruitment service. USAJobs.gov receives over 240,000 visits daily from job seekers

looking for information regarding career opportunities with the Federal government.

E-Payroll – To date, E-Payroll has completed the migration of 17 (24 planned) departments or agencies from legacy payroll operations to one of the four consolidated payroll service providers. Currently, more than 83 percent of Federal employees are serviced by one of the four E-Payroll providers.

FY07 E-Government Fund proposed budget authority of $45 million will continue this record of results by allocating funds to support four recently launched government-wide initiatives: the Information Systems Security, IT Infrastructure, Geospatial and Budgeting Lines of Business. These funds will accelerate the progress of Federal Government transformation activities as it relates to information technology improvements in support of the goals identified in the E-Government Act of 2002 and Clinger Cohen Act of 1996.

Information Systems Security Line of Business — E-Government Fund would be utilized to manage the implementation of the common interagency cybersecurity solutions developed by a cross-agency taskforce in FY05. This effort analyzed commonly used IT security processes and controls in an effort to identify the extent to which consolidation opportunities existed in the Federal Government. Their analysis indicated more than 25 percent ($1.4 billion) of the overall funds ($4.5 billion in FY 2006 up from $4.2 billion in FY 2005) go towards implementing four common processes – (1) training, (2) reporting, (3) incident response and (4) evaluating and selecting security products and services. The taskforce identified common solutions to be shared across government and developed a joint business case outlining a general concept of operations with overall milestones and budget estimates. The E-Government Fund would support the central program management office and coordinate related operations with partner agencies.

IT Infrastructure Line of Business — E-Government funds would be utilized to execute the results of a FY06 government-wide taskforce which will refine the opportunities for IT infrastructure consolidation and optimization and develop government-wide common solutions. This LoB taskforce will define specific common performance measures for service levels and costs; identify best practices and develop guidance for transition plans within agencies and/or across agencies for activities such as Internet Protocol, Version six (IPv6). Based on industry benchmarks and analysis of agencies' FY07 IT budget submissions, the Federal Government could potentially save between 16 percent and 27 percent annually on its IT infrastructure budget and between $18 billion and $29 billion over 10 years by taking a more coordinated approach to spending on commodity IT infrastructure, such as help desks, data centers, and telecommunications.

Geospatial Line of Business — The E-Government Fund would support the program management office overseeing the implementation of the Geospatial LoB taskforce solutions. In FY06, this taskforce will propose a solution to optimize and consolidate Federal geospatial-related investments to reduce the cost of government geospatial activities and improve services to citizens through business performance improvements. The work of the taskforce will support the National Geospatial Strategy and further the development of the National Spatial Data Infrastructure – the technology, policies, standards, human resources, and related activities necessary to acquire, process, distribute, use, maintain, and preserve spatial data. The LoB taskforce will analyze cost benefits, alternatives and risks, define roles and responsibilities, expected outcomes, performance measures, milestones, and timelines. Use of the E-Government Fund would ensure a sustainable business model for Federal partners to collaborate on geospatial-related activities and investments.

Budgeting Line of Business —E-Government funds would assist the employment of standards and technologies for electronic information exchange to link budget formulation and execution activities with program performance and accounting data throughout all phases of the

General Services Administration
ELECTRONIC GOVERNMENT FUND

annual budget cycle. As first outlined in the FY 2004 Report to Congress on Implementation of the E-Government Act of 2002, the LoB taskforce will identify opportunities for common solutions and automated tools to enhance agency and central budget processes. It will also promote integration and standardize information exchange between budget formulation, execution, financial management, and performance measurement systems and activities across government. Furthermore, it will institutionalize Budget and Performance Integration, including aligning programs and their outputs and outcomes with budget levels and actual costs. Finally it will provide government with

enhanced capabilities for analyzing budget, performance, and financial information.

Proposals for funding will be required to meet capital planning guidelines and include adequate documentation to demonstrate a sound business case, attention to security and privacy, and a way to measure performance against planned results.

BUDGET AUTHORITY
$(Thousands)

	FY 2005 Actual	FY 2006 Current	FY 2007 Request	FY 2006/FY 2007 Change
New Direct Budget Authority	$2,976	$2,970	$5,000	+2,030
New Reimbursable Budget Authority	0	0	40,000	+40,000
Prior Year Carryover	2,609	3,119	1,419	-1,700
Total Budget Authority	5,585	6,089	46,419	+40,330
Total Obligations	$2,466	$4,670	$46,419	+41,749
Net Outlays	$3,578	$3,459	$3,487	+28

General Services Administration
ELECTRONIC GOVERNMENT FUND

EXPLANATION OF BUDGET CHANGES APPROPRIATION $(Thousands)	
FY 2006 Appropriation..	**$3,000**
Reduction for 1% Rescission……………………………………………………..	-30
FY 2006 Enacted..	**$2,970**
Increase to Electronic Government Fund...	+2,030
FY 2007 New Direct Budget Authority……………………………………………	**$5,000**

EXPLANATION OF ESTIMATES

The fiscal year 2007 budget request provides for an increase of $2,030 above the fiscal year 2006 level for total direct budget authority of $5 million. The FY 2007 budget also anticipates $40 million in reimbursable funding from the proposed Acquisition Services Fund. Authority to collect reimbursable funding from the GSA Acquisition Services Fund is provided by a proposed GSA general provision in the FY 2007 Budget. The general provision reads as follows:

SEC 607 (b):

"(b) From any uncommitted balances of the Acquisition Services Fund, as defined in 40 U.S.C. 321(f) as amended, the Administrator may, after consulting with the Office of Management and Budget, retain not to exceed $40,000,000 in fiscal year FY 2007, to be available for allocation to Federal agencies for government-wide electronic Government projects, authorized under 44 U.S.C. 3604: Provided, That such allocation may not be made until 10 days after a proposed spending plan and justification for each project to be undertaken has been submitted to the Committees on Appropriations."

General Services Administration
ELECTRONIC GOVERNMENT FUND

		FY 2005 Actual	FY 2006 Current	FY 2007 Request
OBLIGATIONS BY OBJECT CLASS $(Thousands)				
	Personnel Compensation:			
11.1	Full-time permanent	0	0	0
11.3	Other than full-time permanent	0	0	0
11.5	Other personnel compensation	0	0	0
11.9	Total personnel compensation	0	0	0
12.1	Civilian personnel benefits	0	0	0
21.0	Travel and transportation of persons	0	0	0
23.1	Rental payments to GSA	0	0	0
23.3	Communications, utilities and miscellaneous charges	0	0	0
24.0	Printing and reproduction	0	0	0
25.1	Commercial Service Contracts	1,621	3,510	4,929
25.2	Other Services	485	1,160	1,490
25.3	Purchases of goods and services from Government Accounts	360	0	0
26.0	Supplies and materials	0	0	0
31.0	Equipment	0	0	0
99.0	Subtotal direct obligations	2,466	4,670	6,419
99.0	Reimbursable obligations	0	0	40,000
99.9	Total obligations	2,466	4,670	46,419

OPERATING EXPENSES

General Services Administration
OPERATING EXPENSES

INTRODUCTION

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

EXPLANATION OF ESTIMATES

Direct Program

The fiscal year 2007 budget request of $83,032 thousand reflects a net decrease of $15,859 thousand below the amount of $98,891 thousand for fiscal year 2006.

The request includes increases with payments to the Working Capital Fund in the amount of $2,035 thousand. This increase is offset by decreases of $17,894 thousand for: one time cost of GSA relocation $16,153 thousand, one time cost of rent increase $211 thousand, and a transfer of USA Services funding to the Federal Citizen Information Center Fund in the amount of $1,530 thousand.

Reimbursable Program

Operating Expenses provides reimbursable services to other Federal agencies in the amount of $14,334 thousand. These activities include $2,834 thousand for personal property services, and $11,500 thousand for real estate disposal services for: (a) specialized properties outside the purview of the Federal Property and Administrative Services Act of 1949; and, (b) real property seized, forfeited, or foreclosed on by other agencies such as the U.S. Marshals Service, Department of Housing and Urban Development, Internal Revenue Service, and the Small Business Administration.

General Services Administration
OPERATING EXPENSES

	EXPLANATION OF CHANGES APPROPRIATION $(Thousands)		
		FTE	**$**
FY 2006 Enacted Appropriation...		**430**	**99,890**
Less Enacted 1% Rescission……………………………………………………………			-999
FY 2006 Base…………………………………………………………………………….			**98,891**
Decreases:			
One-time Cost for GSA Headquarters Relocation			-16,153
One-time Cost for Rent Increase Associated with the Relocation			-211
Increases:			
Payment to Working Capital Fund			2,035
Transfer:			
USA Services to Federal Citizen Information Center		-6	-1,530
FY 2007 Budget Request...		**424**	**83,032**

General Services Administration
OPERATING EXPENSES

BUDGET AUTHORITY
$(Thousands)

	FY 2005 Actual	FY 2006 Current	FY 2007 Request	FY 2006/FY 2007 Change
Direct Program:				
New Budget Authority	87,753	98,891	83,032	-15,859
Obligations from Prior Year Carryover	544	1,853	0	-1,853
Total Obligations – Direct Program	88,297	100,744	83,032	-17,712
Reimbursable Program	4,568	14,257	14,334	77
Net Outlays	91,286	97,551	85,521	-12,030
Employment (FTE):				
Direct………………………………………………………..	335	430	424	-6
Reimbursable………………………………………………	13	17	17	0

General Services Administration
OPERATING EXPENSES

OBLIGATIONS BY OBJECT CLASS				
$(Thousands)				
		FY 2005 Actual	FY 2006 Current	FY 2007 Request
	Personal Compensation and Benefits			
11.1	Full-time permanent	28,124	32,954	33,061
11.3	Other than full-time permanent	10	19	19
11.5	Other personnel compensation	1,615	2,229	2,241
11.7	Military personnel	0	0	0
11.8	Special personal services payments	0	0	0
11.9	**Total personal compensation**	**29,749**	**35,202**	**35,321**
12.1	Civilian personnel benefits	6,374	7,701	7,697
13.0	Benefits for former personnel	375	0	0
21.0	Travel and transportation of persons	1,569	1,940	1,953
21.0	Motor Pool	86	10	10
22.0	Transportation of things	36	29	29
23.1	Rental payments to GSA	3,265	3,200	3,182
23.2	Rental payments to others	67	201	201
23.3	Communications, utilities, and miscellaneous charges	558	1,030	1,039
24.0	Printing and reproduction	40	112	108
25.1	Advisory and assistance services	10,919	15,634	15,097
25.2	Other services	5,355	4,564	4,921
25.3	Other purchases of goods and services from Government accounts	16,870	30,330	12,712
25.4	Operation and maintenance of facilities	12	12	12
25.7	Operation and maintenance of equipment	33	45	45
26.0	Supplies and materials	512	353	349
31.0	Equipment	1,391	381	356
41.0	Grants, subsidies, and contributions	11,086	0	0
99.0	**Direct Program**	**88,297**	**100,744**	**83,032**
99.0	Reimbursable Program	4,568	14,257	14,334
99.9	**Total Direct & Reimbursable**	**92,865**	**115,001**	**97,366**

OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS

Strategic Assessment

The Office of Citizen Services and Communications was created to be the nation's focal point for information and services offered by the Federal government. Combining all of GSA's citizen-centric activities into a single office, the primary goal of OCSC is to provide access points for citizens, businesses, other governments, and the media to easily obtain information and services from the government on the Web, via e-mail, in print, and over the telephone. OCSC also interacts with the media, Federal agencies, the general pubic, and with GSA internal audiences to provide information on activities of GSA.

OCSC has two program areas: 1) Citizen Services and 2) Communications. Citizen Services includes First Gov.gov. Communications includes both internal GSA communications channels and external communications channels (media relations, GSA.gov, etc.) that provided information about GSA.

OCSC is changing the relationship that citizens have with government by making Government more transparent, citizen-centric, and accessible. OCSC researches citizens' needs and how those needs may change in the coming years, responding to those needs by developing and adopting new technology and by delivering content via the Internet, telephone or other means. Since a large number of government services are provided to citizens through State and local governments, OCSC also works closely with other governments to create a seamless, self-service government experience.

Internally, OCSC has developed and continues to refine products and services to help its federal customers share innovative techniques and approaches to solve its federal customer's core functionality needs. This process applies to internal GSA needs as well. OCSC will improve on the "One GSA" branding and provide cost savings and cost sharing across all of GSA's business lines and programs.

OCSC plans, implements and coordinates integrated agency media relations for many audiences, including GSA associates, the news media, and all branches of the Federal Government, industry, trade and professional associations.

Strategies

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

In support of GSA's strategic direction, performance expectations and priorities, OCSC serves as an advocate to provide citizens with a single point of access to government information and services. It is a gateway to Federal government information for citizens, businesses, other government agencies and the media and it delivers information through multiple delivery channels.

OCSC continues to monitor technology trends to ensure that the latest best practices are in place and OCSC provides citizens with the most up-to-date information available via the web, email, in print and over the phone.

FirstGov Technologies

Strategy and Action Plan

The primary strategic objective of FirstGov Technologies is to provide exemplary service to citizens by increasing the quality, quantity and availability of Federal information and services over the web.

FirstGov Technologies currently provides infrastructure and technical support for several Federal e-gov initiatives including FirstGov.gov, GovBenefits.gov, Disability.gov and eForms.gov. The technologies and solutions implemented to support FirstGov are shared with the Federal government to become more citizen-centric.

The FirstGov Technologies will continue providing worldwide portal leadership for the FirstGov.gov website for delivering government information to the citizens, other Federal agencies, and Presidential e-gov initiatives. The FirstGov portal utilizes a 24 x 7 hosting infrastructure supporting various applications, including content management, integration and database services with added security features. The search program is a 24 x 7 search operation providing an index of government documents, source management, editorial services and other search features and services.

FirstGov web pages present a single government face to citizens, who need timely and consistent responses about government programs, and in so doing, enable the Federal government to become more citizen-centric. FirstGov.gov is a well publicized, easy-to-access point of contact for all citizens over the web.

Continued enhancement of the FirstGov.gov website will provide more customized and personalized web content,

capabilities to push content to citizens, aggregate content, audiovisual libraries, self-help features, forms downloads, application interfaces, Frequently Asked Questions (FAQs), search, content management, and other additional services to meet with citizens' growing expectations and demands for online services as technology evolves. These additional services and features will continue to improve the citizen experience and satisfaction with FirstGov and the government.

Enhancing the production, staging and development environments will ensure continuity of operation, application monitoring, improved analytics, upgrades for aging equipment and improvements to security.

Long-Term Outcome Goal

Increase citizen usage and accessibility of OCSC products and services and help the government become more citizen-centric by enabling Americans' interaction with the government via their preferred OCSC channel.

Performance Goal:

Enable a citizen-centric government by sharing the FirstGov infrastructure and e-Gov expertise with the President's E-Gov initiatives.

Performance Measure:

ACSI Satisfaction Survey Index.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
74	73	74	75
FY 08 Target	FY 09Target	FY 10 Target	FY 11 Target
76	77	78	79

Media/GSA Communications (Public Affairs)

Strategic Direction

Plans, implements and coordinates integrated agency media relations for many audiences, including GSA associates, the news media, all branches of the Federal Government, industry, trade and professional associations. Manages GSA media relations for all GSA programs, initiatives and activities, including the "Get It Right" plan, Design Excellence, travel, electronic government, FirstGov, and USA Services.

The Public Affairs Division has been efficiently and, in most cases, effectively presenting information/messaging that the media, general public, Congress, customer and industry needs to understand how the agency meets the needs of its federal customers and in so doing allows them to complete their own missions and serve the American People.

Public Affairs has provided and will continue to provide information/messaging that will allow external audiences to understand and appreciate the "big picture." We have developed communications strategies, programs and plans that can be mobilized in short order to provide the information that is needed by the media and other external audiences as well as by internal audiences.

Instituting a fully comprehensive internal communications program remains a goal. GSA associates are a primary audience and it is desirable to get information/messaging to this audience either before or in concert with providing information/messaging to external audiences.

The tools for communicating internally, therefore, are extremely important not only as conduits for information/messaging, but as they provide an indication that the

communications are being delivered and used. In this regard, all 13,000 GSA associates have access to the Internet at the workstations or other centralized computers. GSA InSite is the intranet for the agency's associates. InSite provides associates with access to a wealth of information/messaging and this channel has been edited and redesigned to improve its service to internal audiences.

Strategy and Action Plan

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

We amplify GSA's message to external audiences by promoting press outreach – using information and press releases, organizing press briefings, providing educational materials, preparing speeches, maintaining an agency website, among other things – and conducting public events such as rollouts of new government programs.

As part of our efforts to provide better media relations, we continue to develop and maintain good working relationships with representatives of GSA services, staff offices and regions in order to better represent the many programs and projects of GSA. This contact creates an understanding of and appreciation for the agency mission and accomplishments. It also provides knowledge about points of contact for media.

In an effort to raise awareness about GSA programs within the agency and to help GSA associates better understand how they may benefit from what associates in other parts of the

agency are doing, and in consultation with representatives of GSA Services, Staff Offices and Regions, we use a variety of strategies and tactics to communicate with associates nation-wide. These include the daily GSA Update, special e-mail messages about agency initiatives and priorities, lobby post-ers, talking points on special emphasis programs, etc. As noted, we plan on enhancing the agency's nationwide internal communications program and to ensure that we have enough staff to support messaging, news, writing, and editing for GSA InSite.

Long-Term Outcome Goal

Improve overall consistency and effectiveness of information communicated to the public, media and associates by devel-oping and disseminating GSA messages and supporting inter-nal communications activities for GSA.

Performance Goal:

Disseminate strategic information messages to all audiences by providing integrated and coordinated communications to GSA associates and news media.

Performance Measure:

Strategic Messages (Favorable, Neutral, and Unfavorable)

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
37%	27.54%	30%	31%
56%	65.17%	60%	59%
7%	7.29%	10%	10%
FY 08 Target	FY 09Target	FY 10 Target	FY 11 Target
32%	33%	34%	35%
58%	57%	56%	55%
10%	10%	10%	10%

<table>
<tr><td colspan="11">FY 2007 Budget Request / Performance Goal
Budget Links
FirstGov Technologies
$ (Thousands)</td></tr>
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Long-term Outcome Goal(s)

Increase citizen usage and accessibility of OCSC products and services and help the government become more citizen-centric by enabling Americans' interaction with the government via their preferred OCSC channel.

Performance Goal	Performance Measure	Funding Source	FY 2005		FY 2006		FY 2007		Change FY 06 to FY07	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Enable a citizen-centric government by sharing the FirstGov infrastructure and e-Gov expertise with the President's E-Gov initiatives.	ACSI Satisfaction Survey Index.	OCSC's FirstGov Infrastructure Appropriation, OE Direct	73	$15,785	74	$16,420	75	$16,502	1	$82
	Total Operating Budget			$15,785		$16,420		$16,502		$82

FY 2007 Budget Request / Performance Goal
Budget Links
Media / GSA Communications (Public Affairs)
$ (Thousands)

Long-term Outcome Goal(s)

Improve overall consistency and effectiveness of information communicated to the public, media and associates by developing and disseminating GSA messages and supporting internal communications activities for GSA.

Performance Goal	Performance Measure	Funding Source	FY 2005		FY 2006		FY 2007		Change FY 06 to FY 07	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Disseminate strategic information messages to all audiences by providing integrated and coordinated communications to GSA associates and news media	Strategic Messages (Favorable, Neutral, Unfavorable)	OCSC's OE Direct	27.54% 65.17% 7.29%	$1,315	30% 60% 10%	$1,292	31% 59% 10%	$1,325	0	$33
Unallocated Costs				$70		$69		$71		$2
	Total Operating Budget			$1,385		$1,361		$1,396		$35

FEDERAL ACQUISITION SERVICE PERSONAL PROPERTY MANAGEMENT

Strategic Direction

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

FAS' reimbursable program provides logistics services to other Government agencies via reimbursable support agreements. The sale of personal property is financed through fees in the Acquisition Services Fund

Program Assessment Rating Tool (PART) review

The Personal Property Management program was included in the FY 2005 OMB PART review and received a rating of "Moderately Effective". OMB recommended the following actions to improve program performance:

- Implementing an independent evaluation process that assesses, on a regular basis, the full scope and effectiveness of this program in carrying out its mission.
- Working with the Office of Governmentwide Policy and National Association of State Agencies for Surplus Property to identify performance measures that should be added to state agency agreements.

Strategies

The Utilization and Donation (U&D) Program maximizes tax dollars invested in Government-owned personal property helping avoid outlays for new purchases by transferring one agency's excess property to another that can use it and donating surplus Federal property to states or localities.

In fiscal year 2005 the utilization program generated $330 million in savings for the Government via the transfer of personal property in excess of one agency's needs to meet those of other Federal agencies. Estimated savings for fiscal years 2006 and 2007 are $350 million and $375 million per annum, respectively.

The donation program created $412 million in savings in fiscal year 2005 by giving surplus usable property to states for donation to public agencies and certain non-profit tax-exempt activities. Estimated savings for fiscal years 2006 and 2007 are $415 million and $425 million per annum, respectively.

FAS' U & D Program plans to utilize the following strategies in FY 2007 to support and strengthen its operations. The program will implement process improvements to optimize reliable, timely and quality service. Information technology solutions will also be utilized to maximize use of and improve on-line tools and technology for a fully integrated disposal system.

Through implementation of these strategies, the U&D Program is able to help Federal agencies better meet their missions and ensure that the taxpayers' money is used as efficiently and effectively as possible. Resources devoted to this strategy are employed towards creating innovative services and products;

targeting key customers and market segments; and providing competitive solutions and services.

Customer outreach and training will continue to be an integral part of operations in FY 2007 and beyond. Field representatives will be available and receptive to customer inquiries (customer outreach) and customer training needs will be met. By segmenting the market and determining what agencies have a need for exchange/sale property versus those that need full disposal support for a continuing stream of excess property, services will be focused on meeting specific customer needs. Additionally, an aggressive nationwide customer outreach/training schedule will promote the benefits of using the exchange/sale and utilization/donation programs to key and new customers at national events and during regional customer visits/training opportunities. Headquarter level visits will also be utilized to raise customer awareness of services available.

In addition to fostering the current customer base, targeting new customers is important to the success of the program. The Personal Property Management Program strives to provide optimal disposal solutions to Federal customers and promotes a fully integrated disposal system amidst a continuing downtrend of excess property. In providing competitive solutions, services and systems, FAS will improve the customers' perception of FAS' services and achievements. Such relationship building also will help to grow the base of customers that the program supports.

The use of technology to support and strengthen operations is evident in a number of areas. FAS maintains the Federal Disposal System (FEDS), which provides for a Government-wide inventory of excess and surplus personal property and processes transfers of property to Federal agencies and to

State and local governments. FEDS is accessible nationwide through the Internet and, therefore is heavily reliant upon the latest technology. This platform is also a springboard for other enhancements that the U&D program provides to customers, GSAXcess® being a prime example.

GSAXcess® is an innovative system, which interfaces with the FEDS database to provide improved services to customers. This interface has introduced improved processes for screening and requesting property. This has been accomplished by the development of an automated "Want List" to reduce customer screening requirements, as well as pictures of the property into the screening process thereby providing customers with additional information to make requisition decisions. In the future other enhancements will be incorporated into this platform, with the ultimate goal of reducing the cycle time of the donation process which will save taxpayers' money.

Impact on performance:

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

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

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

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

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

Performance Goal: Decrease the time it takes to complete disposal action for excess property to 55 days by FY 2007.

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

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

Performance Measure: Cycle time for disposal process (days)

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
72	56	56	55
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
55	54	54	53

General Services Administration
OPERATING EXPENSES

Budget Link:

FY 2007 Budget Request / Performance Goal
Budget Links
Personal Property Management
Total Sources of Funding
$ (Thousands)

Long Term Outcome Goals										
Performance Goal	Performance Measure	Funding Source	FY 2005 Actual		FY 2006 Current		FY 2007 Request		Change FY06 to FY07	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Provide optimal property disposal solutions for Federal agencies to maximize cost avoidance (Utilization/Donation) while efficiently and effectively managing the sale of exchange/sale and surplus property.										
Decrease the time it takes to complete disposal action for excess property to 55 days by FY 2007	Cycle time for disposal process (days)	OE Direct	56	$ 11,236	56	$ 12,143	55	$ 12,305	-1	$ 162
Funds not allocated to measures (Acquisition Services Fund funding)		Acquisition Services Fund		$ 15,331		$ 17,104		$ 17,458		$ 354
		Total Acquisition Services Fund Funding		$ 15,331		$ 17,104		$ 17,458		$ 354
		Total OE Direct Funding		$ 11,236		$ 12,143		$ 12,305		$ 162
		Total OE - Reimbursable Funding		$ 1,732		$ 2,757		$ 2,834		$ 77
		Subtotal		$ 28,299		$ 32,004		$ 32,597		$ 593

PUBLIC BUILDINGS SERVICE THE OFFICE OF REAL PROPERTY DISPOSAL

Strategic Direction

The Public Buildings Service's Office of Real Property Disposal (RPD) is responsible for developing and applying asset management strategies and tools to ensure that Federal land-holding agencies realize maximum utilization and efficiencies from their real property holdings and, when appropriate, redeploy their unneeded properties to benefit the Federal Government and surrounding communities or sell them on the open market. RPD has focused on the President's Management Agenda and the directives of the Federal Real Property Council to foster improved asset management. RPD has expanded its customer base by addressing not only disposal needs, but also by working with agencies to develop pre-excess strategies for underutilized real property.

Federal real property can serve as a catalyst for local revitalization when reused by localities to provide jobs, contribute to the local tax base, or preserve open space. With thousands of Federal properties located throughout the country, RPD is partnering with communities and other stakeholders to ensure that underutilized Federal properties contribute to the enhancement of our nation's communities.

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

By promoting responsible asset management and implementing process improvements to optimize reliable, timely and quality customer service, RPD is able to help agencies determine which properties should be considered for disposal and then assist agencies in the repositioning of those assets. These services ensure that taxpayer assets are used effectively and efficiently and that agencies practice responsible asset management. Resources will be strategically used to deliver our asset management services and disposal support to respond to customer needs.

Program Assessment Rating Tool (PART) review

The Real Property Disposal program was included in the FY 2005 OMB PART review and received a rating of "Moderately Effective". The change from a rating of "Results Not Demonstrated" in FY 2003 was due to the implementation of OMB recommendations from 2003 PART review. In particular, the 2005 assessment found:

1. Many agencies have their own authorities to sell real property, but choose this program to handle their sales because of the program's effectiveness disposing of properties quickly and maximizing sales proceeds.

2. The program has developed long-term outcome goals and efficiency measures with ambitious targets that support the purpose of the program. However, the program still needs to commission a regular, independent assessment of its performance. In addition, the program needs to implement a more formal way to hold contractors accountable for achieving program performance goals.

3. The program is funded from three different accounts, each of which has limitations on how their respective funds may be spent.

RPD is taking the following actions to improve the performance of the program:
1. Commissioning regular, independent reviews that would assess the performance of the program and its effectiveness in achieving results.

2. Continuing to develop performance-based contracts to hold contractors accountable for achieving program goals.

3. Reviewing the statutory authority surrounding the funding sources that currently support the program and propose changes if deemed necessary or advantageous.

Strategy

The primary purpose of the Office of RPD is to facilitate, promote, and manage the utilization and disposal of underperforming, excess and surplus real property in the Federal Government. Real property that is no longer used or needed by Federal agencies continues to incur operating and maintenance costs that are relieved through disposal. By selling the property, RPD provides both savings to the taxpayer and a source of revenue to the government. RPD has improved service delivery and minimized operational costs, providing a competitive advantage for its services.

To achieve its long-term outcome goal, RPD's business strategy is to be the service provider of choice among its customers. This strategy seeks to be more responsive to the client's needs in order to maintain the highest level of customer satisfaction. To best align utilization and disposal services to meet customer needs, a comprehensive review of business proc-

esses was undertaken and resulted in the reorganization within RPD. The new organization supports the business strategy by putting greater emphasis on building partnerships and alliances with customers and stakeholders. The strategic focus on customer segments allows RPD to react quickly to emerging trends.

Executive Order 13327 requires agencies to "improve operational and financial management" of the government's real property inventory, and to "make life cycle cost estimations associated with prioritized action." By implementing the strategy of becoming the service provider of choice for our customers, GSA has positioned itself to offer a variety of utilization and valuation analyses for government-owned real property. Performance measures have been developed to gauge progress in meeting strategic goals and to ensure continuous improvement. RPD's measures were designed with the knowledge that high customer satisfaction is critical to meeting the goals, as is timely and efficient completion of studies and recommendations.

The key initiatives to accomplish this strategy are as follows:

*   2005 Base Realignment and Closure (BRAC) – GSA has partnered with the Department of Defense (DOD) to reduce its real property infrastructure. Through BRAC and traditional accessing actions, DOD has identified numerous facilities for divestiture and reuse. Congress has authorized an additional Base Closure round which began in fiscal year 2006 to support the Administration's initiative to further reduce DOD's infrastructure by twenty-five percent. DOD uses GSA to help dispose of much of its BRAC property on a reimbursable basis.

- Legislative Proposals - Currently, there are a number of legislative proposals aimed at streamlining the disposal process. A key component of these proposals is to provide incentives for improved management of real property inventory. RPD is working with GSA's Office of Governmentwide Policy, OMB, Congress and Agencies on these initiatives.

- Federal Asset Sales (FAS) – The FAS Program, one of the Office of Management and Budget's (OMB) Quicksilver initiatives, is an e-Government program designed to improve and optimize the way the Federal Government disposes of its assets. During FY 2006 GSA will work with other federal agencies to establish Centers of Excellence (COE) capable of disposing of real property assets. Additional efforts will be focused on implementation of the Value Added Services (VAS) contracts recently awarded. The VAS contracts will provide GSA and other federal agencies an economical contract vehicle to procure a la carte real estate services. Not only will FAS allow agencies governmentwide to accomplish more efficient asset management, but it will also streamline existing processes, improve customer satisfaction, increase the percentage of properties timely disposals, and help the program achieve its long-term outcome goal of minimizing underutilized and excess property in the government-wide inventory. This initiative supports all of Real Property Disposal's performance measures.

Performance Goals and Measures

Long-Term Outcome Goal: To help Federal landholding agencies realize maximum utilization and efficiencies from their real property holdings and, when appropriate, to redeploy their unneeded properties to benefit the Federal Government and surrounding communities or to sell on the open market. The two long-term outcome measures that support the long-term outcome goal are:

Long-term Measure: Sales proceeds as a percentage of estimated fair market value. The actual for 2005 was 120% and the targets for 2006 and 2007 are 118% and 120%, respectively.

Long-term Measure: Percentage of sales transactions greater than estimated fair market value. The actual for 2005 was 87% and the targets for 2006 and 2007 are 88% and 90%, respectively.

The four annual performance goals and measures that gauge the progress of the Office of RPD are:

1. Performance Goal: Award 95% of utilization and donation (U&D) property within 240 days for fiscal year 2007.

Performance Measure:

- Percentage of U&D property awarded within 240 days.

The U&D maximum theoretical time line of 240 days is comprised of 30 days for Federal Screenings, 60 days for Homeless Screenings, 90 days for Homeless Application and Approval Process, and 60 days for Negotiated Sales with Congressional Approval. The average number of U&D properties awarded within 240 days from FY 2001 to FY 2004 was 64%. Since this is a new measure established for PART, we have decided to set the target beginning in FY 2006. The targets set for FY 2006 (90%) and FY 2007 (95%) will drive speedier dispositions.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
75%	39%	90%	95%
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
95%	95%	95%	95%

2. Performance Goal: Award 100% of public sales within 170 days for fiscal year 2007.

Performance Measure:

- The percent of public sales awarded within 170 days.

Based on data obtained from the COSTAR Group, commercial properties average about 170 days in the sale process. Since this is a new measure established for PART, we have decided to set the target beginning in FY 2006. RPD has set targets to meet or beat the 170 day average 95% of the time in FY 2006 and 100% of the time by FY 2007.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
73%	92%	95%	100%
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
100%	100%	100%	100%

3. Performance Goal: Maintain "highly satisfied" ratings of 93% or higher on the Customer Transaction Satisfaction Survey by FY 2007.

Performance Measure:

- The percent of disposal transactions that "exceed" or "greatly exceed" customer expectations.

The Customer Transaction Satisfaction Survey measures the percent of customers who have graded the program at a 4 or 5 on a scale of 1 to 5 with 3 as satisfactory.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
94%	93%	93%	93%
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
93%	93%	93%	93%

4. Performance Goal: Attain 1.08% cost of sales as a percentage of sales proceeds for reimbursable sales for fiscal year 2007.

Performance Measure:

- Cost of reimbursable sales as a percentage of sales proceeds.

This percentage reflects the total cost (direct payroll, direct contract, program overhead and GSA overhead) of reimbursable sales to reimbursable sales proceeds. The out-year targets for this measure are based on a sliding scale calculated on normalized projected annual reimbursable sales of $239.35M.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
0.18%	0.13%	1.08%	1.08%
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
1.08%	1.08%	1.08%	1.08%

General Services Administration
OPERATING EXPENSES

Budget Links:

FY 2007 Budget Performance Goal Budget Links
Real Property Disposal - Public Buildings Service
Total Sources of Funding
$ (Thousands)

Long-Term Outcome Goal: To help Federal landholding agencies realize maximum utilization and efficiencies from their real property holdings and, when appropriate, to redeploy their unneeded properties to benefit the Federal Government and surrounding communities or to sell on the open market.

Performance Goal	Performance Measure	Funding Source	FY 2005		FY 2006		FY 2007		Change FY 06 to FY07	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Award 95% of utilization and donation (U&D) property within 240 days for fiscal year 2007.	Percentage of U&D property awarded within 240 days.	Operating Expenses Direct	39%	12,451	90%	13,112	95%	12,822	5%	-290
		Expenses, Disposal Direct		3,443		9,193		9,193		0
		Total		15,894		22,305		22,015		-290
Award 100% of public sales within 170 days for fiscal year 2007.	The percent of public sales awarded within 170 days.	Operating Expenses Direct		3,113		3,278		3,206		-72
		Expenses, Disposal Direct	92%	861	95%	2,298	100%	2,298	5%	0
		Operating Expenses Reimbursable		1,417		5,750		5,750		0
		Expenses, Disposal Reimbursable		75		300		300		0
		Total		5,466		11,626		11,554		-72

General Services Administration
OPERATING EXPENSES

Performance Goal	Performance Measure	Funding Source	FY 2005		FY 2006		FY 2007		Change FY 06 to FY 07	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Maintain "highly satisfied" ratings of 93% or higher on the Customer Transaction Satisfaction Survey by FY 2007.	The percent of disposal transactions that "exceed" or "greatly exceed" customer expectations.	Operating Expenses Direct	93%	250	93%	275	93%	300	0	+25
		Total		250		275		300		+25
Attain 1.08% cost of sales as a percentage of sales proceeds for reimbursable sales for fiscal year 2007.	Cost of reimbursable sales as a percentage of sales proceeds.	Operating Expenses Reimbursable	0.13%	1,414	1.08%	5,750	1.08%	5,750	0	0
		Expenses, Disposal Reimbursable		75		300		300		0
		Total		1,489		6,050		6,050		0
Total Operating Expenses Direct				15,814		16,665		16,328		-337
Total Operating Expenses Reimbursable				2,831		11,500		11,500		0
Total Expenses, Disposal Direct and Reimbursable				4,454		12,091		12,091		0
Subtotal				23,099		40,256		39,919		-337
Other Funding:										
Real Property Relocation Expenses				1,734		1,750		2,000		+250
Operating Expenses, No Year [1]				544		2,851		0		-2,851
Grand Total				25,377		44,857		41,919		-2,938

Notes: [1] Includes Lorton and Governor's Island post conveyance expenses and the PBS Portfolio Restructuring Initiative.

General Services Administration
OPERATING EXPENSES

<u>**MANAGEMENT AND ADMINISTRATION**</u>

Strategic Direction

This program area supports management and administrative activities associated with GSA internal operations. These activities include: (1) the Office of the Administrator; (2) the Regional Administrators and their staffs; (3) the Executive Secretariat; (4) the Office of Congressional and Intergovernmental Affairs; (5) the Indian Trust Accounting division; (6) the GSA Office of Emergency Management (OEM); (7) administrative support of Congressional District and Senate State offices; and (8) the GSA Board of Contract Appeals. GSA requests $29,201 thousand for these activities in fiscal year 2007.

Administrator and Regional Administrators

The Administrator and Regional Administrators are responsible for the execution of all functions assigned to GSA by the Federal Property and Administrative Services Act of 1949, as amended, and by other laws.

Office of Congressional and Intergovernmental Affairs

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

Indian Trust Accounting

The Indian Trust Accounting Division manages the program and contractual support that provides accounting and advisory services to the Department of Justice and Department of Interior on Indian Trust Funds and assists in the Government's defense against Indian Tribal claims by providing accounting reports, other evidentiary materials, and expert witness testimony pertaining to accounting policies, practices, and procedures.

Emergency Management

GSA, by law and Executive Order, assists Federal agencies responding to aid state and local governments, supports client agency needs, and restores our own operations during domestic and national security emergencies. GSA's Emergency Management Staff plays an active role in the planning for all types of emergencies and provides support during incidents of national significance, as defined in the National Response Plan (NRP).

Presidential Decision Directive 67 assigned GSA the responsibility of ensuring that Executive Branch departments and agencies have the tools needed to comply with Continuity of Operations (COOP) directives and to conduct COOP training for Federal departments and agencies. GSA is also responsible for maintaining a continuity of government capability for the agency.

Executive Secretariat

This staff manages GSA's performance in responding accurately, completely, and in a timely fashion to written inquiries from the public, Members of Congress, and other governmental officials.

Congressional Support

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

funds appropriated to this account reimburse the GSA Working Capital Fund for the support provided by the Congressional Services Representatives.

GSA Board of Contract Appeals

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

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

The National Defense Authorization Act of 2006 (P.L. 109-163, signed January 6, 2006), consolidated all eight of the current civilian agency boards of contract appeals in a Civilian Board of Contract Appeals, which will be housed in GSA. To create this new Board within the statutory deadline of January 7, 2007, we anticipate that the affected civilian agencies will, before the end of the first quarter of fiscal year 2007, transfer to GSA all personnel employed in connection with, and the assets, liabilities, contracts, property, records, and all budgetary resources associated with the current civilian boards of contract appeals. Because this legislative change was enacted too late in the Budget process to identify the affected personnel and resources, the expected transfers of budgetary resources are not included in the FY 2007 budget estimates. The FY 2008 President's Budget will request full funding for the new Civilian Board of Contract Appeals.

FEDERAL CITIZEN INFORMATION CENTER

General Services Administration
OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS
FEDERAL CITIZEN INFORMATION CENTER FUND

INTRODUCTION

In 1983, Public Law 98-63 established the Consumer Information Center (CIC) Fund to provide for a business-like operation of Consumer Information Center activities. In fiscal year 2000, the Federal Information Center (FIC) was transferred to the CIC and the resulting organization was named the Federal Consumer Information Center (FCIC). Effective fiscal year 2001, the revolving fund was renamed the Federal Consumer Information Center Fund to reflect the new organization, and to cover all the liabilities and commitments of both the CIC and the FIC. FIC activities, primarily its National Contact Center, are consistent with CIC program activities, in that both disseminate Federal Government information to the public.

With the establishment of the Office of Citizen Services and Communications on June 30, 2002, FCIC assumed responsibility for the FirstGov.gov website, and, in keeping with its expanded function, was renamed the Federal Citizen Information Center, and the Fund was renamed accordingly. Effective fiscal year 2004, the Fund included the costs of salaries and operations of the FirstGov.gov content program.

EXPLANATION OF ESTIMATES

The Fund is authorized to retain unobligated amounts at the end of the fiscal year. The activities of the FCIC are financed from the following:

1. Annual appropriations to pay salaries and expenses.

2. Reimbursements from Federal agencies to pay costs associated with the provision of information services to the public. This includes costs such as the toll-free publication ordering system and of publications distributed through the Government Printing Office facility in Pueblo, Colorado. It also includes funds and administrative fees received for providing agencies with contact center services.

3. User fees from the public for publications ordered through the **Consumer Information Catalog**. These are used to offset administrative expenses.

4. Other income incidental to FCIC activities, primarily payments from private sector groups to cover the cost of distributing cooperative government-industry publications.

5. Gifts to defray costs associated with the **Consumer Action Handbook** and other information and educational materials, and of undertaking other information activities.

All income is available without regard to fiscal year limitations, but is subject to an annual aggregate limit as set forth in appropriation acts.

Direct Program

The fiscal year 2007 budget request of $16,866 thousand reflects a net increase of $2,016 thousand above the comparable amount of $14,850 thousand for fiscal year 2006. This increase consist of $28 thousand for a 3.1% part year increase for the fiscal year 2006 Pay Act, $60 thousand for a 2.2% cost of living increase, $398 thousand for inflation, and a transfer of $1,530 thousand for the USA Services Program Office from the Direct Operating Expense 142 Fund to the FCIC fund.

General Services Administration
OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS
FEDERAL CITIZEN INFORMATION CENTER FUND

Reimbursable Program

The Fund provides reimbursable services to other Federal agencies and the private sector in the amount of $5,580 thousand. These services are for distribution of consumer information publications and national contact center service.

	FTE	$ Direct	FTE	$ Reimbursable		$ Total
EXPLANATION OF CHANGES APPROPRIATION $(Thousands)						
FY 2006 Enacted Budget	42	15,000	0	5,580	42	20,580
Less Enacted 1% Rescission		-150		0		-150
FY 2006 Base	42	14,850	0	5,580	42	20,430
USA Services Program transferred from Operating Expenses	6	1,530	0	0	6	1,530
Part Year Increase for FY 2005 Pay Act (3.1%) January 2006	0	28	0	0	0	28
Wageboard & Pay Increase (2.2%) January 2007	0	60	0	0	0	60
Inflation		398		0		398
FY 2007 Budget Request	48	16,866	0	5,580	48	22,446

EXPLANATION

In FY 2006, GSA received funding in the Operating Expenses account to support a USA Services Program Office, although this program has always been managed as a part of the FCIC organization. In order to consolidate and simplify the management of all funds under the control of FCIC, the 2007 Budget proposes to transfer funding for the USA Services program office, from the Operating Expenses account to the FCIC Fund.

General Services Administration
OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS
FEDERAL CITIZEN INFORMATION CENTER FUND

BUDGET AUTHORITY
$(Thousands)

	FY 2005 Actual	FY 2006 Current	FY 2007 Request	FY 2006/FY 2007 Change
Direct Program:				
New Budget Authority	13,888	14,850	16,866	2,016
Obligations from Prior Year Carryover	0	0	0	0
Total Obligations – Direct Program	13,888	14,850	16,866	2,016
Reimbursable Program	6,232	5,575	5,580	5
Net Outlays	19,766	20,000	21,979	1,979
Employment (FTE):				
Direct…………………………………………………........	37	42	48	6

General Services Administration
OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS
FEDERAL CITIZEN INFORMATION CENTER FUND

	OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS		
	Obligations by Object Class		
	$(Thousands)		
		FY 2005 Actual	**FY 2006 Program**	**FY 2007 Request**
	Personnel Compensation:			
11.1	Full-time permanent	3,015	3,354	3,994
11.3	Other than full-time permanent	53	72	74
11.5	Other personnel compensation	<u>66</u>	<u>158</u>	<u>183</u>
11.9	**Total personnel compensation**	**3,134**	**3,584**	**4,251**
12.1	Civilian personnel benefits	720	856	1,005
13.0	Benefits for former personnel	0	0	0
21.0	Travel and transportation of persons	77	73	79
21.0	Motor pool travel	0	0	0
22.0	Transportation of things	33	36	37
23.1	Rental payments to GSA	174	295	337
23.3	Communications, utilities, and misc. charges	251	212	223
24.0	Printing and reproduction	423	602	628
25.1	Advisory and assistance services	7,127	7,706	8,556
25.3	Purchases of goods and services from Government accounts	1,862	1,373	1,604
26.0	Supplies and materials	39	64	70
31.0	Equipment	48	49	76
99.0	**Subtotal Direct Obligations**	13,888	14,850	16,866
99.0	**Reimbursable Obligations**	6,232	5,575	5,580
99.9	**Total Obligations**	**20,120**	**20,425**	**22,446**

General Services Administration
OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS
FEDERAL CITIZEN INFORMATION CENTER FUND

STATUS OF THE FEDERAL CITIZEN INFORMATION CENTER FUND

($Millions)

	Actual 2005	Program 2006	Request 2007	Change 2007/2006
Source of Funding:				
Unobligated Balance				
Brought Forward on Oct. 1………....	$ 7.156	$ 8.308	$ 8.437	- $.129
Appropriation……………………………	14.787	14.850	16.866	+ 2.016
Reimbursements for Publication				
Distribution/NCC Services:				
-From Federal Agencies………………	5.526	4.913	4.980	+ .067
-From the Private Sector………………	.601	.662	.600	- .062
User Fees……………………………………	.15	.125	.120	- 005
Gifts from the Private Sector…………....	.038	.040	.040	---
Prior Years' Adjustments…………………	-.038	---	---	---
Total Resources Available………………	**$28.220**	**$28.898**	**$31,043**	**+ $2.145**

General Services Administration
OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS
FEDERAL CITIZEN INFORMATION CENTER FUND

STATUS OF THE FEDERAL CITIZEN INFORMATION CENTER FUND

(\$Millions)

Application of Resources:	Actual 2005	Program 2006	Request 2007	Change 2007/2006
Administrative Expenses				
-Salaries and Benefits.........................	\$ 3.854	\$ 4,440	\$ 5,256	+ \$ .816
-Travel……………………………………....	.077	.073	.079	+ .006
-Catalog Printing/Transportation.....	.361	.360	.375	+ .015
-CAH Production and Distribution...	.866	.550	.742	- .0192
-Public Service Advertising………..	1.224	1.000	1.100	+ .100
-Administrative Support/Services.......	.836	1.075	1.269	+ .194
-Rent Payments….. ……………………	.174	.295	.337	+ .042
-Direct Marketing……… ………………	.258	.219	.246	+ .027
-FirstGov website Operations…………	.142	.544	.544	+ .000
-National Contact Center …………….	6.004	6.140	6.212	+ .072
-USA Services Program Office………..	.000	.000	.500	+ .500
-All Other………………………………..	.196	.190	.207	+ .017
Total Administrative Expenses.............	\$13.993	\$14.866	\$16.866	+\$1.980
Publication Distribution/NCC Services..	6.127	5.575	5.580	+ .005
Prior Years' Obligations.........................	-.208	---	---	---
Unobligated Balance Carried Forward...	8.308	8.437	8.597	+ .160
Total Resources Applied……………	**\$28,220**	**\$28.898**	**\$31.043**	**+2.145**

General Services Administration
OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS
FEDERAL CITIZEN INFORMATION CENTER FUND

Strategic Assessment

The Federal Citizen Information Center (FCIC) is located within the Office of Citizen Services and Communications. FCIC has a 40-year history of providing U.S. government information and services to citizens and currently operates a variety of channels including print, web, telephone, and e-mail. With the establishment of OCSC in June 2002, FCIC now includes FirstGov.gov, the official U.S. web portal in its family of websites.

The expanded web presence along with the full-service toll-free National Contact Center and a centralized distribution system for publications based in Pueblo, CO uniquely positions FCIC to provide a cost-efficient infrastructure upon which the USA Services Presidential initiative is built. USA Services leverages the existing infrastructure and resources of FCIC to provide contact center solutions and other services to agency partners in order to enhance and improve their customer service programs. Through the USA Services Program, FCIC provides services directly to citizens and agencies. In FY 2007, the USA Services program office, which has a budget of $1.532 million and 6 FTE, will be transferred to the FCIC fund.

Challenges confronting FCIC include being able to meet increased citizen expectations for obtaining government information and services, and the need to keep pace with technology for providing enhanced services for citizens. FCIC is also challenged to respond to increasing agency demand for call center services within the $150 million cap on spending through the current FirstContact contact center solutions vehicle. Finally, FCIC is faced with the challenge that citizens may not be aware of FCIC services and will therefore not utilize them.

To meet these challenges, FCIC will continue to operate and enhance information channels to the public to make them more comprehensive and easier to use, promote the availability of the services to the public through the TV, radio, and print media, work closely with agencies to improve the content and ease of use of the web-based resources, work closely with agency publishers to produce useful printed materials for distribution to the public, and provide agencies with an enhanced contracting vehicle (FirstContact2) to make it easier and less expensive for them to quickly obtain citizen-centric services.

FCIC programs include the following:

- Websites Program, which includes FirstGov.gov (the official portal of the U.S. government), pueblo.gsa.gov, consumeraction.gov, and kids.gov.

- National Contact Center providing direct telephone and e-mail responses to citizens, as well as an array of contact center services to customer agencies.

- FirstContact Contract Vehicle, a GSA multi-vendor indefinite delivery, indefinite quantity (IDIQ) contract providing five experienced, pre-qualified solution partners that saves agencies time and money and allows them to more efficiently and effectively respond to the public through any language and by any method they choose, including telephone, e-mail, and emerging technologies such as web chat.

- Information and Education Program, which coordinates delivery of all FCIC services (print, educational media, websites, e-mail, and telephone services to agency customers).

Strategies

Several initiatives are underway to improve the way FCIC delivers these services to the public and other government agencies.

In support of GSA's strategic direction, performance expectations and priorities, FCIC serves as an advocate to provide citizens with a single point of access to government information and services. FCIC is the gateway to Federal government information required by citizens, businesses, and other government agencies and delivers that information through multiple delivery channels.

In FY 2006, GSA received funding in the Operating Expenses account to support a USA Services Program Office, although this program has always been manage as part of FCIC organization. In order to consolidate and simplify the management of all funds under the control of FCIC, the 2007 Budget proposes to transfer funding for the USA Services program office from the Operating Expenses account to the FCIC Fund.

FCIC continues to monitor technology trends to ensure that the latest best practices are in place to provide citizens with the most up-to-date information available via the web, e-mail, in print and over the phone.

Strategy and Action Plan (SAP)

The primary strategic objective of FCIC, which now includes USA Services program office, is to provide exemplary service to citizens and agencies by increasing the quality, quantity and availability of Federal information and services. To accomplish this, FCIC will pursue the following Action Plan.

- Expand citizen awareness, accessibility, and utilization of FCIC services.

- Strengthen and expand the scope of the dynamic Frequently Asked Questions (FAQ) knowledgebase self-help system on FirstGov.gov by sharing FAQ information across the government.

- Develop and award the FirstContact 2 contract to provide for continuation of the multi-vendor contact center services vehicle with expanded flexibility and the ability to support increased agency usage.

- Develop applications for FCIC channels to provide localized and personalized web content, and online chat and push capabilities, audio-visual libraries, enhanced search, and additional online searches.

- Provide government web and contact center managers with best practices and specific tools to increase efficiency; reduce duplication; and improve the quality and usefulness of all government websites and contact centers.

- Expand targeted marketing to focus delivery of existing Federal information to audiences with special needs, including the underserved, elderly, and citizens for whom English is their second language.

In addition, USA Services program office will:

- Develop applications to automatically exchange data back and forth between and among FirstGov.gov and government agencies so that content experts develop the content once, then share it to be repackaged and re-used in various formats to best meet the needs of American public.

- Conduct a census of quantity and quality of customer service activities across the federal government for changes compared to the 2004/2005 study.

- Survey the research or conduct new research of citizens and government customers through studies, focus groups and polling to determine the preferred methods of communication as well as their expectations of service.

- Analyze the trends, practices and policies of best-of-breed government and private sector contact centers for possible adaptation or adoption by government agencies as benchmarks.

- Update the government-wide citizen service levels policies and best practices created in 2005 to incorporate the findings of the census, survey and benchmarking.

Performance Measure:

Public contact data derived as a result of citizen interaction with FCIC channels including FirstGov.gov and other websites page views, toll-free telephone calls and e-mail inquiries supported by the National Contact Center, and the publication distribution through Pueblo, Colorado.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
242 M	231 M	235 M	240 M
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
245 M	250 M	255 M	260 M

Long-Term Outcome Goal

To help government become more citizen-centric, increase the efficiency and effectiveness of FCIC Services, and, support the President's Management Agenda for expanding e-Government.

Performance Goal:

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

General Services Administration
OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS
FEDERAL CITIZEN INFORMATION CENTER FUND

FY 2007 Budget Request / Performance Goal
Budget Links
USA Services
$ (Thousands)

Long-term Outcome Goal(s)

Help government become more citizen-centric; increase the efficiency and effectiveness of FCIC Services; and support the President's Management Agenda for expanding e-Government.

Performance Goal	Performance Measure	Funding Source	FY 2005		FY 2006		FY 2007		Change FY 06 to FY07	
			Target	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Help the Federal government become more citizen-centric by increasing the magnitude, quality and outreach of Federal information via various channels and enable Federal agencies to become more citizen-centric by providing answers to citizens that are timely, accurate, and responsive via the channel of their choice.	Public contact data derived as a result of citizen interaction with USA Services (USAS) channels.	FCIC Fund	231 M	$15,345	235 M	$16,364	240 M	$16,866	5	$502
	Total Operating Budget			$15,345		$16,364		$16,866		$502

FORMER PRESIDENTS

General Services Administration
ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

BACKGROUND

The appropriation for Allowances and Office Staff for Former Presidents provides for an annual pension and compensation of office staffs and other related operating expenses for each former President pursuant to P.L. 85-745, as amended. The annual pension for the widow of Former President Johnson and costs of franking privileges for the widows of Former President Johnson and Former President Reagan are also funded in this appropriation.

THE BUDGET IN SUMMARY

The fiscal year 2007 budget request allows GSA to carry out the provisions of the Former Presidents Act at a level commensurate with that of the previous fiscal year. The fiscal year 2007 request includes the increased cost of pensions, rent, equipment and service contracts for the former Presidents.

BUDGET AUTHORITY
$(Thousands)

	FY 2005 Actual	FY 2006 Current	FY 2007 Request	FY 06 - FY 07 Change
Former Presidents	$2,850	$2,922	$3,030	$108
Net Outlays	$2,177	$2,933	$3,040	$107

General Services Administration
ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

EXPLANATION OF ESTIMATES

The fiscal year 2007 Budget request reflects a net increase of $108 thousand above the amount for fiscal year 2006. This increase includes: (1) $9 thousand for Former President Ford, providing $5 thousand for increased pension costs, and $4 thousand for increased costs of goods and services; (2) $22 thousand for Former President Bush, providing $5 thousand for increased pension costs, $12 thousand for personnel benefits, and $5 thousand for increased costs of goods and services; (3) $37 thousand for Former President Clinton, providing $5 thousand for increased pension costs, $1 thousand for increased costs of health benefits, $25 thousand for increased rent, and $6 thousand for increased costs of goods and services; (4) $10 thousand for Former President Carter, providing $5 thousand for increased pension costs, $2 thousand for personnel benefits, and $3 thousand for increased cost of goods and services and (5) a $30,000 increase for infrastructure contingency planning.

General Services Administration
ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

EXPLANATION OF BUDGET CHANGES IN PRIORITY ORDER APPROPRIATION $(Thousands)	
FY 2006 Current Enacted Level	**$2,952**
Less: Rescission…………………………………………………………………………	-30
FY 2006 Current Availability……………………………………………………………..	**$2,922**
Increases:	
Benefits for Former Presidents	20
Benefits for Personnel..	14
Increased cost of goods and services...	18
Rent increase for Former President Clinton...	25
Health Benefits for Former President Clinton	1
Infrastructure Contingency Planning………………………………………………………....	30
FY 2007 Budget Request	**$3,030**

OBLIGATIONS BY OBJECT CLASS $(Thousands)			
	FY 2005 Actual	FY 2006 Current	FY 2007 Request
11.8 Special personnel service payments	455	384	384
11.9 Total personnel compensation	455	384	384
12.1 Civilian personnel benefits	158	139	153
13.0 Benefits for former personnel	744	760	781
21.0 Travel and transportation of persons	139	164	167
23.1 Rental payments to GSA	865	855	880
23.3 Communications, utilities, and misc.	163	177	179
24.0 Printing and reproduction	36	33	33
25.2 Other services	173	287	327
26.0 Supplies and materials	74	52	54
31.0 Equipment	43	71	72
99.9 Total	2,850	2,922	3,030

General Services Administration
ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

	FY 2007 REQUEST					
	FORMER PRESIDENTS					
	$(000)					
	FORD	CARTER	BUSH	CLINTON	WIDOWS	TOTAL
Personnel Compensation.........................	96	96	96	96	0	384
Personnel Benefits...................................	24	2	63	64	0	153
Benefits for Former Presidents.............	188	188	188	197	20	781
Travel..	46	2	55	64	0	167
Rental Payments to GSA.........................	105	102	175	498	0	880
Communications, Utilities and Miscellaneous charges						
Telephone.....................................	16	10	16	77	0	119
Postage..	9	15	13	15	8	60
Printing...	5	5	14	9	0	33
Other Services..	37	82	65	113	0	297
Supplies & Materials...............................	18	5	15	16	0	54
Equipment...	6	7	48	11	0	72
Total Obligations.................................	**550**	**514**	**748**	**1,160**	**28**	**3,000**
Infrastructure Contingency Planning	0	0	0	0	0	30
Total Obligations.................................	**550**	**514**	**748**	**1,160**	**28**	**3,030**

FEDERAL
BUILDINGS FUND

Public Buildings Service
FY 2007 Congressional Justification

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Federal Buildings Fund (Fund 192)

Public Buildings Service
FY 2007 Congressional Justification

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Federal Buildings Fund (Fund 192)

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Strategic Assessment

- *Overview*

The Public Buildings Service (PBS) is the largest public real estate organization in the nation and a provider of workspace and workplace solutions to more than 100 federal departments and agencies. The mission of PBS is to provide a superior workplace for the Federal worker and superior value for the American taxpayer.

All PBS resources are deployed in two fundamental activities. The first is space acquisition, either by lease, construction, or purchase. The second fundamental activity is asset management. These activities are funded through five budget activities: Construction and Acquisition of Facilities, Repairs and Alterations, Installment Acquisition Payments, Rental of Space, and Building Operations.

- *Strategic Assessment Summary*

Changes in real estate practices and technology have altered the nature of PBS business. As a result, PBS needs updated work processes, a highly skilled labor pool, and better integration of new technologies. In response to the President's Management Agenda, PBS developed a Human Capital Strategy with an emphasis on retention, training, and accountability. As part of this strategy, PBS developed and implemented a new organizational architecture for the National Office, structured in accordance with its fundamental activities. PBS will further review its business processes as executed in the regional offices and each region will realign its organizational structure accordingly. This reshaping of the workforce will result in more consistent and efficient work processes and ensure that PBS

continues to progress as a high-performing organization. PBS has also launched a number of Information Technology initiatives aimed at more efficient workflow, business process consistency, and improved allocation of financial resources. As an example, the new eLease system will standardize and simplify the lease process and forms, while simultaneously contributing to our customer satisfaction goals.

Improving customer service is an important goal for PBS. PBS customers have requested greater consistency in work processes across regions and greater operational efficiencies.

Several of PBS's large customers are experiencing serious budget constraints. We are providing assistance to agencies to reduce rent bills and lower operating costs; however, this will affect future revenues for the Federal Buildings Fund and, in turn, affect funds availability for the New Construction and Repairs and Alterations programs. We anticipate that this trend will continue.

Summary of Program Assessment and Rating Tool (PART) Reviews

Three PART reviews pertaining to the Federal Buildings Fund have been completed to date – Asset Management, Leasing and New Construction. The findings and suggestions from these reviews are summarized by program, as follows:

Asset Management – PBS has developed new long-term outcome goals and related performance measures and targets, and has demonstrated significant progress in achieving them. As a result, this program has been rated "Effective" in OMB's latest analysis.

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PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

New Construction – The PBS New Construction program
received an "Effective" rating in OMB's latest review. In response
to recommendations from a previous review, PBS developed new
program specific long-term outcome oriented goals and efficiency
measures, and performed a review of the current organizational
structure for the program.

Leasing – In its first PART analysis for this program, OMB
recommended that PBS develop program specific long-term,
outcome oriented goals and efficiency measures. It was also
recommended that PBS implement brokerage service contracts
with provisions designed to hold contractors and managers
accountable for achieving program goals.

PBS has awarded four national broker contracts for space
procurement services, which include provisions for holding
brokers accountable for the same performance goals as those
set for the leasing program. This program was reassessed in
2005, achieving a "Moderately Effective" rating.

PBS Performance Plan Goals and Measures

FY2007 Budget Program	Long-term Goal	2007 Performance Goal	Performance Measure	2005 Actual	2006 Target	2007 Target
New Construction	Reduce average cycle time on new courthouse construction projects to 2,800 days or less by FY 2019.	Average cycle time on new courthouse construction projects is 3,100 days or less by FY 2007	Number of days to complete new courthouse construction projects	2,928	3,100	3,100
	Register 100% of the new construction program for Leadership in Energy and Environmental Design (LEED) in the same fiscal year design funding is authorized and appropriated and certify 75% of the new construction program for LEED within 18 months of substantial construction completion.	Register 50% of the new construction program for LEED in the same fiscal year design funding is authorized and appropriated by FY 2007	Percent of new construction program registered for LEED in the same fiscal year design funding is authorized and appropriated	9%	25%	50%
		Certify 25% of the new construction program for LEED within 18 months of substantial construction completion by FY 2007	Percent of new construction program LEED certified within 18 months of substantial construction completion	17%	20%	25%
	Improve the operational and maintenance efficiency of GSA buildings by independently verifying newly constructed buildings for achievement of established operational requirements within eighteen months of substantial construction completion. (Commissioning).	Verify 35% of newly constructed buildings for achievement of established operational requirements by FY 2007 (Commissioning)	Percent of newly constructed buildings independently verified for achievement of established operational requirements (Commissioning)	22%	30%	35%
	Execute the new construction program on the schedule committed to our customers 90% of the time by FY 2010.	New construction projects on schedule 87% of the time by FY 2007	Construction projects on schedule	100%	86%	87%

PBS Performance Plan Goals and Measures

FY2007 Budget Program	Long-term Goal	2007 Performance Goal	Performance Measure	2005 Actual	2006 Target	2007 Target
Leasing Program	By FY 2010, the leasing program will deliver new leases at least 9.5% below the industry average cost for office space, deliver the space when the customer needs it 90% of the time or better, and utilize the National Broker Contract for expiring leases 90% of the time.	Award leases at an average rental rate of not less than 8.8% below industry averages for comparable office space by FY 2007	Cost of leased space relative to industry market rates	-9.2%	-8.5%	-8.8%
		Deliver leased space when the customer needs it 84% of the time or better by FY 2007	Percent of customers surveyed who say they received their leased space when needed	82%	82%	84%
		Use National Broker Contract for at least 70% of expiring leases by FY 2007	Percent of expiring leases using the National Broker Contract	N/A	60%	70%
	By FY 2010, the leasing program will receive satisfied tenant customer satisfaction scores (4's & 5's) 80% of the time and will incorporate the results of the Office of Real Property Asset Management's annual review of existing leases (where market data is available) into customer strategic planning.	Achieve a satisfied customer satisfaction rating (4's & 5's) 74% of the time by FY 2007	Satisfied tenant customer satisfaction rating (4 and 5 responses) in leased space surveyed	78%	72%	74%
		Analyze 100% of leases expiring within 3 years for market opportunities to reduce rental payments (where market data is available)	Percent of existing lease inventory reviewed for beneficial opportunities	N/A	100%	100%
		Maintain percentage of vacant space in leased buildings at less than or equal to 1.5% by FY 2007	Percent of vacant space in leased inventory	1.2%	≤1.5%	≤1.5%
		Manage the costs of administering leased space so that leased Funds From Operations (FFO) is greater than 0% and no more than 2% of the leased inventory revenue	Percent of leased revenue available after administering the leased program	2.2%	0% - 2%	0% - 2%

PBS Performance Plan Goals and Measures

FY2007 Budget Program	Long-term Goal	2007 Performance Goal	Performance Measure	2005 Actual	2006 Target	2007 Target
Asset Management	Achieve a viable, self-sustaining inventory with an average Return on Equity of at least 6% by FY 2010 for 80% of our government owned assets.	Increase to 74% the percentage of government-owned assets with a Return on Equity of at least 6% by FY 2007	Percentage of government-owned assets with an ROE of at least 6 percent	74%	71%	74%
		Increase the percentage of government-owned assets with a positive Funds From Operations to 90% by FY 2007	Percentage of government-owned assets achieving a positive FFO	80%	85%	90%
		88% of R&A projects on schedule by FY 2007	R&A projects on schedule	95%	88%	88%
		Obligate 75% of the minor repairs and alterations budget for planned projects by the end of FY 2007	Percent of minor R&A budget obligated on planned projects by the end of the fiscal year	87%	75%	75%
		Decrease the vacant (available and committed) space to 7% of the owned inventory by FY 2005 and maintain thereafter.	Percentage of vacant and committed space in government-owned inventory	6.8%	7%	7%
		Maintain the percent of escalations on R&A projects at less than or equal to 1% by FY 2007	Percent of escalations on R&A projects	0.4%	≤1%	≤1%
	Reduce energy consumption 20% by FY 2015 over the FY 2003 baseline while maintaining overall operating costs 12% below the private sector and customer satisfaction levels at or above 80%.	Reduce energy consumption in GSA federal buildings by 4% (as measured by Btu/GSF) over the FY 2003 baseline by FY 2007	Percent reduction in energy consumption over the FY 2003 baseline	N/A	-2%	-4%
		Execute energy conservaton goals while increasing GSA's Customer Satisfaction scores to 75% by FY 2007	Customer Satisfaction - tenants in owned space	78%	73%	75%
		Maintain operating service costs in office and similarly serviced space at 12% or more below private sector benchmarks by FY 2007	Percent below private sector benchmarks for cleaning, maintenance, and utility costs in office and similarly serviced space	-11%	-12%	-12%

FY 2007 Budget Request
Performance Plan
Budget Link Summary
(Dollars in Thousands)

	FY 2005	FY 2006	FY 2007	Change FY06 to FY07
Linked Budget Summary				
Asset Management	*$2,434,259*	*$2,779,549*	*$2,670,400*	*($109,149)*
Repairs and Alterations:	*$855,490*	*$1,072,410*	*$866,194*	*($206,216)*
Basic	$277,207	$453,767	$374,913	($78,854)
Line-Item	$578,283	$618,643	$491,281	($127,362)
Building Operations	$1,538,054	$1,707,139	$1,804,206	$97,067
Total Indefinite Authority	$40,715	[$57,400]	[$41,400]	[($16,000)]
New Construction	*$956,149*	*$1,059,996*	*$892,852*	*($167,144)*
New Construction	$760,353	$854,140	$690,095	($164,045)
Installment Acquisition Payments	$161,442	$168,180	$163,999	($4,181)
Building Operations	$34,354	$37,676	$38,758	$1,082
Leasing	*$4,049,895*	*$4,443,472*	*$4,483,414*	*$39,942*
Rental of Space	$3,657,315	$3,924,788	$4,322,548	$397,760
Building Operations	$137,114	$155,287	$160,866	$5,579
Rental of Space - Indefinite Authority	$255,466	$363,397	[$372,798]	($363,397)
Total New Obligational Authority:	**$7,440,303**	**$8,283,017**	**$8,046,666**	**($236,351)**
Indefinite Authority Not Included in NOA				
Asset Management	$0	$57,400	$41,400	($16,000)
Leasing	$0	$0	$372,798	$372,798
Total Obligational Authority (NOA + IA)	**$7,440,303**	**$8,340,417**	**$8,460,864**	**$120,447**

PBS Background and Budget Summary Information

Background

The mission of GSA's Public Buildings Service is to provide a superior workplace for the federal worker and superior value to the American taxpayer. PBS is the landlord of the civilian federal government, with a total inventory of over 345 million square feet of workspace for a million federal employees in 2,000 American communities. This comprises over 1,600 government-owned buildings, or approximately 52 percent of GSA's total inventory. The remaining 48 percent is in privately owned leased facilities.

Through the internationally recognized Design and Construction Excellence programs, PBS engages the best private sector architects, construction managers, and engineers to design and build award-winning courthouses, border stations, federal office buildings, laboratories, and data processing centers. PBS also repairs, alters, and renovates existing facilities. It has over 100 child care centers. PBS is responsible for the disposal of property not only for GSA, but for other federal agencies. PBS is a leader in energy conservation, sustainability, recycling, and historic preservation—maintaining more than 400 historic properties in the federal government's inventory.

Purpose of the Fund

The Federal Buildings Fund (FBF) is an intra-governmental revolving fund that finances PBS real property management and related activities. Principal activities include the operation, maintenance, and repair of GSA-owned and leased buildings, and the construction of Federal Buildings and Courthouses.

Authority for the Fund

The FBF was authorized and established by the Public Buildings Amendments of 1972 (Public Law 92-313, 40 U.S.C. 592).

Financing of the Fund

The FBF is financed by income from rental charges assessed to occupants of GSA-controlled space; the charges, by law approximate commercial rates for comparable space and services. In addition, Congress may appropriate monies from the general funds of the Treasury to the FBF, as it deems necessary.

Each space assignment in PBS-controlled space has an agreement between PBS and the customer agency, stating the financial terms and the conditions for occupancy. Leased space is generally priced to our occupants as a pass-through of the underlying PBS lease contract rent, plus a PBS fee. Government-owned space is priced by an appraisal based on comparable properties that sets a market rate rent for a five-year period. Services in addition to those covered by rental charges are provided on a reimbursable basis.

Budget Structure

Although a revolving fund, the FBF is subject to annual enactment of new obligational authority (NOA) - a limitation on the use of revenue - by Congress. NOA is enacted in five no-year budget activities, i.e. funds are available until expended:

- Construction and Acquisition
- Repairs and Alterations
- Installment Acquisition Payments
- Rental of Space
- Building Operations

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

The balance of the revenues of the FBF not authorized for use by Congress in a particular year, remain in the Fund until authorized for use in future appropriations acts.

FY 2007 PBS Budget Summary

The fiscal year 2007 budget requests a total New Obligational Authority (NOA) of $8,046,666 thousand, which includes a direct appropriation to the Federal Buildings Fund of $245,025 thousand in part to support its request for a $1,556,289 thousand capital program.

The capital program request has two components; repairs and alterations ($866,194 thousand), and new construction ($690,095 thousand). Major repairs and alterations projects include phase II of the Eisenhower Executive Office Building project in Washington, DC, the Thurgood Marshall U.S. Courthouse in New York City, NY and the Main Interior Federal Building in Washington, DC as well as other major modernization and basic repairs and alterations projects. The new construction request includes $484,665 thousand for two agency consolidations (Food and Drug Administration in Montgomery County, MD and a new Coast Guard headquarters at the St. Elizabeths Campus in Washington, DC). Also included in this request are six southern border stations ($96 million) as well as other new construction projects.

In addition, PBS is requesting $4,322,548 thousand for its rental of space activities which involve acquiring and administering leasehold interests in privately owned buildings where Federally owned space is not available and $2,003,830 thousand for its building operations program which provides services for both federally owned and leased facilities including cleaning, utilities and fuels, maintenance, and other services as well as

administration and management of all PBS real property programs. This budget requests a Full-time Equivalent (FTE) level of 5,586.

The PBS budget is presented and organized around three major programs areas: Construction, Leasing, and Asset Management. Specific budget and program performance data is contained in each of these three sections of the budget.

Immediately following this narrative are the detailed schedules of Budget Summary Information:

- Schedule of Resources, New Obligational Authority, and Fund Balance
- Crosswalk of the FY 2006 New Obligational Authority
- Indefinite Authorities
- Schedule of FTE, Obligations, and Net Outlays
- Obligations by Object Class
- Summary of Total Inventory, Government-Owned and Leased Space
- Summary of Space Assigned, Total Inventory

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

SCHEDULE OF RESOURCES, NEW OBLIGATIONAL AUTHORITY, AND FUND BALANCE
FY 2005 - FY 2007
(Dollars In Thousands)

	FY 2005 Actual	FY 2006 Current	FY 2007 Request
Resources:			
Available from prior year for reauthorization	636,533	521,226	151,246
Redemption of Debt	(40,251)	(39,990)	(43,338)
Reprogramming Authority	33,079	128,875	0
Appropriation	0	38,000 [6]	245,025
Rescission/Lapsed	1,604	0	0
Revenue from operations:			
Rent	7,000,394	7,349,047	7,814,146
Indefinite Authority for Rental of Space	255,466	363,397	[372,798]
Other Indefinite Authorities	40,715	[57,400]	[41,400]
Miscellaneous	3,928	2,931	2,993
Outleasing	4,515	5,643	5,762
Retention of Proceeds/Sale of Real Property	5,290	50,363	7,371
SSA/CDC/CMS Payments	14,343	14,771	14,707
Subtotal, Revenue	7,324,651	7,786,152	7,844,979
Total Resources Available	7,955,616	8,434,263	8,197,912
New Obligational Authority:			
Construction and Acquisition	760,353 [3]	854,140 [5]	690,095
Repairs and Alterations	867,722 [1,3]	1,072,410 [2,4,5,6]	866,194 [2]
Installment Acquisition Payments	161,442	168,180	163,999
Rental of Space	3,912,781 [1]	4,288,185 [1,5]	4,322,548 [2]
Building Operations	1,738,005 [1]	1,900,102 [2,6]	2,003,830 [2]
Total New Obligational Authority	7,440,303	8,283,017	8,046,666
Fund Balance			
Total Resources Available	7,955,616	8,434,263	8,197,912
Total New Obligational Authority	(7,440,303)	(8,283,017)	(8,046,666)
Prior Year Recoveries	5,913	0	0
Fund Balance (Available for Reauthorization)	521,226	151,246	151,246
Net Budget Authority	116,911	407,980	245,025

Notes:

[1] Includes indefinite authority.

[2] Excludes indefinite authority.

[3] Includes $106,000 thousand rescission pursuant to P.L. 108-447 ($12,495 thousand New Construction - $93,505 thousand Repairs and Alterations).

[4] Includes approved reprogramming of $6,225 thousand (Repairs and Alterations - Goodfellow Federal Center, St. Louis, MO ($4,125 thousand) and FOB 10A Garage, Washington, DC ($2,100 thousand)).

[5] Includes proposed reprogramming of $248,118 thousand to Repairs and Alterations ($186,034 thousand) and Construction and Acquisition ($62,084 thousand).

[6] Includes $15,000 thousand for Building Operations and $23,000 thousand for Repairs and Alterations from the Defense Appropriations Act (P.L. 109-148) for hurricane relief efforts.

Crosswalk of the FY 2006 New Obligational Authority

FY 2006 Appropriations Act to FY 2007 Congressional Justifications

(Dollars in Thousands)

	P.L. 109-115 dated 11/30/05	P.L. 109-148 dated 12/30/05	Approved Reprogramming 1/	Subtotal: FY 2006 Enacted Legislation	Proposed Reprogramming 2/	Indefinite Authority for Leased Space	FY 2006 Current
New Obligational Authority:							
Construction and Acquisition	792,056			792,056	62,084		854,140
Repairs and Alterations	861,376	23,000	2,000	886,376	186,034		1,072,410
Installment Acquisition Payments	168,180			168,180			168,180
Rental of Space	4,046,031			4,046,031	(121,243)	363,397	4,288,185
Building Operations	1,885,102	15,000		1,900,102			1,900,102
Total New Obligational Authority	7,752,745	38,000	2,000	7,792,745	126,875	363,397	8,283,017

Notes:

1/ Approved reprogramming of $6,225 thousand (Repairs and Alterations - Goodfellow Federal Center, St. Louis, MO ($4,125 thousand) and FOB 10A Garage, Washington, DC ($2,100)). $2,000 thousand of prior year funding reprogrammed from R&A project (Steam Distribution System, Washington, DC). The balance ($4,225 thousand) is from current year funding, which requires no increase in total new obligational authority.

2/ Proposed reprogramming of $248,118 thousand to Repairs and Alterations ($186,034 thousand) and Construction and Acquisition ($62,084 thousand). $126,875 thousand is from carryover increasing total new obligational authority, and the balance ($121,243 thousand) is from current year funding, which requires no increase in total new obligational authority.

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FY 2007 BUDGET
INDEFINITE AUTHORITIES
(Dollars in Thousands)

	FY 2005 ACTUAL	FY 2006 CURRENT	FY 2007 REQUEST
RESOURCES			
Repairs and Alterations (Line-Item)			
Recycling	($31)	[$800]	[$800]
Historical Outleasing	$11,992	[$7,000]	[$8,000]
Energy Rebates	$271	[$500]	[$500]
Building Operations			
International Trade Center	$20,634	[$21,400]	[$22,400]
Cooperative Use Act - Outleasing	$5,475	[$6,000]	[$6,600]
National Antenna Program	$1,558	[$2,000]	[$2,200]
Teleworking	$816	[$900]	[$900]
Capital Program			
Proceeds from Sale of Real Property (Middle River)	_____	[$18,800]	_____
TOTAL (Excludes Leased Expansion Space)	$40,715	[$57,400]	[$41,400]
Rental of Space			
Leased Expansion Space	$255,466	$363,397	[$372,798]

Bracketed numbers are projections not included in budget totals.

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SCHEDULE OF FTE, OBLIGATIONS, AND NET OUTLAYS

(Dollars in Thousands)

							Increase/(Decrease) For FY 2007	
	FY 2005 Actual		FY 2006 Current		FY 2007 Request		Change	
	FTE	Obligations	FTE	Obligations	FTE	Obligations	FTE	Obligations
FTE and Obligations:								
1. Construction and Acquisition		692,989		1,092,860		1,281,547	-	188,687
2. Repairs and Alterations	-	797,563	-	1,099,924	-	1,186,798	-	86,874
3. Design and Construction Services	-	0	-	565	-	0	-	(565)
4. Installment Acquisition Payments	-	157,935	-	179,532	-	163,999	-	(15,533)
5. Construction of Lease Purchase Facilities	-	7,837	-	22,098	-	1,500	-	(20,598)
6. Pennsylvania Avenue Activities								
a) Repairs and Alterations		44		16,891		4,010	-	(12,881)
b) Building Operations		12,587		6,415		2,595	-	(3,820)
7. Rental of Space		3,917,444		4,288,186		4,322,548	-	34,362
8. Building Operations								
a) Cleaning	62	238,437	71	268,556	71	279,040	-	10,484
b) Utilities/Fuel	-	285,732	-	371,041	-	378,104	-	7,063
c) Maintenance	295	246,788	216	279,617	216	290,571	-	10,954
d) Other Building Services	1,029	208,375	930	225,773	930	235,375	-	9,602
e) Space Acquisition	1,363	184,937	1,350	182,446	1,350	180,005	-	(2,441)
f) Staff Support	2,648	339,028	2,727	340,954	2,727	341,407	-	453
g) CIO	202	125,825	175	151,008	175	156,166	-	5,158
h) Centralized Services	-	144,622	-	140,222	-	143,162	-	2,940
i) International Trade Center	-	21,787	-	1,761	-	0	-	(1,761)
Subtotal, Building Operations	5,599	1,795,531	5,469	1,961,378	5,469	2,003,830	-	42,452
9. Reimbursable	229	878,547	117	1,003,081	117	989,469	-	(13,612)
Total FTE/Obligations	5,828	8,260,477	5,586	9,670,930	5,586	9,956,296	-	285,366
Net Outlays:		(91,679)		199,162		603,326		404,164

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OBLIGATIONS BY OBJECT CLASS
(Dollars in Thousands)

		FY 2005 Actual	FY 2006 Current	FY 2007 Request
	Personnel Compensation:			
11.1	Full-time permanent	433,767	424,711	427,786
11.3	Other than full-time permanent	4,249	4,348	4,441
11.5	Other personnel compensation	8,498	8,696	8,883
11.9	Total personnel compensation	446,514	437,755	441,110
12.1	Civilian personnel benefits	111,167	109,055	111,236
13.0	Benefits for former personnel	1,963	1,992	1,978
21.0	Travel and transportation of persons	18,413	18,687	19,043
21.0	Motor pool travel	2,156	2,188	2,234
22.0	Transportation of things	2,121	2,131	2,133
23.2	Rental payments to others	3,897,359	4,288,186	4,322,548
23.3	Communications, utilities, and misc. charges	361,281	379,913	410,972
24.0	Printing and reproduction	2,990	2,165	2,568
25.1	Advisory and assistance services	872	957	976
25.2	Other services	2,379,397	3,251,152	3,413,373
25.4	Operation and maintenance of facilities	653,305	840,038	896,050
25.7	Operation and maintenance of equipment	43,614	47,856	48,806
26.0	Supplies and materials	43,216	44,112	49,601
31.0	Equipment	48,933	49,372	49,621
32.0	Land and structures	55,317	19,014	23,013
33.0	Investments and loans	0	0	50
41.0	Grants, subsidies, and contributions	6,437	50	51
42.0	Insurance claims and indemnities	10,234	310	328
43.0	Interest and dividends	175,188	175,997	160,605
99.9	Total Obligations	8,260,477	9,670,930	9,956,296

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SUMMARY OF TOTAL INVENTORY, GOVERNMENT-OWNED AND LEASED SPACE
FY 2005 - FY 2007
(Rentable Square Feet in Thousands)

TYPE OF SPACE	FY 2005 ACTUAL	CHANGE FROM FY 2004	FY 2006 CURRENT	CHANGE FROM FY 2005	FY 2007 REQUEST	CHANGE FROM FY 2006
Government Owned Space						
Assigned	163,417	(1,621)	164,518	1,101	165,437	919
Vacant	12,002	(2,296)	12,383	381	12,452	69
Total	**175,419**	**(3,917)**	**176,901**	**1,482**	**177,889**	**988**
GSA Leased Space						
Assigned	164,777	2,117	171,198	6,421	176,962	5,764
Vacant	2,304	395	2,687	383	2,769	82
Total	**167,081**	**2,512**	**173,885**	**6,804**	**179,731**	**5,846**
Government Owned and Leased						
Assigned	328,194	496	335,716	7,522	342,399	6,683
Vacant	14,306	(1,901)	15,070	764	15,221	151
Total Space in Inventory	**342,500**	**(1,405)**	**350,786**	**8,286**	**357,620**	**6,834**
% of Total Space Vacant	4.18%		4.30%		4.26%	
% of Govt-Owned Space Vacant	6.84%		7.00%		7.00%	
% of Leased Space Vacant	1.38%		1.55%		1.54%	

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SUMMARY OF SPACE ASSIGNED, TOTAL INVENTORY
GOVERNMENT-OWNED AND LEASED SPACE
(Rentable Square Feet in Thousands)
FY 2005 - FY 2007

AGENCY	FY 2005 ACTUAL	FY 2006 CURRENT	FY 2007 REQUEST	CHANGE FROM FY 2006
JUSTICE DEPARTMENT	41,878	42,407	41,989	(418)
U.S. COURTS	40,238	40,127	40,278	151
TREASURY DEPARTMENT	32,372	32,567	31,992	(575)
DEPARTMENT OF HOMELAND SECURITY	30,512	29,941	30,306	365
SOCIAL SECURITY ADMINISTRATION	28,248	27,343	27,412	69
DEPARTMENT OF DEFENSE	19,427	27,930	27,894	(36)
INTERIOR DEPARTMENT	14,906	14,393	14,371	(22)
HEALTH AND HUMAN SERVICES DEPARTMENT	14,570	14,606	15,142	536
All Others	106,043	106,402	113,015	6,613
Total Space Assigned	328,194	335,716	342,399	6,683

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Construction

Strategic Direction

- *Overview*

The Public Buildings Service (PBS) surveys the housing needs of its client agencies and the availability of federal housing in communities nationwide. New construction is recommended to meet new or unique space needs, replace antiquated facilities, or consolidate agencies with long-term requirements when ownership is the low-cost solution. GSA contracts with architectural firms to design projects and general contractors to construct federal buildings. PBS benchmarks construction project budgets against other similar projects and external data sources.

- *Strategic Assessment*

The new construction program, headed by the Office of the Chief Architect (OCA), has a clear purpose to meet client agency space needs in those cases where GSA, the client, and the Office of Management and Budget (OMB)/Congressional stakeholders determine that new construction is preferred to leasing. The program is first and foremost a program of technical design and construction knowledge. All of its architecture and engineering efforts are focused on developing improved environments for Federal employees. The management, dissemination, and preservation of knowledge throughout PBS is critical to effectiveness of the program. Moreover, OCA must continuously improve its core capabilities of design, construction, architecture, and engineering, and keep current on issues and innovations in related industries.

The ability to provide on time, on budget, and within scope projects to our customers ultimately defines our value. Successful management of programs and projects, including the appropriate oversight of progress, is a key requirement for achieving program goals. Program and project managers are challenged to use their expertise and to apply innovative techniques to improve performance while remaining within schedule, cost and scope.

The primary concern for the construction program is on-time, on-budget capital project delivery. Project status is being closely monitored throughout design and construction to identify and correct problems in a timely manner. For projects over $25 million, evaluations are scheduled at 15%, 60% and 100% of construction completion. In addition, an earned value performance measurement tool has been developed and implemented, which compares a project's construction schedule and outlays to industry standards, and reports variances of planned expenditures against actual expenditures for both measures.

The PBS new construction program's primary responsibility and top priority is the delivery of projects within the agreed upon scope, schedule and budget. This is an essential component of PBS's overall mission to provide the highest possible quality at the best value to the U.S. taxpayer.

In past years, PBS has identified the quality of construction documents as a weakness responsible for a number of cost escalations and project delays, and has therefore implemented a quality assurance and control program for Architectural/Engineering documents. This initiative has allowed for the recognition of mistakes earlier in the life of a project. PBS has also placed a renewed emphasis on pre-project planning and the use of the Project Definition Rating Index (PDRI). The PDRI is an analysis tool used to identify whether a project has been sufficiently developed to merit submission for funding.

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PBS uses independent government cost estimates throughout new construction projects. However, the current state of the construction market has forced us to re-evaluate the estimating process. The evaluation will assess the cause of cost estimating errors and the impact of those errors on construction budgets.

PART Status for Construction

The PBS New Construction program received an "Effective" rating in OMB's latest review. In response to recommendations from a previous review, PBS has developed new program specific long-term, outcome oriented goals and efficiency measures, and performed a review of the current organizational structure for the program.

Strategy and Action Plan – Construction

Long-Term Outcome Goals

Reduce cycle time on new courthouse construction projects to 2,800 days or less by FY 2019.

Register 100% of the new construction program for Leadership in Energy and Environmental Design (LEED) in the same fiscal year design funding is authorized and certify 75% of the new construction program for LEED within 18 months of substantial construction completion.

Improve the operational and maintenance efficiency of GSA buildings by independently verifying newly constructed buildings for achievement of established operational requirements within

eighteen months of substantial construction completion (Commissioning).

Execute the new construction program on the schedule committed to our customers 90% of the time by FY 2010.

Strategies

- Refine project management support tools to enhance project delivery and execution.
- Expand project management training opportunities to improve contract administration.
- Implement Interoperable Object Modeling Technology (3D-4D) to improve the quality of information and understanding of the construction process.
- Optimize HVAC efficiency in existing facilities.

Action Plan and Performance

All of the action items and initiatives proposed by the Office of the Chief Architect (OCA) are designed to contribute to successfully delivering quality projects on time and within budget constraints. To fulfill this commitment, PBS will take the following steps in FY 2007:

1. Refine Project Management Support Tools

The Project Management Guide (PM Guide) was created as a resource platform from which information could be conveyed to project managers in the most efficient, expedient, and cost effective way. Improving current construction project delivery practices and offering a means of ensuring rapid responses to client needs is the goal of the PM Guide. This tool will be a valuable asset to PBS's

project management teams. The PM Guide will maintain the most current regulations, guidelines, and program directives.

2. Expand Project Management Training

PBS will expand project management training opportunities and develop and enhance resources to increase the on-time, on-budget performance of capital construction projects. This training will include existing professional development courses and an array of specialty courses designed to address the specific needs of project management teams responsible for executing the capital construction program.

3. Implement Interoperable Object Modeling Technology (3D-4D)

PBS will structure and implement the Interoperable Object Model Technology. The utilization of this technology will greatly improve the quality of information, understanding of the construction process, and our ability to deliver improved bidding documents and schedules, which in turn help achieve project delivery within budget.

Currently, the technology offers interoperable building information modeling by using Industry Foundation Classes. Interoperable object model technology also allows for automated quantity and standards checking to better control project scope and cost. This initiative will position PBS as a leader in promoting the reinvention of construction industry practices.

4. Optimize HVAC Efficiency in Existing Facilities

GSA has a responsibility to its customer agencies and the taxpayer to deliver the most energy efficient and sustainable buildings with improved life cycle cost. Every effort should be made to ensure buildings are designed to maximize their efficiency and reduce energy consumption. These facilities also need to be periodically reevaluated and deficiencies resolved wherever possible. PBS will re-commission buildings delivered within the past five years that are currently performing at less than optimal levels.

Impact on Performance:

With the implementation of these strategies and initiatives, PBS expects to see improvement in the skill sets of its project managers and improvement in its processes that will result in a higher percentage of projects being delivered on time, within scope, and within budget.

NEW CONSTRUCTION SUMMARY
($ in 000's)

FY 2005	FY 2006	FY 2007
$760,353	$854,140	$690,095

PROGRAM REQUIREMENTS (in thousands)

- $484,665 for two agency consolidation projects
- $98,891 for general infrastructure and development activities
- $96,539 for six border stations
- $10,000 for non-prospectus construction projects

CONSTRUCTION AND ACQUISITION OF FACILITIES
SUMMARY OF FY 2007 PROGRAM
(Dollars in Thousands)
IN PRIORITY ORDER

	FUNDED TO DATE	FY 2006 CURRENT	ESTIMATED TOTAL PROJECT COST					FY 2007 REQUEST				
			SITE	DESIGN	CONSTRUCTION	M&I	TOTAL	SITE	DESIGN	CONSTRUCTION	M&I	TOTAL
New Construction:												
Montgomery County, MD, Food and Drug Administration Consolidation......................	319,139	127,600	1,200	57,010	817,306	37,017	912,533	-	1,794	169,112	7,620	178,526
Washington, DC, St. Elizabeths West Campus Infrastructure....................................	-	13,095	-	7,645	10,992	902	19,539	-	-	5,912	532	6,444
Washington, DC, Coast Guard Consolidation & Development of St. Elizabeths Campus.	-	24,900	-	24,900	352,957	31,040	408,897	-	-	280,290	25,849	306,139
Washington, DC, Remote Delivery Facility II..	-	-	-	1,025	36,229	2,358	39,612	-	1,025	36,229	2,358	39,612
Washington, DC, For transfer to Department of the Navy......................................	-	-	5,029	2,589	42,639	2,578	52,835	5,029	2,589	42,639	2,578	52,835
McAllen, TX, Anzalduas Border Station...	17,938	-	-	2,804	20,787	1,825	25,416	-	429	6,915	134	7,478
El Paso, TX, Ysleta Border Station...	2,491	-	-	2,491	18,166	2,051	22,708	-	-	18,166	2,051	20,217
San Luis, AZ, Border Station II...	-	-	-	3,306	34,869	3,854	42,029	-	3,306	34,869	3,854	42,029
Columbus, NM, Border Station...	-	-	-	2,629	22,611	3,506	28,746	-	2,629	-	-	2,629
Calexico, CA, Calexico West Border Station..	-	-	2,000	12,350	115,653	9,868	139,871	2,000	12,350	-	-	14,350
Nogales, AZ, Nogales West Border Station..	-	-	2,450	7,386	78,826	6,557	95,219	2,450	7,386	-	-	9,836
Nonprospectus Program..	-	-	-	-	10,000	-	10,000	-	-	10,000	-	10,000
Subtotal, Executive Agencies..	339,568	165,595	10,679	124,135	1,561,035	101,556	1,797,405	9,479	31,508	604,132	44,976	690,095
Subtotal, Federal Judiciary (none)...	-	-	-	-	-	-	-	-	-	-	-	-
Total Construction and Acquisition of Facilities Program...................................	339,568	165,595	10,679	124,135	1,561,035	101,556	1,797,405	9,479	31,508	604,132	44,976	690,095

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Construction and Acquisition of Facilities
FY 2007 Project Descriptions

ARIZONA

Nogales – Nogales West Border Station.....................................$9,836,000

The General Services Administration (GSA) proposes the acquisition and development of 14 acres of land, and the reconfiguration and expansion of the Nogales West (Mariposa) Border Station in Nogales, AZ, comprising 217,924 gross square feet of building space and 400 surface parking spaces. The project will expand the existing site, replace all existing facilities, improve site security, and expand parking capacity.

The existing border station is a vehicle inspection facility comprising six buildings on a 43-acre site in downtown Nogales, AZ. It was built in the 1970s as a border inspection facility. It contains 99,955 gross square feet of building space in a main building, inspection canopies, a truck inspection dock, a drug screening building, three super inspection booths, a Vehicle and Cargo Inspection System (VACIS) facility, a truck x-ray facility, and a kennel.

The facility is inadequate for tenant operations. Building workspace is too small to accommodate tenant personnel, production capacity is insufficient to meet inspection delivery time standards, vehicular motorways are inadequate to effectively move traffic, and parking capacity is insufficient for the visitor vehicle volume.

The project will consist of the construction of the following components: A main building, three primary inspection lanes, eight secondary processing stations, six primary inspection booths, fifteen northbound secondary inspection stations, a commercial pre-primary inspection building, four pre-primary commercial inspection lanes, six commercial primary super booths, a commercial administration building, a 50-station enclosed commercial inspection dock, an export building, and a six-station commercial export dock.

This request is for site ($2,450 thousand) and design ($7,386 thousand). The balance of project funding, construction ($78,826 thousand) and management and inspection ($6,557 thousand), will be requested in a future fiscal year. The estimated total project cost is $95,219 thousand.

San Luis – Border Station II..$42,029,000

The General Services Administration (GSA) proposes the design and construction of a new commercial border station facility, referred to as San Luis II, in San Luis, AZ. The project will be designed to accommodate the commercial traffic that is now processed at the existing San Luis station, easing its traffic congestion. Its construction is timed so it can be used to support the planned fiscal year 2010 renovation of the San Luis I station.

The existing border station is inadequate for client mission requirements. Building workspace is insufficient to accommodate personnel, production capacity is too small to meet inspection delivery times, vehicle access and circulation ways are inadequate to efficiently move traffic, and parking capacity is insufficient to accommodate the visitor vehicle volume. The station does not meet current or projected needs for traffic safety and security, as significant traffic conflicts exist between commercial traffic, pedestrians and privately owned vehicles. Bottlenecks occur as large trucks queue in the center of San Luis Rio Colorado waiting for both U.S. and Mexican customs processing. Current size and configuration of the port does not allow for the implementation of the new mandated North and Southbound inspection program to record every non-citizen entering or leaving the United States.

In order to mitigate the traffic congestion, create expansion space for the existing port of entry, and respond to increasing demand from the commercial shipping industry, this project proposes to relocate the commercial functions of the existing port to a separate location. The existing port (San Luis I) in downtown

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Construction and Acquisition of Facilities
FY 2007 Project Descriptions

ARIZONA – continued

San Luis will continue to service pedestrian, high occupancy vehicles, recreational vehicles, and bicycles.

The proposed project consists of the construction of the following components: A primary inspection area, 20-station commercial inspection dock, a six-station import dock, main administration building, hazardous materials isolation area, two-bay hazardous materials shelter, two-station hazardous materials dock, exit inspection booths, vehicle safety inspection facility, vehicle access and circulation ways, and 80 parking spaces.

The request is for design ($3,306 thousand), construction ($34,869 thousand) and management and inspection ($3,854 thousand). The estimated total project cost is $42,029 thousand.

CALIFORNIA

Calexico – Calexico West Border Station.................................$14,350,000

The General Services Administration (GSA) proposes the design and construction of a new border station facility in Calexico, CA, to replace the existing facility. The project will be designed to alleviate mounting vehicular and pedestrian traffic congestion, agency personnel space shortages, and substandard security.

The existing station is inadequate to meet the tenant agency's long-term facility requirements. Workspace is insufficient to accommodate personnel and inspections, facility inspection processing capacity is insufficient to support timely inspections, and traffic circulation patterns are inadequate to efficiently and safely move traffic. Parking is also inadequate for the visitor vehicle volume, and

security is insufficient to meet client safety requirements. Non-commercial vehicle inspections average 55 minutes, the longest on the southern border. This wait time results in traffic congestion and conflicts that pose safety and security concerns for the tenants and public.

To address mounting traffic congestion, inadequate security, and personnel and inspection space shortages, this project proposes to expand the existing facility on the existing site. It will include the demolition and replacement of all the existing building and vehicle facilities with modern facilities that will provide sufficient workspace, adequate security, and efficient vehicular circulation patterns. The proposed new facilities will include the construction of a new main inspection building, a headhouse, and 296 parking spaces.

The request is for site acquisition ($2,000 thousand), and design ($12,350 thousand). The balance of project funding, construction ($115,653 thousand) and management and inspection ($9,868 thousand), will be requested in a future fiscal year. The estimated total project cost is $139,871 thousand.

DISTRICT OF COLUMBIA

Coast Guard Consolidation and Development of St. Elizabeths Campus..$306,139,000

The General Services Administration (GSA) proposes to construct a new headquarters for the United States Coast Guard (USCG), as the initial project in the redevelopment of the West Campus of St. Elizabeths Hospital, a 176-acre site including 61 buildings with approximately 1.1 million gross square feet (gsf) of space. GSA plans to utilize the site to meet the housing needs of other high security federal tenants. Advance Design is included in this request to allow GSA to study the full redevelopment potential of the site in relation to the

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Construction and Acquisition of Facilities
FY 2007 Project Descriptions

DISTRICT OF COLUMBIA – continued

requirements of other agencies that can be met through projects proposed for funding in future fiscal years.

The USCG project will be delivered in two phases. Phase I will construct office space and structured parking to consolidate the USCG headquarters on the West Campus and other joint use facilities. Phase II will construct a Command Center and other shared use space that will support the USCG and other agencies to be provided facilities in subsequent stages of redevelopment of the St. Elizabeths campus.

The two-phased project will provide 1,338,000 gsf of space and a structured parking garage containing 1,000 spaces. Both phase I and phase II are required to fully support USCG's operations and will be completed simultaneously. Phase I will provide 1,135,000 gsf of space and 650 parking spaces for the USCG headquarters facility housing 3,860 USCG employees. Phase II will provide 203,000 gsf of shared support and special space and 350 parking spaces. Phase II includes construction of the crucial Operations Command Center and is expected to include other shared support and special space consisting of a health clinic, technology resource center, communications center, marine safety center, cafeteria, separate mail facility and warehouse, fitness center, chapel, training rooms, library, child development center, auditorium, credit union, barber shop, dry cleaners, and an exchange for military equipment.

The major driving factors for this project include the tenant's need for more space, lack of large federal land sites remaining for development in the District of Columbia, high-level security requirements, and existing deficiencies and deferred maintenance at St. Elizabeths West Campus. The proposed project will provide a cost efficient alternative to leasing while preserving this national historic landmark.

Due to recent hiring, USCG has outgrown its current primary headquarters location at the Transpoint Building where it has been housed for more than 25 years; the lease expires in 2008. This lease includes cancellation rights to allow GSA the flexibility to terminate the lease when the space at St. Elizabeths West Campus is ready for occupancy. Other USCG offices in Washington, DC located in the Nassif building and Jemal Riverside will be incorporated in the consolidation.

Design ($24,900 thousand) was funded in fiscal year 2006. This request is for construction ($280,290 thousand) and management and inspection ($25,849 thousand) of phase I. The balance of project funding for phase II, construction ($72,667 thousand) and management and inspection ($5,191 thousand) will be requested in a future fiscal year. The estimated total project is $408,897 thousand.

For transfer to the Department of the Navy...............................$52,835,000

Provides for the transfer of funds to the Navy for certain permanent relocation expenses pursuant to section 1 (e) of Public Law 108-268 - Transfer of Nebraska Avenue Naval Complex, District of Columbia. This Act provided for the transfer of the Nebraska Avenue Naval complex from the Department of the Navy to GSA to facilitate the establishment of the headquarters for the Department of Homeland Security. In addition, it provided for the acquisition by the Navy of suitable replacement facilities, and for other purposes. GSA is responsible for providing funds to the Navy for certain long-term relocation costs. GSA provided similar repairs and alterations funds ($2,000 thousand) in fiscal year 2006 and the fiscal year 2007 Building Operations request includes funds ($4,290 thousand) to move the Navy out of the Nebraska Avenue Complex.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Construction and Acquisition of Facilities
FY 2007 Project Descriptions

DISTRICT OF COLUMBIA – continued

Remote Delivery Facility II..$39,612,000

The General Services Administration (GSA) proposes to construct a mail processing and screening facility for the Executive Office of the President (EOP) at the Anacostia Naval Station in Washington, DC. The proposed Remote Delivery Facility II (RDF II) will consist of 80,000 gross square feet (gsf).

GSA proposes to build a one-story mail processing and screening facility with at least five truck docks. The RDF II facility will contain separate areas for mail processing, laboratory work, administration, support, and mail receiving. The major work for this new facility will include constructing foundations, substructures, superstructures, exterior closures, roofing, interior construction, mechanical and electrical systems, blast walls, an HVAC system, loading docks, site improvements, a parking lot, and security improvements.

The request is for design ($1,025 thousand), construction ($36,229 thousand), and management and inspection ($2,358 thousand). The estimated total project cost is $39,612 thousand.

St. Elizabeths West Campus Infrastructure...............................$6,444,000

The General Services Administration (GSA) proposes to redevelop the West Campus of St. Elizabeths, a 176-acre site including 61 buildings. GSA seeks funding for planning, pre-development, and infrastructure repair costs that are necessary to redevelop the site for future tenancy. These buildings contain approximately 1.1 million gross square feet (gsf) of space and the site has the potential to develop another 2 million gsf of federally constructed space.

The primary goal of this project is to prepare the West Campus for redevelopment as a federal facility by providing a reliable infrastructure that will serve the needs of tenants for many years into the future. A secondary goal is to create habitable office space in order to relocate federal tenants that are currently located in leased space to federally owned space. The major driving factors for this project include current agency-wide demand for space, lack of large federal land sites remaining to be developed in the District of Columbia, high-level security requirements, and existing deficiencies and deferred maintenance at St. Elizabeths West Campus. The planned alterations are necessary to preserve the historic site. Existing infrastructure and landscaping are deteriorating due to age and deferred maintenance. Building repairs will restore structural and life safety systems while maintaining the facility's historic integrity.

Design ($7,645 thousand), construction ($5,080 thousand) and management and inspection ($370 thousand), were funded in fiscal year 2006. This request is for additional construction ($5,912 thousand) and additional management and inspection ($532 thousand). The estimated total project cost is $19,539 thousand.

MARYLAND

Montgomery County – Food and Drug Administration Consolidation $178,526,000

The General Services Administration (GSA) requests funding to construct a new headquarters and laboratory facility for the Food and Drug Administration (FDA) at the White Oak Federal Center in White Oak, MD.

FDA is currently being consolidated in Maryland's Montgomery (White Oak) and Prince George's Counties. FDA has consolidated two centers in Prince George's

General Services Administration
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Construction and Acquisition of Facilities
FY 2007 Project Descriptions

MARYLAND – continued

County, occupying approximately 584,000 gross square feet (gsf) of space. The proposed White Oak facility will provide approximately 4.6 million gsf of consolidated office, laboratory, and parking space for FDA headquarters. The increase in office space and parking is from programmatic growth over the years and recent legislation that added additional functions to FDA.

Since the September 11, 2001 terrorist attacks, Congress required that the proposed FDA consolidation include counter-terrorism support functions for Bio Terrorism. Additionally, FDA required office locations for the Centers for Veterinary Medicine (CVM) to be located at the White Oak facility. The Center for Drug Evaluation and Research (CDER) and the Center for Devices and Radiological Health (CDRH) were each tasked with a new program function. Through Public Law 107-188, CDER was tasked with implementing the Prescription Drug User Fee Act (PDUFA). Through Public Law 107-250, CDRH was tasked with implementing the Medical Device User Fee and Modernization Act (MDUFMA). In addition to FDA's programmatic growth, these new programs require staffing and space for operations. Since the support functions are analogous to the centers for biological sciences that are currently being consolidated at White Oak, they were incorporated into the development of the 130-acre White Oak Federal Center. This and future funding requests will help GSA and FDA meet the total facility requirements at White Oak on an incremental basis.

Prior Authority and Funding

Fiscal Year 1992	$200,000,000
Fiscal Year 1994	73,921,000
Reprogramming from other construction project (1994)	6,000,000
Fiscal Year 1995	45,000,000
Rescission (P.L. 104-19)	(228,000,000)

Transfer (Seafood Research Facility, 1995)	(5,000,000)
Fiscal Year 1996	55,000,000
Fiscal Year 2000	35,000,000
Fiscal Year 2001	92,179,000
Fiscal Year 2002	19,060,000
Fiscal Year 2003	37,600,000
Fiscal Year 2004	42,000,000
Fiscal Year 2005	88,710,000
Fiscal Year 2006	127,600,000
Total	$589,070,000

Prince George's County, MD

The Center for Veterinary Medicine (CVM) in Laurel ($43,842 thousand) and the Center for Food Safety and Applied Nutrition (CFSAN) in College Park ($86,123 thousand) were funded in fiscal year 1992. The CVM and CFSAN projects have been completed. The CVM project provides 174,000 gsf. The CFSAN project provides 410,000 gsf.

White Oak – Montgomery County, MD

Funding received prior to fiscal year 2000 for FDA White Oak included planning and technical support ($12,366 thousand) and infrastructure costs ($4,590 thousand). Funding for fiscal year 2000 for the CDER Life Sciences Laboratory included design ($2,120 thousand), construction ($30,800 thousand), and management and inspection ($2,080 thousand).

Funding for fiscal year 2001 included funds to complete construction ($8,800 thousand) of the CDER Life Sciences Laboratory and funds for the CDER Office Building construction ($83,379 thousand).

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Construction and Acquisition of Facilities
FY 2007 Project Descriptions

<u>**MARYLAND – continued**</u>

Funding for fiscal year 2002 included management and inspection costs ($2,960 thousand) for the CDER Office Building, design ($3,800 thousand) of the Center for Devices and Radiological Health (CDRH) Laboratory, design ($3,600 thousand) of the Central Shared Use facilities - Phase I, design ($5,600 thousand) of the CDER Office Building, demolition and abatement ($1,500 thousand) for Building One, and funds to complete the CDER Office Building construction ($1,600 thousand).

Fiscal year 2003 funding included construction ($26,000 thousand) of the Central Shared Use facilities - Phase I, construction ($6,000 thousand) funds for converting the 3rd and 4th floors of the CDER Life Sciences Laboratory from office to laboratory space, construction ($2,800 thousand) of the CDRH Laboratory foundation, and design ($2,800 thousand) of the CDER Office Building expansion.

Fiscal year 2004 funding was provided for construction ($42,000 thousand) of the CDRH Laboratory.

Fiscal year 2005 funding included the site acquisition ($1,200 thousand) for road and bridge, design ($5,500 thousand) for the road and bridge, CDRH office building, and Central Shared Use facilities, management and inspection costs ($1,710 thousand) for Central Shared Use facilities and CDER Office Building, and construction ($80,300 thousand) for partial costs of CDRH Laboratory, CDER Office Building expansion, Central Shared Use facilities, road and bridge, and parking garage.

Fiscal year 2006 funding includes; Phase III funding for construction ($3,724 thousand) of infrastructure (water/sewer/landscaping) for the north loop road which provides secondary access to the site, design ($4,100) and construction

($8,690 thousand) of infrastructure (water/sewer/landscaping) for the south loop road to the planned parking structure, management and inspection costs ($7,100 thousand) for construction of CDRH Laboratory and Office Building, infrastructure for north and south loop roads, CDER Office Building expansion, Building One front entrance, and parking structure; construction ($66,694 thousand) of CDRH Office Building; Phase IV funding for construction ($20,766 thousand) of Central Shared Use facilities – Phase II; Phase V funding for design ($6,900 thousand) of Office of the Commissioner (OC) and Office of Regulatory Affairs (ORA) office building, design ($1,500 thousand) for renovation of Building One, and construction ($8,126 thousand) of Building One front entrance and parking.

The fiscal year 2007 funding request includes; Phase III funding for construction ($2,595 thousand) of the northeast bridge, construction ($3,218 thousand) of Central Shared Use facilities - Phase I fit-out, construction ($10,693 thousand) of Central Shared Use facilities - Phase II fit-out, construction ($3,218 thousand) of CDRH Laboratory high bay areas, and the design, management and inspection costs, and construction ($9,340 thousand) of distribution tunnels from the Central Utility Plant; Phase V funding for design, management and inspection costs, and construction ($17,827 thousand) of southeast parking structures, construction ($7,268 thousand) of campus site infrastructure - Part 1, construction ($28,653 thousand) of Building One renovation, construction ($89,174 thousand) of OC and ORA office building, and management and inspection costs ($6,540 thousand).

Funding for the remaining project costs will be requested in future fiscal years.

<u>**NEW MEXICO**</u>

Columbus – Border Station...$2,629,000

General Services Administration
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Construction and Acquisition of Facilities
FY 2007 Project Descriptions

NEW MEXICO – continued

The General Services Administration (GSA) proposes the development of nine acres of land and the design and construction of a new replacement border station in Columbus, NM. The project will expand the existing building space to 114,202 gross square feet from 20,890 gross square feet, parking spaces to 75 from 42, and site acreage to 19 from 10. The site will be donated by Luna County, NM, at no cost to the government.

The facility is inadequate for current tenant operations. Building workspace is insufficient to accommodate tenant personnel, facility inspection capacity is too small to meet production time standards, and parking capacity is insufficient to accommodate the visitor vehicle volume. The tenants require 114,202 gross square feet of building space on 19 acres of land, while the existing facility provides 20,890 gross square feet on 10 acres. The project will provide a safe and secure facility to meet the facility needs of the tenants.

The project consists of the construction of the following components: main building space expansion, primary and secondary inspection space expansions, main building renovations, a noncommercial primary inspection facility, a noncommercial secondary inspection facility, outside vehicle parking, a headhouse, a seized vehicle processing area, a kennel, a cargo building, a cargo dock, export cargo booths, an exit booth, a Vehicle and Cargo Inspection System (VACIS) facility, a helicopter landing pad, a narcotics storage vault, an incinerator facility, a bulk cargo area, and a hazardous materials containment area.

In addition, there will be renovations and space alterations in the main administration building that are associated with the major work items detailed above. These changes will enhance security for both employees and visitors, provide work space for changing agency mission requirements, and make more efficient use of the existing space. The agencies will continue to use the existing station during construction of the new facility.

The request is for design ($2,629 thousand). The balance of project funding, construction ($22,611 thousand) and management and inspection ($3,506 thousand), will be requested in a future fiscal year. The estimated total project cost is $28,746 thousand.

TEXAS

El Paso – Ysleta Border Station..$20,217,000

The General Services Administration (GSA) proposes the upgrade and expansion of the existing Ysleta border station in El Paso, TX consisting of increases in the pedestrian and vehicle areas, improvements in the commercial traffic flow area, and additional site security and parking. The project will expand the border station to 190,300 square feet from 165,955 square feet, and the surface parking to 412 spaces from 312 spaces.

The existing facility is too small and operationally inadequate for current tenant operational requirements. Building workspace is too small resulting in overcrowded and potentially unhealthy working conditions. Mechanical and electrical systems are inadequate to meet current tenant performance requirements. Vehicle inspection lanes are insufficient to efficiently process traffic leading to severe backups and congestion. Vehicular access and circulation ways are also inadequate to provide efficient traffic flow resulting in frequent traffic tie-ups. Parking is also insufficient for the current vehicle volume leading to errantly parked vehicles that cause frequent traffic flow disruptions.

General Services Administration
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FEDERAL BUILDINGS FUND

Construction and Acquisition of Facilities
FY 2007 Project Descriptions

TEXAS – continued

The proposed project includes: a new eight-lane commercial primary inspection space with capacity to add two more lanes in the future; a new rapid enforcement lane; paving to facilitate new traffic circulation patterns; revisions to the internal truck traffic flow for more efficient implementation of the Free and Secure Trade (FAST) program; addition of exercise and storage spaces to the main building; addition of hard secondary inspection space to private vehicle secondary inspection facility; addition of storage space to commercial import building and offices to the narcotics vault and export dock; construction of space at the commercial import building to house Food and Drug Administration (FDA); canopy and exit booth construction; relocation of fixed vehicle and cargo inspection stations; crossover road near commercial export dock; lighting upgrades and addition of high-mast lighting; interior upgrades; additional surface parking and site access.

Design ($2,491 thousand) was funded in the fiscal year 2005. This request is for construction ($18,166 thousand) and management and inspection ($2,051 thousand). The estimated total project cost is $22,708 thousand.

McAllen – Anzalduas Border Station..$7,478,000

The General Services Administration (GSA) proposes the design and construction of a border station at the proposed international bridge, referred to as the Anzalduas Bridge, near the international boundary between the United States and Mexico.

The new facility will provide approximately 46,648 gross square feet of building space that includes an administration building, non-commercial inspection facilities with four primary northbound lanes for private vehicles, a dedicated lane

for northbound buses, twelve lanes for secondary inspections, a headhouse, an export dock with offices, a kennel, and 96 automobile parking spaces.

There were changes to the scope of this proposal as a result of both the formation of the Department of Homeland Security (DHS) and international delays. Additional funding is required to cover increased costs from inflation and market labor and materials cost increases, as a result of Mexico's three-year delay in starting its portion of the construction since approval of original proposal. The delay resulted in the expiration of the original estimate, requiring the preparation of a new one, and projecting a higher cost for the project than originally planned.

The passage of The North American Free Trade Agreement (NAFTA) has contributed to making the McAllen/Hidalgo/Mission area one of the fastest growing areas in the country, thus increasing traffic along the US/Mexico border. Design ($2,375 thousand), construction ($13,872 thousand) and management and inspection ($1,691 thousand) were funded in fiscal year 2004. This request is for additional design ($429 thousand), construction ($6,915 thousand) and management and inspection ($134 thousand). The estimated total project cost is $25,416 thousand.

NATIONWIDE

Nonprospectus Construction...$10,000,000

Funds in the amount of $10,000 thousand are requested for the development of projects below the $2,600 thousand prospectus threshold. Nonprospectus funds have been used to erect special purpose storage buildings, border station facilities, and depot service and warehouse buildings. In the past, the funds have also been used to build parking lots, purchase sites, build childcare facilities, and purchase property in conjunction with Presidential National Historic Sites.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Long-term Outcome Goal:

Reduce average cycle time on new courthouse construction projects to 2,800 days or less by FY 2019.

Performance Goal: Average cycle time on new courthouse construction projects is 3,100 days or less by 2007.

Performance Measure

- Number of days to complete new courthouse construction projects.

The new construction program business line established an efficiency measure regarding the cycle time of new courthouse construction projects. This measure evaluates the construction program's ability to efficiently deliver new courthouse projects. Cycle time is measured from the date of authorization and appropriation of design funding to substantial completion. Reduced cycle time results in cost savings and more efficient program execution. This efficiency measure is evaluated by calculating the average cycle time for new courthouse construction projects with results aggregated on a three-year basis.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
2,988	2,928	3,100	3,100
FY08 Target	FY09 Target	FY10 Target	FY11 Target
3,100	3,100	3,100	3,100

Long-term Outcome Goal:

Register 100% of the new construction program for Leadership in Energy and Environmental Design (LEED) in the same fiscal year design funding is authorized and appropriated and certify 75% of the new construction program for LEED within 18 months of substantial construction completion.

Performance Goal: Register 50% of the new construction program for LEED in the same fiscal year design funding is authorized and appropriated by FY 2007.

Performance Measure

- Percent of new construction program registered for LEED in the same fiscal year design funding is authorized and appropriated.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
0%	9%	25%	50%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
75%	90%	100%	100%

Performance Goal: Certify 25% of the new construction program for LEED within 18 months of substantial construction completion by FY 2007.

General Services Administration
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Performance Measure

- Percent of new construction program LEED certified within 18 months of substantial construction completion.

These measures track the level of sustainability achieved by the new construction program. Projects must be LEED certified within 18 months of substantial construction completion. Sustainable design principles are incorporated throughout GSA's building processes, beginning with design. The result is an optimal balance of cost, environmental, societal, and human benefits while meeting the needs of the client agency. It is GSA's intent to integrate sustainable design as seamlessly as possible into existing design and construction processes to maximize efficiency and achieve cost effective sustainability for the program.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
0%	17%	20%	25%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
25%	25%	25%	50%

Long-term Outcome Goal:

Improve the operational and maintenance efficiency of GSA buildings by independently verifying newly constructed buildings for achievement of established operational requirements within eighteen months of substantial construction completion (Commissioning).

Performance Goal: Verify 35% of newly constructed buildings for achievement of established operational requirements by FY 2007 (Commissioning).

Performance Measure

- Percent of newly constructed buildings independently verified for achievement of established operational requirements (Commissioning).

For the new construction program, PBS adopted a quality assurance process to achieve, validate, and document that the performance of each building and its systems meet the design intent and owner requirements. This process, called commissioning, enables GSA to assure the facilities it is developing meet or exceed program requirements and expectations for performance, efficiency, safety, sustainability, security, and occupant satisfaction. This independent verification process leads to reductions in building operating costs, enhanced energy efficiency, improved environmental/health conditions, improved maintenance of building systems, and significant extension of equipment/systems life cycle. The majority of projects scheduled to be completed by fiscal year 2011 are too far into the process to make adjustments to meet the goal. Therefore, a substantial increase in the percentage of buildings meeting the goal will not occur until fiscal year 2012.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
14%	22%	30%	35%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
35%	35%	35%	35%

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Long-term Outcome Goal:

Execute the new construction program on the schedule committed to our customers 90% of the time by FY 2010.

Performance Goal: New construction projects on schedule 87% of the time by FY 2007.

Performance Measure

- Construction projects on schedule

GSA anticipates it will deliver and complete construction of new projects on the schedule committed to its customers 90% of the time by 2010. The earned value technique is used to assess construction project performance on all prospectus level construction. Results are measured as the percent of project dollars on or ahead of the planned schedule of project expenditures. This measurement method is designed to provide greater weight to larger construction projects.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
80%	100%	86%	87%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
88%	89%	90%	90%

FY 2007 Budget Request / Performance Plan
Budget Links
New Construction
(Dollars in Thousands)

Long-term Outcome Goal(s)

Reduce average cycle time on new courthouse construction projects 2,800 days or less by FY 2019.

Performance Goal	Performance Measure	FY 2005		FY 2006		FY 2007		Change FY06 to FY07	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Cycle time on new courthouse construction projects is 3,100 days or less by FY 2007	Number of days to complete new courthouse construction projects	2,928	$ 442,590	3,100	$ 332,513	3,100	$ -	0%	$ (332,513)
Budget Links:	New Construction		$ 442,590		$ 332,513		$ -		$ (332,513)
Budget Activities:									
New Construction			$ 442,590		$ 332,513		$ -		$ (332,513)
Total New Obligational Authority			$ 442,590		$ 332,513		$ -		$ (332,513)

FY 2007 Budget Request / Performance Plan
Budget Links
New Construction
(Dollars in Thousands)

Long-term Outcome Goal(s)

Register 100% of the new construction program for Leadership in Energy and Environmental Design (LEED) in the same fiscal year design funding is authorized and appropriated and certify 75% of the new construction program for LEED within 18 months of substantial construction completion.

Performance Goal	Performance Measure	FY 2005		FY 2006		FY 2007		Change FY06 to FY07	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Register 50% of the new construction program for LEED in the same fiscal year design funding is authorized and appropriated by FY 2007	Percent of new construction program registered for LEED in the same fiscal year design funding is authorized and appropriated	9%	$ 25,951	25%	$ 33,901	50%	$ 44,050	25%	$ 10,149
Budget Links:	New Construction		$ 11,087		$ 17,346		$ 26,986		$ 9,640
	Building Operations		$ 14,864		$ 16,555		$ 17,064		$ 509
Certify 25% of the new construction program for LEED within 18 months of substantial construction completion by FY 2007	Percent of new construction program LEED certified within 18 months of substantial construction completion	17%	$ 26,882	20%	$ 32,685	25%	$ 39,684	5%	$ 6,999
Budget Links:	New Construction		$ 7,392		$ 11,564		$ 17,990		$ 6,426
	Building Operations		$ 19,490		$ 21,121		$ 21,694		$ 573
Budget Activities:									
New Construction			$ 18,479		$ 28,910		$ 44,976		$ 16,066
Building Operations			$ 34,354		$ 37,676		$ 38,758		$ 1,082
Total New Obligational Authority			$ 52,833		$ 66,586		$ 83,734		$ 17,148

FY 2007 Budget Request / Performance Plan
Budget Links
New Construction
(Dollars in Thousands)

Long-term Outcome Goal(s)

Improve the operational and maintenance efficiency of GSA buildings by independently verifying newly constructed buildings for achievement of established operational requirements within eighteen months of substaintial construction completion (Commissioning).

Performance Goal	Performance Measure	FY 2005		FY 2006		FY 2007		Change FY06 to FY07	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Verfiy 35% of newly constructed buildings for achievement of established operational requirements by FY 2007 (Commissioning)	Percent of newly constructed buildings independently verified for achievement of established operational requirements (Commissioning)	22%	$ 119,714	30%	$ 197,087	35%	$ 258,048	5%	$ 60,961
Budget Links:	New Construction		$ 119,714		$ 197,087		$ 258,048		$ 60,961
Budget Activities: New Construction			$ 119,714		$ 197,087		$ 258,048		$ 60,961
Total New Obligational Authority			**$ 119,714**		**$ 197,087**		**$ 258,048**		**$ 60,961**

FY 2007 Budget Request / Performance Plan
Budget Links
New Construction
(Dollars in Thousands)

Long-term Outcome Goal(s)

Execute the new construction program on the schedule committed to our customers 90% of the time by FY 2010.

Performance Goal	Performance Measure	FY 2005		FY 2006		FY 2007		Change FY06 to FY07	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
New construction projects on schedule 87% of the time by FY 2007	Construction projects on schedule	100%	$ 341,012	86%	$ 463,810	87%	$ 551,070	1%	$ 87,260
Budget Links:	New Construction		$ 179,570		$ 295,630		$ 387,071		$ 91,441
	Installment Acquisition Pmts		$ 161,442		$ 168,180		$ 163,999		$ (4,181)
Budget Activities:									
New Construction			$ 179,570		$ 295,630		$ 387,071		$ 91,441
Installment Acquisition Pmts			$ 161,442		$ 168,180		$ 163,999		$ (4,181)
Total New Obligational Authority			**$ 341,012**		**$ 463,810**		**$ 551,070**		**$ 87,260**

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Leasing

Strategic Direction

- *Overview*

The Leasing program, managed by the Office of National Customer Services Management, is responsible for acquiring and administering leasehold interests when client space requirements cannot be met with available federal space and new construction is not merited for the requirement. GSA has a total leased inventory of more than 167 million square feet located in 7,386 buildings across the United States and its territories. The leasing program provides the flexibility required to meet the dynamic housing needs of customer agencies and for managing the PBS portfolio and temporary space to allow renovations, consolidations, and other strategic realignments within agencies housed in Government-owned space.

- *Strategic Assessment*

The leasing program has a clear purpose and mission: *Help Federal agencies better serve the public by offering superior workplaces at best value.* Leasing program associates are real estate and market trend experts with strong negotiation skills. The primary goals of the program are to provide superior leased workspaces when needed at or below market rates. To maintain high customer satisfaction, the leasing program must continue to keep procurement costs and rental rates down, provide timely acquisition and lease administration services, and develop efficient work processes that are consistent across regions. Strategies to keep leasing costs at or below market levels include increasing competition through earlier procurement starts, using published market sources for sub-market information, and

partnering with the private sector for brokerage services. Data accuracy is also critical to customer satisfaction and the consistency and efficiency of the leasing program's operation. Our performance goals are subdivided into two broad functions - management of existing leases, and acquisition of new leases. Existing lease management goals center around receiving high tenant satisfaction scores and proactively reviewing leases on a cyclic basis to spot market opportunities for GSA and our customers. New lease acquisition goals center around providing cost effective, timely, quality, process-friendly leases for our customers.

PBS is responding to customer requests for more efficient and consistent services through its Human Capital Strategy. In implementing this strategy, PBS has completed a skills assessment of all of our Central Office personnel as well as our realty and acquisition workforce nationwide. We are utilizing the data from these skills assessments to establish recruitment, outsourcing, and training strategies. These strategies are focused on reducing the skill gaps throughout the organization.

PART Status for Leasing

A PART review was completed for the PBS leasing program in 2003. PBS has responded to OMB's recommendations by implementing a corrective action plan that includes the following:

- Development of program-specific long-term, outcome goals.
- Revision of NBC terms to hold brokers accountable for the same performance goals as those set for the leasing program.
- Incorporation of criteria in performance evaluations of all associates to hold them accountable for achieving performance goals.

The program was reassessed in 2005 and has achieved a "Moderately Effective" rating.

Strategy and Action Plan

Long-term Outcome Goal:

By FY 2010, the leasing program will deliver new leases at least 9.5% below the industry average cost for office space, deliver the space when the customer needs it 90% of the time or better, and utilize the National Broker Contract for expiring leases 90% of the time.

By FY 2010, the leasing program will receive satisfied tenant customer satisfaction scores (4's & 5's) 80% of the time and will incorporate the results of the Office of Real Property Asset Management's annual review of existing leases (where market data is available) into customer strategic planning.

Strategies

- Continue development and implementation of the Customer Relationship Management (CRM) IT platform to improve responsiveness to customer agencies and to offer better cross-service solutions to clients' housing and operational requirements.
- Utilize the NBC to address the increased capacity needs of the leasing program, achieve cost savings, and improve customer service.
- Develop and implement a coherent, consistent national business process using the eLease tool.
- Award a national contract to ensure a consistent approach to data entry accuracy required for customer billing and financial reporting.

- Continue development and implementation of the Transaction Management Playbook (TMP) into an interactive, on-line tool that will interface with CRM, eLease, and other project tools.
- Develop a methodology to analyze and tier the leased inventory – targeting certain leases for renegotiation where there are favorable market conditions and there is a continuing need for the space. The Office of National Customer Services Management will use this information for customer business planning, in addition to a strategic assessment of customer holdings, and consolidation opportunities to take advantage of beneficial market opportunities.

Action Plan and Performance

PBS has identified seven key areas of focus for FY 2007 to improve the effectiveness of the leasing program.

1. National Brokers Contract (NBC)

The National Brokers Contract provides consistency for our customers. The NBC terms hold the brokers accountable for the same performance goals, standards and targets as those set for the leasing program. PBS has awarded four National Brokers Contracts to commercial real estate companies to provide space procurement services to GSA in place of 12 regional contracts.

The NBC provides highly skilled real estate support to assist PBS Realty Specialists with offering leased space to customer agencies. In the short term (2 years or less), 33% of our current leases are scheduled to expire. The National Brokers Contract will be essential to replacing these expiring leases in a timely manner.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

2. Rent Bill Accuracy

Data accuracy is critical to both the maintenance of high customer satisfaction and the consistency and efficiency of our operations. GSA will enhance its current data accuracy program by awarding a national contract to ensure a national standardized approach to our billing processes and data entry. In FY 2007, these methods will apply to billing for the owned and leased inventory. Entering into a national contract covering all 11 regions ensures a consistent approach to input management and maintenance of the source data required for customer billing, as well as our ongoing financial and operational management and internal controls activities.

3. eLease

The NBC module of eLease was launched in March 2005 and version 1.0 was implemented in the first quarter of FY 2006. Version 2.0 will be incorporated in FY 2007. Successful implementation of the eLease initiative is imperative to improve process consistency, capture corporate knowledge, and provide a guide for brokers and GSA associates by achieving consistent process management, public/private partnership and knowledge management in one initiative.

The eLease platform requires critical data to be entered into the database only once. All standard forms are automatically filled out, saving time and reducing errors and inconsistencies. eLease will streamline document management and facilitates GSA's ability to respond to agencies or lessors in the event of a catastrophe involving federally owned or leased buildings by having all documents available electronically.

4. National Accounts Strategic Planning Initiative

An outline and prototype for strategic customer business plans for each of the major customers is under development. The plans will document the strategic relationships with key customers, including financial and market data, customer priorities, and strategic plans. The plans will equip PBS with sufficient knowledge and a framework to develop superior customer experiences. The purpose of the customer business plan is to document today's conditions and customers' business requirements, describe customers' future business requirements and desired outcomes, and outline strategies and approaches for accomplishing those goals. By documenting the state of the relationship, PBS will demonstrate that GSA is delivering the best value for our customers and the taxpayer.

5. Transaction Management Playbook (TMP)

The TMP will standardize project delivery best practices to deliver a high level of service to customers. The TMP will be an interactive, on-line tool that can interface with the other project tools as appropriate, resulting in a consistent, uniform and transparent transaction to the customer regardless of which region handles the transaction. The expected results are fewer errors and project delays, and a common organizational language regarding the approach to transaction business processes.

6. Improvements to Requirements Development Processes

PBS will be focusing more on managing customer relationships, shifting from being transaction processors to transaction managers. During FY 2007, a new program will be designed to upgrade requirements development capabilities to incorporate the principles and techniques of our workplace 20-20 program into the requirements development process.

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7. Demand Planning

Demand planning will support the national and regional resource allocation and management processes through the development of customer demand forecasting methodologies. It is critical to understanding the relational dynamics among business lines and services, which will allow us to plan for increased resource demands rather than react to them.

Impact on performance:

PBS is striving to improve financial performance, reduce costs for customers, improve data accuracy and document management, improve consistency and efficiency of operations through IT solutions and better training for associates, and improve customer satisfaction through better communications and workload management. All of the strategies discussed focus on one or more of these goals. PBS expects these initiatives to result in continued improvements to the leasing program.

RENTAL OF SPACE SUMMARY
($ in 000's)

FY 2005	FY 2006	FY 2007
$3,912,781 [1]	$4,288,185 [1]	$4,322,548 [2]

[1] Includes indefinite authority for leased space
[2] Does not include indefinite authority for leased space

PROGRAM REQUIREMENTS (in thousands)

- $4,152,467 for annual rent for leases in the inventory at the beginning of the fiscal year

- $100,129 for one-time payments for claims, taxes, buyouts, etc.

- $62,677 for rent increases, usually associated with expiring leases

- ($20,363) for cancellations, the amount of space leaving the inventory

- $27,638 for expansions. This is the amount of space entering the inventory for temporary leases in support of major repair and alteration projects and relocations due to forced moves or health and safety conditions

Rentable Square Feet (rsf) in 000's: 179,731

- A 3.4 percent increase in rsf is projected

- RSF increase 7,600

- RSF decrease (1,754)

- RSF net increase 5,846

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RENTAL OF SPACE Explanation of Budget Changes (Dollars in Thousands)	
	New Obligational Authority (NOA)
Fiscal Year 2006 Program	**4,046,031**
Full year cost of Lease Expansions acquired through IA in FY 2005	227,143
Part year cost of Lease Expansions acquired through IA in FY 2006	136,254
Fiscal Year 2006 Current	**4,409,428**
Unobligated balance carryover to FY 2006	126,875
Part year cost of Lease Expansions acquired through IA in FY 2006	(136,254)
Annualization of remaining FY 2006 program changes	536
Planned Reprogrammings	(248,118)
Fiscal Year 2007 Base	**4,152,467**
Rental Rate Increases	62,677
Lump Sum Payments for real estate taxes and lease buyouts	100,129
Lease Cancellations	(20,363)
Full year cost of Lease Expansions acquired through IA in FY 2006	[247,827]
Part year cost of Lease Expansions acquired through IA in FY 2007	[124,971]
Lease Expansions (other than indefinite)	27,638
Fiscal Year 2007 Request	**4,322,548**

Note: The FY 2007 request excludes lease expansions acquired through Indefinite Authority (IA).
Amounts reflected in brackets are projections not included in budget totals.

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CHANGES IN RENTAL OF SPACE
(Dollars and Square Feet in Thousands)

	FISCAL YEAR 2005 ACTUAL		FISCAL YEAR 2006 CURRENT		FISCAL YEAR 2007 REQUEST	
	SQ FT	OBLIGATIONS	SQ FT	OBLIGATIONS	SQ FT	OBLIGATIONS
PRIOR YEAR COST	164,570	$3,665,412	167,081	$3,917,444	173,885	$4,288,185
Annualization of Rental Increases	[154,995]	56,078	[159,454]	34,399	[164,591]	87,384
Lump Sum - Real Estate Taxes; Lease Buyouts	-	(55,260)	-	(73,461)	-	(69,148)
Annualization of Lease Cancellations	[-4,723]	(21,711)	[-4,945]	(43,518)	[-2,527]	(49,883)
Annualization of Lease Expansion - Indefinite	[6,689]	68,583	[5,824]	141,589	[7,181]	[111,573]
Lease Expansion acquired in FY 2005	-	-	-	-	-	(136,254)
Annualization of Lease Expansion - All Other	[4,013]	77,425	[1,669]	14,499	[2,150]	32,183
BASE COST	164,570	$3,790,527	167,081	$3,990,952	173,885	$4,152,467
Current Year Cost of Rental Increases	[159,454]	38,341	[164,591]	74,812	[172,168]	62,677
Lump Sum - Real Estate Taxes; Lease Buyouts	-	73,461	-	69,148	-	100,129
Current Year Cost of Lease Cancellations	(4,982)	(86,859)	(2,527)	(21,833)	(1,754)	(20,363)
Current Year Cost of Lease Expansion - Indefinite	5,824	85,554	7,181	136,254	6,005	[124,971]
Current Year Cost of Lease Expansion - All Other	1,669	16,420	2,150	38,852	1,595	27,638
CURRENT YEAR COST	167,081	$3,917,444	173,885	$4,288,185	179,731	$4,322,548
Additional Information:						
New Obligational Authority (NOA)		$3,657,315		$4,046,031		$4,322,548
Rescission		$0		$0		$0
Indefinite Authority for Leased Expansion Space		$255,466		$363,397		[372,798]
TOTAL AUTHORITY		$3,912,781		$4,409,428		$4,322,548
Obligations (-)		$3,917,444		$4,288,185		$4,322,548
Prior Year Balances/Recoveries		$131,538		$126,875		$0
Reprogrammings		$0		-$248,118 1/		$0
Unobligated Balances		$126,875		$0		$0

1/ Includes potential reprogrammings to Repairs and Alterations (McCormack PO-CT, Boston, MA $60,000K, Eisenhower Executive Office Building, Washington, DC $100,000K, Burger St. Paul , MN $26,034K) and Construction (Courthouse, Los Angeles, CA $58,000K and IRS Computer Center Mechanical Plant, Martinsburg, WV $4,084K).

Note: Bracketed numbers are projections not included in budget totals.

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RENTAL OF SPACE DELEGATION OBLIGATIONS INCLUDED IN GSA APPROPRIATIONS
(Dollars in Thousands)

AGENCY	FY 2005 ACTUAL	FY 2006 CURRENT	FY 2007 REQUEST
Department of Commerce	48,953	49,687	50,532
Department of Defense	112,980	114,675	116,624
Total	161,933	164,362	167,156

The obligations reflected are part of the Administrative Contracting Officer (ACO) Delegation Program. Currently, only two agencies have this ACO authority and it is not anticipated that any additional lease administration delegations will be granted. As part of the program, delegated agencies are responsible for making rental payments to lessors in accordance with the provisions of the delegation agreements.

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Rental of Space

Leased Inventory
(Square Feet in Millions)

Fiscal Year	NOA	Ind. Auth.
2003	151.2	9.2
2004	159.0	6.7
2005	161.3	5.8
2006	166.7	7.2
2007	173.7	6.0

Lease Obligations
($ in Billions)

Fiscal Year	NOA	Ind. Auth.
2003	3.145	.269
2004	3.354	.312
2005	3.657	.255
2006	3.925	.363
2007	4.323	.373
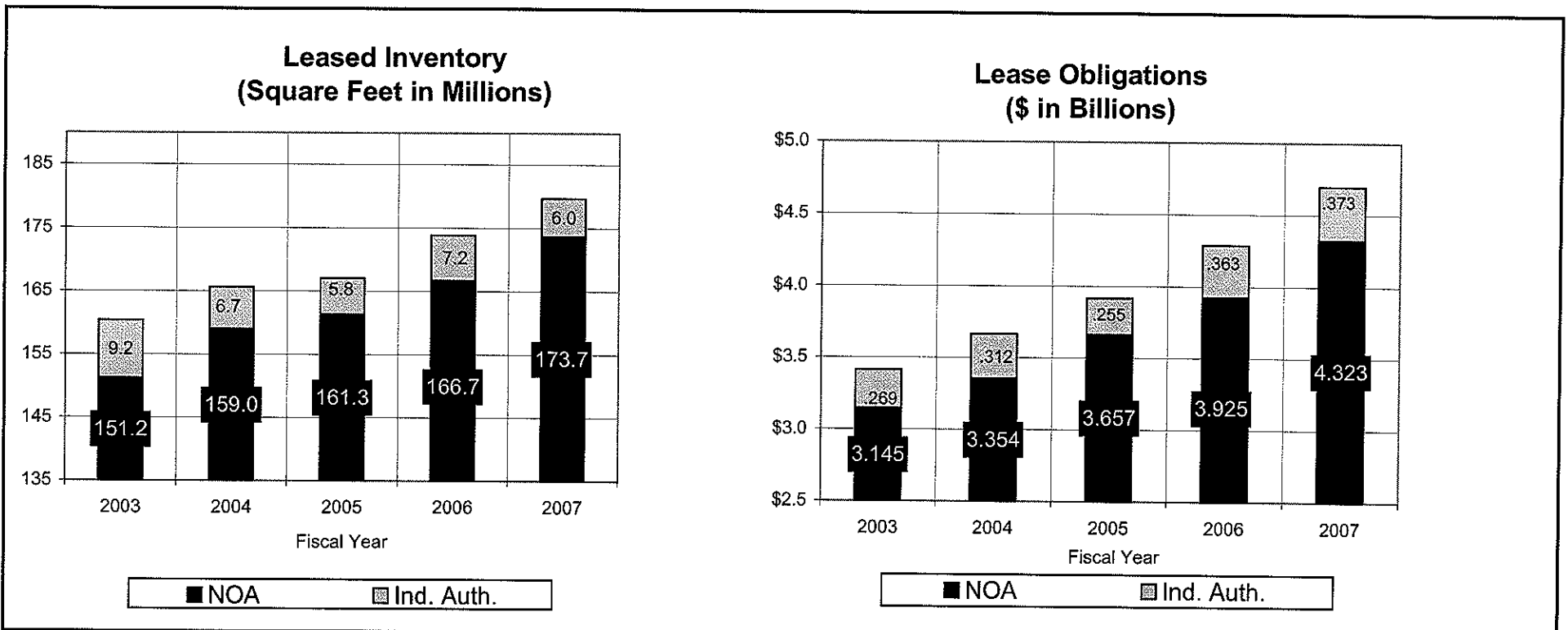
The FY 2007 year-end inventory and obligations will be higher than the amounts shown to the extent that GSA utilizes indefinite authority for expansion space.

The Leased Inventory for indefinite authority represents only new space entering the inventory.

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Long-term Outcome Goal:

By FY 2010, the leasing program will deliver new leases at least 9.5% below the industry average cost for office space, deliver the space when the customer needs it 90% of the time or better, and utilize the National Broker Contract for expiring leases 90% of the time.

Performance Goal: Award leases at an average rental rate of not less than 8.8% below industry averages for comparable office space by FY 2007.

Performance Measure

- Cost of leased space relative to industry market rates.

PBS benchmarks its leasing costs in office space to the private sector. By consistently paying lease rates at or below comparable market rates, PBS ensures that it is achieving the best value for the taxpayer. When calculated by contract, this measure will provide information as to the effectiveness of our brokers in negotiating favorable contract rates.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
-10.6%	-9.2	-8.5%	-8.8%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
-9.0%	-9.3%	-9.5%	-9.5%

Performance Goal: Deliver leased space when the customer needs it 84% of the time or better by FY 2007.

Performance Measure

- Percent of customers surveyed who say they received their leased space when needed.

Each year PBS conducts the Realty Transaction Survey, which includes questions for overall satisfaction with the transaction, getting space when needed, providing advance notice, space meeting needs, keeping the customer informed and value provided.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
87%	82%	82%	84%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
86%	88%	90%	90%

Performance Goal: Use the National Broker Contracts for at least 70% of expiring leases by FY 2007.

Performance Measure

- Percent of expiring leases using the National Broker Contract.

This measure records how well PBS utilizes the National Broker's Contract for the existing workload.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
N/A	N/A	60% *	70%
FY08 Target	**FY09** Target	**FY10** Target	**FY11** Target
80%	90%	90%	90%

* FY06 first year of measure

Long-term Outcome Goal:

By 2010, the leasing program will receive satisfied tenant customer satisfaction scores (4's & 5's) 80% of the time and will incorporate the results of the Office of Real Property Asset Management's annual review of existing leases (where market date is available) into customer strategic planning.

Performance Goal: Achieve a satisfied customer satisfaction rating (4's and 5's) 74% of the time by FY 2007.

Performance Measure

- Satisfied tenant customer satisfaction rating (4 and 5 responses) in leased space surveyed.

PBS, in partnership with The Gallup Organization, polls one-third of its eligible leased buildings each year. The survey, developed in conjunction with the International Facilities Management Association, measures customer satisfaction and allows building managers to target problem areas and develop strategies to improve scores.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
70%	78%	72%	74%
FY08 Target	**FY09** Target	**FY10** Target	**FY11** Target
76%	78%	80%	80%

Performance Goal: Analyze 100% of leases expiring within 3 years for market opportunities to reduce rental payments (where market data is available).

Performance Measure:

- Percent of existing lease inventory reviewed for beneficial opportunities.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
N/A	N/A	100%	100%
FY08 Target	**FY09** Target	**FY10** Target	**FY11** Target
100%	100%	100%	100%

Performance Goal: Maintain percentage of vacant space in leased buildings at less than or equal to 1.5% by FY 2007.

Performance Measure

- Percent of vacant space in leased inventory

This measure evaluates our effectiveness at maximizing the use of leased space in the inventory. Vacant space includes any space for which we currently have no tenant, including space that we have committed to a customer but is not yet occupied.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
1.2%	1.2%	≤ 1.5%	≤ 1.5%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
≤ 1.5%	≤ 1.5%	≤ 1.5%	≤ 1.5%

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
1.9%	2.2%	0% - 2%	0% - 2%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
0% - 2%	0% - 2%	0% - 2%	0% - 2%

Performance Goal: Manage the costs of administering leased space so that leased Funds From Operations (FFO) is greater than 0% and no more than 2% of the leased inventory revenue.

Performance Measure

- Percent of leased revenue available after administering the leased program.

Leasing Funds From Operations (FFO) is the amount of leasing income left after PBS pays all of the expenses associated with GSA-controlled leased space (including rental payments to lessors). This measure ensures that all costs associated with the leasing program are covered through the rent and the 8% leasing fee charged to customers.

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FY 2007 Budget Request / Performance Goal
Budget Links
Leasing Program
(Dollars in Thousands)

Long-term Outcome Goal(s)

By 2010, the leasing program will deliver new leases at least 9.5% below the industry average cost for office space, deliver the space when the customer needs it 90% of the time or better, and utilize the National Broker Contract for expiring leases 90% of the time.

Performance Goal	Performance Measure	FY 2005		FY 2006		FY 2007		Change FY06 to FY07	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Award leases at an average rental rate of not less than 8.8% below industry averages for comparable office space by FY 2007	Cost of leased space relative to industry market rates	-9.2%	$ 255,466	-8.5%	$ 363,397	-8.8%	$ 372,798	-0.3%	$ 9,401
Budget Links:	Rental of Space Indefinite Authority		$ 255,466		$ 363,397		$ 372,798 ¹		$ 9,401
Use National Broker Contract for at least 70% of expiring leases by FY 2007	Percent of expiring leases using the National Broker Contract	N/A	$ -	60%	$ -	70%	$ -	10%	$ -
Deliver leased space when the customer needs it 84% of the time or better by FY2007	Percent of customers surveyed who say they received their leased space when needed	82%	$ 47,130	82%	$ 57,472	84%	$ 59,547	2%	$ 2,075
Budget Links:	Building Operations		$ 47,130		$ 57,472		$ 59,547		$ 2,075
Budget Activities:									
Rental of Space - Indefinite Authority			$ 255,466		$ 363,397		$ 372,798 ¹		$ 9,401
Building Operations			$ 47,130		$ 57,472		$ 59,547		$ 2,075
Total New Obligational Authority			$ 302,596		$ 420,869		$ 432,345		$ 11,476

1/ Indefinite Authority not included in the New Obligational Authority amount

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FY 2007 Budget Request / Performance Goal
Budget Links
Leasing Program
(Dollars in Thousands)

Long-term Outcome Goal(s)

By 2010, the leasing program will receive satisfied tenant customer satisfaction scores (4's & 5's) 80% of the time and will incorporate the results of the Office of Real Property Asset Management's annual review of existing leases (where market data is available) into customer strategic planning where market data is available.

Performance Goal	Performance Measure	FY 2005		FY 2006		FY 2007		Change FY06 to FY07	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Achieve a satisfied customer satisfaction rating (4's & 5's) 74% of the time by FY 2007	Satisfied tenant customer satisfaction rating (4 and 5 responses) in leased space surveyed	78%	$ 30,828	72%	$ 32,504	74%	$ 34,665	2%	$ 2,161
	Building Operations		$ 30,828		$ 32,504		$ 34,665		$ 2,161
Maintain percentage of vacant space in leased buildings at less than or equal to 1.5% by FY 2007.	Percent of vacant space in leased inventory	1.2%	$ 45,938	≤1.5%	$ 51,851	≤1.5%	$ 52,906	0%	$ 1,055
	Building Operations		$ 45,938		$ 51,851		$ 52,906		$ 1,055
Manage the costs of administering leased space so that leased FFO is greater than 0% and no more than 2% of the leased inventory revenue	Percent of leased revenue available after administering the leased program	2.2%	$ 232	0-2%	$ 232	0-2%	$ 237	0%	$ 5
	Building Operations		$ 232		$ 232		$ 237		$ 5
Analyze 100% of leases expiring within 3 years for market opportunities to reduce rental payments (where market data is available).	Percent of existing lease inventory reviewed for beneficial opportunities	N/A	$ 3,670,301	100%	$ 3,938,016	100%	$ 4,336,059	0%	$ 398,043
	Building Operations		$ 12,986		$ 13,228		$ 13,511		$ 283
	Rental of Space		$ 3,657,315		$ 3,924,788		$ 4,322,548		$ 397,760
Budget Activities:									
Rental of Space			$ 3,657,315		$ 3,924,788		$ 4,322,548		$ 397,760
Building Operations			$ 89,984		$ 97,815		$ 101,319		$ 3,504
Total New Obligational Authority			$ 3,747,299		$ 4,022,603		$ 4,423,867		$ 401,264

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Asset Management

Strategic Direction

- *Overview*

The Public Buildings Service (PBS) provides a wide range of real estate services to Federal agencies. These services include space alterations, repairs, property management, and space planning. PBS strives to provide quality workplaces and enhance the asset value of our real estate portfolio for the benefit of the taxpayer.

- *Strategic Assessment*

In FY 2007, PBS will near completion of its effort begun in FY 2002 to restructure its portfolio of real property assets. This will ensure that PBS's portfolio consists mainly of strong income-producing assets that are well positioned to meet customer needs. PBS will also continue implementing its Real Property Asset Management Plan and the associated 3-year rolling improvement plan to maintain "Green" status on the President's Management Agenda scorecard.

PBS will advance its customer and market portfolio analyses to identify and target opportunities to further develop or secure cost-effective solutions for its customers. PBS will utilize the Customer Relationship Management (CRM) system and coordinate closely with brokers to take advantage of identified market opportunities.

A new focus and emphasis has been placed on occupancy administration and the building, managing and nurturing of tenant relationships. PBS will continue to provide national guidance and program oversight in this area, focusing on establishing and sustaining the tenant relationship throughout the life of the occupancy. The foundation of this relationship is the Occupancy Agreement.

In the post 9/11 environment, PBS has embarked on significant design change improvements and has experienced enormous increases in the cost of protection and security. Design changes required for increased building security and equipment for high-risk tenants have strained already tight funding requirements. Also, security is becoming an increasingly important factor in location decisions for many customer agencies.

PART Status for Asset Management

The Asset Management program has a clear program purpose; *housing federal agencies in space that meets their needs.* GSA has displayed solid management by holding senior managers and associates accountable for their performance.

The PART rating for the Asset Management program was "Effective."

PBS uses long-term measurable goals that assess the performance of its asset management program and monitors annual stretch goals that are linked to the long-term goals. For example, PBS is measuring average return on equity for its government-owned assets. PBS has also instituted a measure to track whether major repair and alteration projects are meeting performance expectations. Monthly monitoring of project activity will allow PBS to develop mitigating strategies before escalations are required. For

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repair and alteration projects, PBS will utilize government estimates at 30%, 60%, and 90% of design completion to control project costs. This system of status reporting will alert management to potential problems, allowing timely corrective action.

Long-term Outcome Goals:

Achieve a viable, self-sustaining inventory with an average Return on Equity of at least 6% by FY 2010 for 80% of government owned assets.

Reduce energy consumption 20% by FY 2015 over the FY 2003 baseline while maintaining overall operating costs 12% below the private sector and customer satisfaction levels at or above 80%.

Strategies

Asset Management
- Implement GSA's Real Property Asset Management Plan
- Continue Restructuring/Reinvesting in GSA's Portfolio of Real Property Assets
- Identify Core Real Property Assets and Target Reinvestment
- Preservation Compliance

Customer Service
- Advance Customer and Market Portfolio Analysis to Develop Cost Effective Workplace Solutions
- Facilitate Customer Decision Making and Balance Security Risks with Associated Costs
- Expand Workplace 20/20 and Integrate Innovative Workplace Program

Operational Efficiency
- Reduce Energy Costs/Consumption
- Develop and Implement Knowledge Management Plan
- Strive to Keep GSA Childcare Services Competitive

Process Improvement
- Begin concept development to link the spatial data management program with PBS's inventory system

Action Plan and Performance

PBS has identified eleven key areas where it must improve in order to achieve the overall goal of a sustainable inventory of owned buildings.

1. Implement GSA's Real Property Asset Management Plan

In FY 2007, PBS will continue implementing its Real Property Asset Management Plan and the associated 3-year rolling improvement plan to advance its asset management practices and to maintain "Green" status on the scorecard for the President's Management Agenda. PBS will also continue to work closely with the Office of Management and Budget and the Federal Real Property Council to ensure that GSA remains attentive to any changes in direction and guidance for federal real property asset management. To meet this goal, PBS will accomplish the following:

- Annually update and re-evaluate GSA's Real Property Asset Management Plan
- Implement action items from the rolling 3-year improvement plan
- Identify gaps in GSA's asset management business model and incorporate solutions into the rolling 3-year improvement plan

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2. **Continue Restructuring/Reinvesting in GSA's Portfolio of Real Property Assets**

PBS strives to ensure that its portfolio mainly consists of strong income-producing assets that are well positioned to meet customer requirements. The portfolio restructuring will near completion in FY 2007. Through this process PBS has accomplished the following:

- The number of underutilized and non-performing assets has been reduced by 50%.
- The percentage of rentable square feet of financially performing assets has increased from 52% to 66%.
- 74% of our assets are earning at least a 6% Return on Equity (ROE).
- 80% of our assets are achieving positive Funds from Operations (FFO).
- We have reported as excess 178 assets and demolished 47 buildings and, as a result, eliminated 2.2 million rentable square feet of vacant space, avoiding $207 million in capital reinvestment needs.
- Vacant space (available and committed) in our owned assets has gone from 8.9% to 6.8% – significantly below the 2004 industry average vacancy rate of 14%.

3. **Identify Core Real Property Assets and Target Reinvestment**

Building on work initiated in FY 2005, PBS will refine its identification of core real property assets in FY 2007 to ensure that reinvestment dollars are targeted to the correct assets. Implementing this strategy will require upgrades to source databases that provide asset, market, and customer information. To achieve this goal we will:

- Examine long-term customer needs and commercial market alternatives
- Identify one of the following 3 hold periods for each asset ($\geq$16 yrs / 6-15 yrs / $\leq$5 yrs)
- Determine the adequate reinvestment level for each asset based on future demand
- Refine out-year modernization forecasts

4. **Preservation Compliance**

PBS will implement on-line tools and training for national and regional staff in order to improve national compliance with historic preservation guidelines and regulations. The design, implementation, and upgrade of online resources for the historic preservation program will bring GSA to compliance with Federal law by making building and archeological information more accessible to all GSA associates, and will reduce delays and cost escalations on projects involving historic buildings.

5. **Advance Customer and Market Portfolio Analysis to Develop Cost Effective Workplace Solutions**

In FY 2007, PBS will enhance its customer and market portfolio analysis, identifying and targeting opportunities for cost effective solutions and savings for customers. PBS must effectively track and utilize information collected in the Customer Relationship Management (CRM) system and coordinate closely with brokers to take advantage of identified market opportunities. To achieve this, PBS will:

- Update detailed occupancy analyses of key customer portfolios
- Update detailed analyses of largest markets with a federal presence
- Assist customers in developing strategies to minimize rental costs
- Improve data capture in the CRM system so that it may be utilized in the decision making process
- Link CRM to market data to better align customer needs and market conditions

6. Facilitate Customer Decision Making and Balance Security Risks with Associated Costs

GSA is currently revising a long-term Memorandum of Understanding (MOU) to formalize our relationship with DHS-FPS by outlining the roles and responsibilities of each agency. GSA is also establishing new operating criteria for Building Security Committees, as well as a corporate level Security Liaison. PBS expects to solidify its working relationship with DHS-FPS and develop tools to facilitate decision making to help mitigate risks and balance the costs with associated benefits of providing security protection and countermeasures. To achieve this, PBS will:

- Develop a PBS Center(s) of Expertise to lead the implementation effort
- Develop tool(s) to frame decision-making to balance risk and costs
- Provide customer up-front analysis of location-specific security costs when entering/exiting an Occupancy Agreement (OA)

7. Expand WorkPlace 20/20 and Integrate Innovative Workplaces Program

In an effort to improve the application of this program, The Office of Applied Science is in the process of analyzing alternatives to shorten the time for a WorkPlace 20/20 Rapid Engagement. This initiative is expected to reduce the required execution time to 5 to 10 days, grow the client base utilizing WorkPlace 20/20 solutions, and improve customer satisfaction.

8. Reduce Energy Costs/Consumption

In FY 2007, PBS will continue to reduce energy costs and consumption by enhancing existing processes and tools currently used to procure, monitor, and consume energy. Technological advances and deregulation of the electricity industry may require GSA to increase contracting staff responsible for the administration of GSA's government-wide utility acquisition responsibilities and price monitoring. Increased complexity in electricity markets associated with deregulation will require the development of market-based demand response programs, as well as the technology to support such an initiative. As a result of the Energy Policy Act of 2005, GSA building operators will require funding to improve metering capabilities in significant portions of GSA's inventory. Finally, GSA Repairs and Alterations energy retrofit funding must continue at current levels to ensure GSA buildings operate as efficiently as possible given continued advances in technology.

9. Develop and Implement Knowledge Management Plan

In FY 2007, PBS will continue to implement the Knowledge Management Plan (KMP) developed in FY 2005. The Office of Applied Science recently completed a thorough Knowledge Management (KM) readiness assessment within PBS and developed a strategic plan for implementing those KM solutions that

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most directly align with PBS's values, goals, and culture. We will continue to implement phases of the KMP, which initially focus on supporting teams, and facilitate collaboration between the various PBS communities of practice. Ultimately, the KMP will improve efficiency and communication within the organization, combat knowledge loss due to workforce attrition, and improve and promote relationships between GSA associates.

10. Strive to Keep GSA Childcare Services Competitive

In FY 2007, PBS will:
*   Interact with recognized industry experts and leading on-site corporate child care providers
*   Monitor their proposed accreditation methodologies
*   Analyze and evaluate our position in relation to market forces and trends
*   Assess possible alternatives and improvements to our current system
*   Develop new approaches to customer satisfaction, incorporating surveys and outreach teams to increase customer satisfaction. These objectives are attainable at the existing staffing and funding levels given proper administrative support.

11. Begin concept development to link the spatial data management program with PBS's inventory system

Throughout FY 2007, PBS will begin development of the concept to link its spatial data management efforts. This specifically involves linking of floor plan data with the building inventory system, STAR. Integrated system funding requirements will be requested in a future year.

Impact on Performance:

The ultimate outcome of the PBS Strategy for Restructuring and Reinvesting in the Owned Inventory is to provide quality workplaces, increase customer satisfaction, constrain operating costs, and enhance the value of our real estate portfolio for the benefit of the taxpayer.

PBS fully expects portfolio performance to improve as a result of implementing these strategies. The performance measures developed to monitor progress in the strategy implementation were adopted from private sector portfolio management benchmarks and concepts.

Decreasing the amount of vacant available space and redeploying assets where there is no longer a federal need will also improve performance. Non-performing assets that are unable to generate sufficient income for their reinvestment requirements will be culled from the inventory.

More aggressive tracking and better scheduling through existing systems will refine the capture of reinvestment needs and facilitate prioritization of reinvestment projects.

Through gradual, continuous improvement in FY 2006 and beyond, and by meeting the targets of the individual performance measures, PBS will realize its long-term outcome goals.

General Services Administration
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REPAIRS & ALTERATIONS SUMMARY

($ in 000's)

FY 2005	FY 2006	FY 2007
$867,722 [1]	$1,072,410 [2]	$866,194 [2]

[1] Includes indefinite authority
[2] Does not include indefinite authority

PROGRAM REQUIREMENTS (in thousands)

- $398,253 for Major Modernizations
- $374,913 for Basic Program
- $24,825 for Design Program
- $23,203 for Limited Scope Program
- $10,000 for Fire and Life Safety Program
- $10,000 for Glass Fragment Retention Program
- $15,000 for Energy Program
- $10,000 for CFC Program

REPAIRS AND ALTERATIONS
SUMMARY OF FY 2007 PROGRAM
(Dollars in Thousands)
IN PRIORITY ORDER

	FUNDED TO DATE	FY 2006 CURRENT	ESTIMATED TOTAL PROJECT COST				FY 2007 REQUEST			
			DESIGN	CONSTRUCTION	M&I	TOTAL	DESIGN	CONSTRUCTION	M&I	TOTAL
Nonprospectus (Basic) Repairs and Alterations Program....................	-	-	-	374,913	-	374,913	-	374,913	-	374,913
Limited Scope Program										
Albuquerque, NM, Federal Building..	-	-	543	4,821	419	5,783	543	4,821	419	5,783
Milwaukee, WI, United States Federal Building - Courthouse.....................	-	-	458	4,796	345	5,599	458	4,796	345	5,599
Silver Spring, MD, Building 130, Center for Radiological Devices and Health.	-	-	296	5,265	232	5,793	296	5,265	232	5,793
Laurel, MD, Center for Veterinary Medicine, Food and Drug Administration...	-	-	435	5,057	536	6,028	435	5,057	536	6,028
Subtotal, Limited Scope Program	-	-	1,732	19,939	1,532	23,203	1,732	19,939	1,532	23,203
Full Scope Repairs and Alterations										
Washington, DC, Eisenhower Executive Office Building Phase II................	4,788	17,717	7,906	97,182	17,417	122,505	-	49,310	6,690	56,000
New York, NY, Thurgood Marshall United States Courthouse....................	13,500	-	16,393	201,640	9,849	227,882	2,893	39,167	4,325	46,385
Washington, DC, Main Interior Federal Building	73,320	41,399	11,213	211,331	20,900	243,444	450	42,535	4,194	47,179
Washington, DC, Harry S. Truman Building	106,339	-	10,731	120,324	9,616	140,671	2,900	1,616	113	4,629
Kansas City, MO Richard Bolling Federal Building	73,876	-	15,917	225,760	22,233	263,910	2,125	84,786	9,697	96,608
Washington, DC, Mary E. Switzer Federal Building	89,055	-	10,256	120,600	9,080	139,936	1,536	45,920	3,425	50,881
Chicago, IL, Dirksen United States Courthouse..................................	8,152	-	8,152	89,629	6,942	104,723	-	89,629	6,942	96,571
Subtotal, Full Scope Repairs and Alterations....................................	369,030	59,116	80,568	1,066,466	96,037	1,243,071	9,904	352,963	35,386	398,253
Design Program (see attached listing for specific projects).................	-	3,529	28,354	302,357	36,817	367,528	24,825	-	-	24,825
Fire and Life Safety Program..	-	-	-	10,000	-	10,000	-	10,000	-	10,000
Glass Fragment Retention Program..	66,000	15,700	30,227	503,790	20,160	554,177	-	10,000	-	10,000
Chlorofluorocarbons Program...	126,073	10,000	4,625	132,059	9,389	146,073	-	10,000	-	10,000
Energy Program..	131,422	28,000	23,748	264,400	17,070	305,218	-	15,000	-	15,000
Subtotal, Special Emphasis Programs...	323,495	53,700	58,600	910,249	46,619	1,015,468	-	45,000	-	45,000
Total Repairs and Alterations Program...	692,525	116,345	169,254	2,673,924	181,005	3,024,183	36,461	792,815	36,918	866,194

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REPAIRS AND ALTERATIONS
SUMMARY OF FY 2007 DESIGN PROGRAM
(Dollars in Thousands)
(In Priority Order)

	FUNDED TO DATE	FY 2006 CURRENT	ESTIMATED TOTAL PROJECT COST				FY 2007 REQUEST			
			DESIGN	CONSTRUCTION	M&I	TOTAL	DESIGN	CONSTRUCTION	M&I	TOTAL
Design Program										
Washington, DC, Eisenhower Executive Office Building (Phase III)........................	-	-	8,447	99,274	18,657	126,378	8,447	-	-	8,447
Jackson, MS, Dr. A. H. McCoy Federal Building (Additional Design)......................	-	3,529	4,572	46,474	4,453	55,499	1,043	-	-	1,043
Brooklyn, NY, U.S. Post Office - Courthouse..	-	-	4,723	45,416	3,906	54,045	4,723	-	-	4,723
Washington, DC, Nebraska Avenue Complex...	-	-	1,200	15,032	630	16,862	1,200	-	-	1,200
Columbus, OH, Joseph P. Kinneary U.S. Courthouse...................................	-	-	1,068	11,120	866	13,054	1,068	-	-	1,068
Miami, FL, David W. Dyer Federal Building - Courthouse..............................	-	-	4,502	43,790	4,194	52,486	4,502	-	-	4,502
New Bern, NC, Post Office - Courthouse...	-	-	1,279	11,315	1,443	14,037	1,279	-	-	1,279
Orlando, FL, George C. Young Federal Building - Courthouse.........................	-	-	2,563	29,936	2,668	35,167	2,563	-	-	2,563
							-	-	-	-
Total Design Program	-	3,529	28,354	302,357	36,817	367,528	24,825	-	-	24,825

General Services Administration
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Repairs and Alterations
FY 2007 Construction Phase Project Descriptions

DISTRICT OF COLUMBIA

Eisenhower Executive Office Building Phase II $56,000,000

The General Services Administration (GSA) proposes to renovate the Eisenhower Executive Office Building (EEOB) located at Pennsylvania Avenue and 17th Street, NW, Washington, DC. This request is for the partial funding of State Place (Phase II), which consists of approximately 230,000 gross square feet in the Southeast Quadrant of the building.

The EEOB, built in 1888, is on the National Register of Historic Places. This building functions as the principal support facility for White House operations, offering 691,783 gross square feet and 46 outside parking spaces. The building currently houses approximately 1,494 Executive Office of the President (EOP) employees.

The project will modernize the interior spaces and provide a complete update of the mechanical, electrical and plumbing systems throughout the Southeast Quadrant. The project includes the installation of high security blast and ballistic windows. GSA will remove the existing A/C window units and provide a new central HVAC system. The modernization effort will remove existing piping, wiring, surface mounted distribution boxes, and other devices that were installed in an ad hoc manner and clutter the building. A new telecommunication and cabling system will be installed. An interior security system including an emergency notification system, intrusion detection system, access controls, and video assessment system will be installed. A new structure will be erected in the South Court to house supporting infrastructure for building systems and provide freight elevator access to the basement from the South Courtyard area. Additionally, code deficiencies in the South Court moats will be corrected. Hazardous material abatement and containment will be performed where necessary. Exterior construction includes masonry repair and the installation of loading dock levelers.

Design ($4,788 thousand) was funded in fiscal year 2005. Additional design ($3,118 thousand), construction ($11,399 thousand) and management and inspection ($3,200 thousand) were funded in fiscal year 2006. This request is for partial construction ($49,310 thousand) and management and inspection ($6,690 thousand). The balance of funding, construction ($36,473 thousand), and management and inspection ($7,527 thousand) will be requested in another fiscal year. The estimated Phase II project cost is $122,505 thousand.

Harry S. Truman Building $4,629,000

The General Services Administration (GSA) proposes an additional portion to Phase IV (Phase IVa) construction of the multi-phased modernization project at the Harry S. Truman (Main State) Building. GSA is conducting a multi-phased modernization project on the Main State Building.

The original portion of the State Department Building, the "Old War Building", was completed in 1938. It was originally constructed for the War Department, and is listed on the National Register of Historic Places. An addition, "New State", was constructed in 1960, completing the building as it stands today. The building provides approximately 2.6 million gross square feet of administrative and support spaces for the Department of State personnel and associated functions and has 905 inside parking spaces on the site.

Phase IVa now includes an unanticipated customer requirement, revising the original tenant improvements due to the many changes the Main State has undergone since the design phase was last funded in 1996. The current tenant requirement for Phase IV, to be completed in 2008, revises the design and adds the American Diplomacy Museum. The proposed project will consist of the demolition and build-out of the east section of the North Court area. The build-out will include replacing HVAC systems, electrical and plumbing systems, installing an automatic fire sprinkler system with fire pumps, replacing the elevators, and constructing the museum shell space requirements. In addition, technology has

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DISTRICT OF COLUMBIA – continued

become more efficient since the construction documents were finished, so HVAC and electrical systems will be modified to take advantage of new efficiencies. This request for additional design funds will cover technological improvements and changes to tenant requirements.

Design was funded in fiscal years 1988, 1991, 1995, and 1996 ($7,831 thousand). Phase I construction ($27,756 thousand) and management and inspection ($2,023 thousand) were funded in fiscal year 1999. Phase II construction ($9,768 thousand) and management and inspection ($743 thousand) were funded in fiscal year 2000. Phase III construction ($26,835 thousand) and management and inspection ($1,940 thousand) were funded in fiscal year 2001. Phase IV construction ($27,190 thousand) and management and inspection ($2,253 thousand) were funded in fiscal year 2003. This request is for additional design ($2,900 thousand), Phase IVa construction ($1,616 thousand) and management inspection costs ($113 thousand). The balance of project funding, construction ($27,159 thousand), and management and inspection ($2,544 thousand) will be funded in a future fiscal year. The estimated total project cost is $140,671 thousand.

Main Interior Federal Building...$47,179,000

The General Services Administration (GSA) proposes to amend the six-phased modernization plan for the Department of Interior (DOI) building. GSA is currently modernizing the DOI's main headquarters building, to extend and improve its utility as a federal office building. The Main Interior building is a seven-story limestone-clad neo-classic federal office building of monumental design. The building houses 1,917 personnel, contains 1,309,266 gross square feet of floor space with a basement and seven above-grade floor levels, and a parking garage for 306 vehicles.

DOI will remain in the building during construction to maintain continuity of operations to minimize the amount of swing space needed to support the project. Upon project completion, the building will meet current building code, operational, and workspace standards. The electrical, HVAC, and plumbing systems will be replaced. A new sprinkler system will be installed and the fire alarm system upgraded to be compatible with the new sprinkler system. Additional stairways will be constructed to provide adequate access in the event of an emergency. The restroom fixtures and finishes will be improved and the restrooms renovated to comply with accessibility requirements.

A new security system will be installed to focus on perimeter intrusion detection, entry access control, and security-sensitive interior spaces. Exterior work such as pointing, cleaning, and window improvements will be conducted. Blast resistant windows will be installed on the office side of the existing windows. The building's historically significant spaces and finishes will be restored and preserved.

Phase IV includes the demolition and build-out of interior space; mechanical, electrical, plumbing, fire safety systems, and refurbishment of interior finishes.

The original project did not contemplate disrupting the service of the cafeteria. However, asbestos was discovered in the cafeteria ceiling space, and was only temporarily rectified. In order to complete the abatement process, closing the cafeteria was required. This situation presented an opportunity to provide additional renovations such as the replacement of deteriorated steam piping located under the cafeteria floor. Because Phase IV of the modernization project consists of work in and around the cafeteria, it is more practical to renovate the cafeteria during this phase.

Design was funded in fiscal years 1994, 2000, and 2004 for $10,763 thousand. Phase I construction ($33,577 thousand) and management and inspection ($3,929 thousand) were funded in fiscal years 2000 and 2002. Phase II

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Repairs and Alterations
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DISTRICT OF COLUMBIA – continued

construction ($22,175 thousand) and management and inspection ($2,876 thousand) were funded in fiscal years 2002 and 2004. Phase III construction ($38,483 thousand) and management and inspection ($2,916 thousand) were funded in fiscal year 2006. This request is for additional design ($450 thousand), construction ($42,535 thousand), and management and inspection ($4,194 thousand). Phase V and Phase VI construction ($74,561 thousand) and management and inspection ($6,985 thousand) will be requested in future fiscal years. The estimated total project cost is $243,444 thousand.

Mary E. Switzer Federal Building... $50,881,000

The General Services Administration (GSA) proposes to renovate the Mary E. Switzer Federal Building in Washington, DC. The building, completed in 1942, consists of 591,307 gross square feet, with 128 parking spaces and currently houses approximately 640 employees. This historic structure features a limestone façade, granite sculptures, and elegant lobbies that contain green terrazzo floors, marble walls, and architectural bronze doors, grills and light fixtures. The building is situated in a prime downtown location, proximate to public transportation and other federal headquarters buildings. Since its construction, the building has received minimal renovations and is deficient in many areas.

The proposed repair and alteration project will complete a major modernization of the building's HVAC, electrical, and plumbing systems, historic lobbies and restrooms, and fire alarm system. The project will also recapture space that is currently unavailable for use.

The exterior façade, roof and windows will also be renovated. The façade work involves parapet wall flashing, sealing the building against moisture penetration, adding exterior lighting, and adding a ramp for building accessibility.

Design was funded in fiscal years 2000 ($2,392 thousand), 2002 ($5,384 thousand) and 2004 ($944 thousand). Phase I construction ($74,680 thousand) and management and inspection ($5,655 thousand) were funded in fiscal year 2005. This request is for the balance of design ($1,536 thousand), and Phase II construction ($45,920 thousand) and management and inspection ($3,425 thousand). The estimated total project cost is $139,936 thousand.

ILLINOIS

Chicago – Dirksen United States Courthouse $96,571,000

The General Services Administration (GSA) proposes to renovate the 41-year old Everett McKinley Dirksen Courthouse. The 30-story high-rise courthouse, part of a federal office complex, is constructed of a structural steel frame, clad with a metal and glass facade. The Dirksen Courthouse serves as the headquarters for the Northern District of Illinois and the U.S. Court of Appeals for the Seventh Circuit, and houses 1,440 federal employees in Chicago's Central Business District. The high-rise courthouse is 1,462,472 gross square feet with 1,206,345 of rentable square feet and 122 inside parking spaces. The Dirksen Courthouse contributes to the distinguished history of skyscraper construction in Chicago and was the first of Mies van der Rohe's urban, mixed land-use projects. As a result, the courthouse, part of a federal complex, has been determined eligible for listing on the National Register of Historic Places.

The proposed project will modernize building systems and renovate interior space. The HVAC system will be replaced/upgraded to improve air quality and temperature control and reduce maintenance costs; thermal insulation may be added to the glass. Portions of the drainage system will be replaced/repaired to address existing water infiltration problems.

All remaining restroom facilities not yet renovated under prior projects will be completed with upgraded lighting, replacement of old plumbing fixtures, updated finishes, and will be reconfigured to comply with ADA accessibility requirements.

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ILLINOIS – continued

The existing obsolete fire alarm system will be replaced. The existing deficient emergency power generator will be replaced to support critical life-safety systems, such as the fire pumps. Mechanical rooms will be refurbished to replace deteriorated original finishes and to remove asbestos tiles. This proposed project will also allow for the backfill of approximately four floors in the building vacated by the Federal Bureau of Investigation.

Design ($8,152 thousand) was funded in fiscal year 2005. This request is for construction ($89,629 thousand) and management and inspection ($6,942 thousand). The estimated total project cost is $104,723 thousand.

MARYLAND

Laurel - Center for Veterinary Medicine, Food and Drug Administration
....$6,028,000

The General Services Administration (GSA) proposes the replacement of the underground hot and chilled water distribution systems for the Central Utility Plant and 13 animal research laboratory buildings at the Center for Veterinary Medicine (CVM), Food and Drug Administration (FDA). The consolidation of FDA headquarters components was established by the FDA Revitalization Act of 1990. As part of that effort, GSA constructed a campus for the CVM on Muirkirk Road. The CVM Complex, referred to as MOD II, consists of 22 buildings and structures ranging from offices and laboratories to various animal research facilities.

The proposed project involves a complete replacement of the existing underground high temperature hot and chilled water distribution system. The new system will connect the central plant to the 13 animal research laboratory

buildings with a modern, high efficiency, high quality, and low maintenance system. This system is required to replace a failing system. GSA has installed 14 temporary boilers to serve the animal research buildings.

This request is for design ($435 thousand), construction ($5,057 thousand) and management and inspection ($536 thousand). The estimated total project cost is $6,028 thousand.

Silver Spring - Building 130 – Center for Radiological Devices and Health
....$5,793,000

The General Services Administration (GSA) proposes to renovate the White Oak Building 130. The renovation will upgrade all major building systems and convert the building into a machine fabrication shop and photo sciences laboratory for the Food and Drug Administration's (FDA) Center for Devices and Radiological Health (CDRH). Building 130 was constructed in 1972 as the Vulnerability and Hardening Facility for the U.S. Naval Ordinance Laboratory.

The proposed project would create two special space functions for CDRH: 1) the machine fabrication shop, and 2) the photo sciences laboratory. The proposed project includes demolition and renovation of the interior space and replacement of all major building systems: HVAC with building automation and control, air-handling, electrical, plumbing, fire and life-safety, voice-and-data, energy-efficient lighting, security, and renovation of existing elevators. It also includes lead and asbestos abatement, as necessary. Exterior renovation includes replacing existing windows and doors and replacing existing roofing with a modified built-up roofing system. Other project-related site work includes paving and coating existing pavement, installing site lighting, and upgrading site utilities.

This request is for design ($296 thousand), construction ($5,265 thousand) and management and inspection ($232 thousand). The estimated total project cost is $5,793 thousand.

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Repairs and Alterations
FY 2007 Construction Phase Project Descriptions

MISSOURI

Kansas City - Richard Bolling Federal Building....................... $96,608,000

The General Services Administration (GSA) proposes to amend the existing four phase project to expand the scope of renovation work and account for cost escalations. The expanded scope will include additional sealing for the building's exterior, additional asbestos and lead abatement, modernizing the sub-basement mechanical system, and providing a new lobby entrance for the Richard Bolling Federal Building (Bolling FB).

The Bolling FB is a late-modern 18-story precast concrete-clad office building situated on a two-block site at 601 East 12th Street in the central business district of downtown Kansas City, MO. It was constructed in 1965 and has a gross floor area of 1,236,435 square feet. It presently houses 4,500 government employees.

The proposed project will modernize and improve the vital building systems of all floors, including the upgrading of the HVAC, electrical, and plumbing systems, reconfiguring and remodeling of interior space, refurbishment of the windows, improvement of overall accessibility, modification of the structural system, and abatement of asbestos and lead paint.

This project will continue the planned full modernization of the Bolling FB begun in fiscal year 2001. Phase I modernization of floors 15-18 (excluding 17) include the abatement of asbestos and lead paint, replacement of the roof, refurbishment of the windows, upgrading of the mechanical, electrical, and lighting systems, and alteration of interior space. Phase II modernization of floors 10-14 includes the same scope of work as Phase I excluding the roof work. Phase III & IV will continue renovating the remainder of the building to the same standard as the completed phases. Phase III modernization will cover floors four through nine and Phase IV modernization will cover floors one through three, sub-basement, and basement.

This proposal is intended to address unanticipated physical conditions and customer requirements. This prospectus includes recaulking the building's exterior walls to keep water from getting into the wall cavity and abatement of unforeseen hazardous materials. This prospectus also includes improvements to the lobby entrance that will enhance the first impressions of the building for the public and improve security for the building tenants.

Phase I design ($1,890 thousand) was funded in fiscal years 1999 and 2001. Phase I construction ($24,010 thousand) and management and inspection ($1,805 thousand) were funded in fiscal year 2001. Phase II design ($2,773 thousand) was funded in fiscal year 2004. Phase II construction ($36,335 thousand) and management and inspection ($3,713 thousand) were funded in fiscal year 2005. Phase III design ($3,350 thousand) was provided in fiscal year 2005. This request is for additional Phase III design ($2,125 thousand), Phase III construction ($84,786 thousand) and management and inspection ($9,697 thousand). The balance of project funding for Phase IV design ($5,779 thousand), construction ($80,629 thousand), and management and inspection ($7,018 thousand) will be requested in a future fiscal year. The estimated total project cost is $263,910 thousand.

NEW MEXICO

Albuquerque – Federal Building..$5,783,000

The General Services Administration (GSA) proposes to completely separate the centralized mechanical and electrical systems that service three federal buildings. The three buildings are: the federal building located at 517 Gold Avenue (517 Gold); Chavez Federal Building and Courthouse; and Albuquerque Courthouse.

GSA proposes construction of a complete and independent mechanical and electrical system for the Chavez Federal Building and Albuquerque Courthouse. Mechanical and electrical systems for both Chavez Federal Building and

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FY 2007 Construction Phase Project Descriptions

NEW MEXICO – continued

Courthouse and Albuquerque Courthouse will be updated to meet all safety codes, and will be able to operate and be metered independently. Major work items include: HVAC replacement, electrical systems replacement, structural modifications and repairs, and asbestos abatement.

This request is for design ($543 thousand), construction ($4,821 thousand), and management and inspection ($419 thousand). The estimated total project cost is $5,783 thousand.

NEW YORK

New York – Thurgood Marshall United States Courthouse...........$46,385,000

This project proposes the modernization of the Thurgood Marshall U.S. Courthouse that will extend the useful life of the asset. The project will also address life safety and accessibility issues.

The Thurgood Marshall Courthouse was built in 1936 and designed by the architect Cass Gilbert. It is listed on the National Register for Historic Places and is a New York City landmark. The 730,533 gross square foot building is located in the Civic Center of lower Manhattan, New York City, near the entrance to the Brooklyn Bridge. The courthouse consists of a six-story base with a mechanical basement and a 26-story tower, which includes two mechanical floors at the top of the tower. The building is one of the last Neoclassical style office buildings in New York City and is one of the earliest skyscrapers constructed by the federal government.

The proposed project includes the replacement and/or upgrade of many of the courthouse's outdated and deteriorating building systems, including HVAC,

electrical distribution, fire protection, domestic water, and lighting systems. As a result of the building infrastructure improvements, some finishes will need to be removed to access and install the new systems and may require repairs, if damaged by the installation of the new systems.

The project also includes the correction of major egress issues and reconfiguration of circulation patterns to meet U.S. Court Design Guide and U.S. Marshals Service security requirements. The public restrooms will be modernized and will meet ADA requirements. Courtrooms will also be upgraded to meet ADA standards. The freight elevator will be extended to provide access to the basement. This project will make necessary repairs/upgrades to the exterior closures, including the façade (base and tower) and roof, and glass fragment mitigation for selected window locations.

GSA proposes a two phased project. Phase I will consist of interior demolition, hazardous material abatement, and repair of the building envelope. This phase will require interim moves of the administrative staff and other court functions to leased space, as well as moving the judges to the Daniel Patrick Moynihan U.S. Courthouse in space temporarily vacated by Probation and Pretrial. Phase II will consist of the remaining interior work, such as the replacement/upgrade of the building systems, public restroom upgrades, and reconfiguration of interior space to address egress and circulation issues.

Design ($13,500 thousand) was funded in fiscal year 2005. This request is for additional design ($2,893 thousand), Phase I construction ($39,167 thousand), and management and inspection ($4,325 thousand). The balance of project funding, Phase II construction ($162,473 thousand), and management and inspection ($5,524 thousand) will be requested in a future fiscal year. The estimated total project cost is $227,882 thousand.

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WISCONSIN

Milwaukee – United States Federal Building - Courthouse $5,599,000

The General Services Administration (GSA) proposes repair/replacement of the 100-year old windows and doors at the historic Federal Building and U.S. Courthouse. The Federal Building and U.S. Courthouse in Milwaukee, WI, was constructed in 1899 and was designated a historic landmark in 1972. The 542,467 gross square foot courthouse is a seven-story building with full basement.

Over the past several years, portions of the Federal Building and U.S. Courthouse, including its atrium, have been carefully rehabilitated. The existing windows and doors are over 100-years old and in need of repair. The scope of this project is to renovate 442 double hung and fixed exterior windows and frames and 271 transoms and fixed interior windows, as well as 11 exterior doors on the east elevation of the North building. The proposed project includes replacing exterior glazing and doors, repairing the security system, and replacing equipment and furnishings.

This request is for design ($458 thousand), construction ($4,796 thousand) and management and inspection ($345 thousand). The estimated total project cost is $5,599 thousand.

VARIOUS LOCATIONS

Chlorofluorocarbons Program...$10,000,000

This design/build program request will provide for projects during fiscal year 2007. This multi-year program is designed to replace or retrofit existing air-conditioning equipment, which presently uses chlorofluorocarbon (CFC) refrigerants. These CFCs, when vented or lost in the atmosphere, reduce the protective stratospheric ozone layer.

Scientific findings indicate that CFC emissions are depleting the stratospheric ozone layer, which leads to increased and harmful quantities of ultraviolet radiation reaching the Earth's surface. The Clean Air Act Amendments of 1990 (CAAA) (Public Law 101-549) established a phase-out schedule and yearly reduction percentages for ozone depleting chemicals.

The amendment promotes recycling, bans the deliberate venting or releasing of refrigerants during maintenance, service, repair or disposal, restricts emission of refrigerants, and establishes strict control over their use. In February 1992, the phase-out of the more adverse ozone-depleting refrigerants was accelerated from the year 2000, which was established by the CAAA, to the end of 1995.

Since the inception of the program, $136,073 thousand has been provided for the CFC program. The fiscal year 2007 request is for $10,000 thousand. GSA plans to accomplish the balance of program requirements through funding provided in our Basic Repairs and Alterations Program, the line-item Repairs and Alterations Program, and the Energy Retrofit Program, or through Energy Savings Performance Contracts (ESPCs).

The estimated total cost of the Chlorofluorocarbons Program (in thousands) is as follows:

	Design	Construction	M&I	Total
Current Funding	$4,625	$112,059	$9,389	$126,073
FY 2006	$ 0	$ 10,000	$ 0	$ 10,000
FY 2007 Request	$ 0	$ 10,000	$ 0	$ 10,000
Future Years	$ 0	$ 0	$ 0	$ 0
Total	$4,625	$132,059	$9,389	$146,073

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Repairs and Alterations
FY 2007 Construction Phase Project Descriptions

VARIOUS LOCATIONS – continued

Energy Program...$15,000,000

This request will provide for the implementation of energy retrofits in government-owned buildings during fiscal year 2007. The projects to be funded will have savings-to-investment ratios greater than one and will provide reasonable payback periods that average six years. The estimated energy savings that would result from funding of these projects is 140,000 million BTUs and $2.25 million annually. Projects will address facility HVAC systems, lighting and controls, building automation systems, increased efficiency for motors and variable frequency drives, distributed generation, as well as other energy saving technologies.

The Energy Policy Act of 2005 requires federal agencies to take actions to reduce consumption by 2 percent (as measured by BTU/GSF) each year starting in 2006 until 2015, over the baseline year of 2003. Historically, the Federal Energy Management Improvement Act (Public Law 100-615) requires Federal agencies to reduce energy consumption by 10 percent (as measured by BTU/GSF) by the end of fiscal year 1995. Further, the Energy Policy Act of 1992 requires that all federal agencies reduce energy consumption by 20 percent (as measured by BTU/GSF) by the year 2000. In addition, Executive Order 13123 requires federal agencies to take actions to reduce energy consumption by 30 percent (as measured by BTU/GSF) by the year 2005 and by 35 percent by fiscal year 2010 over 1985 baseline. GSA met the 10 percent (as measured by BTU/GSF) goal in 1995, the 20 percent (as measured by Btu/GSF) goal in 2000 and the 30 percent (as measured in BTU/GSF) goal in 2005. GSA is now pursuing actions to address the fiscal year 2006 through 2015 goal.

The estimated total program cost (in thousands) is as follows:

	Design	Construction	M&I	Total
Current Funding	$ 5,373	$119,441	$ 6,608	$131,422
FY 2006	$ 0	$ 28,000	$ 0	$ 28,000
FY 2007 Request	$ 0	$ 15,000	$ 0	$ 15,000
Future Years	$18,375	$101,959	$10,462	$130,796
Total	$23,748	$264,400	$17,070	$305,218

Glass Fragment Retention Program...$10,000,000

Executive Order 12977, establishes the need to increase the security measures in Federal facilities with high-volume public contact and high-risk agencies. On June 28, 1995, the DOJ issued security enhancement recommendations in a report entitled "Vulnerability Assessment of Federal Facilities" in which the President directed all executive departments and agencies to implement the recommendations. The report recommended that GSA provide as minimum standard glass fragment retention for windows in Level IV federal buildings. Level IV buildings are facilities that have over 450 employees, more than 150,000 square feet, high-volume public contact, and contain high-risk law enforcement and intelligence agencies.

The application of a polymer film to windows will protect employees and visitors from flying glass fragments and reduce the possibility of damage due to flying glass fragments in the event of an explosion. Some buildings, however, may require alternative systems such as laminated glass, polycarbonate sheeting, blast curtains or fine metal mesh screens. An additional $448,177 thousand of glass fragment retention requirements were identified during fiscal year 2005 through completed building assessment studies.

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Repairs and Alterations
FY 2007 Construction Phase Project Descriptions

VARIOUS LOCATIONS - Continued

The estimated total program cost (in thousands) is as follows:

	Design	Construction	M&I	Total
Current Funding	$ 0	$ 66,000	$ 0	$ 66,000
FY 2006	$ 0	$ 15,700	$ 0	$ 15,700
FY 2007 Request	$ 0	$ 10,000	$ 0	$ 10,000
Future Years	$30,227	$ 412,090	$20,160	$462,477
Total	$30,227	$503,790	$20,160	$554,177

Fire and Life Safety Program..$10,000,000

The General Services Administration (GSA) proposes to upgrade/replace existing fire and life safety systems in federal buildings nationwide. GSA is evaluating the fire and life safety needs of its buildings and intends to request annual appropriations to meet the critical needs identified through this process. GSA intends to fund projects based on available resources and by determining those buildings that are in critical need of fire and life safety upgrades.

The program involves major life safety improvements to federal buildings nationwide by upgrading or replacing the fire alarm and life safety systems, which could include a number of different components, such as: fire alarm systems; sprinkler systems; voice communication systems for occupant notification in emergency situations; and associated ceiling and lighting modifications that are necessary to accommodate new systems.

Many of GSA's federal buildings do not meet current national or GSA building fire alarm codes. These buildings contain outdated fire alarm systems that have antiquated hardwired systems that have failed over the past few years and do not provide reliable service to the building. Replacement parts are no longer available for many of these systems. Many of GSA's federal buildings lack voice communication capability that allows all occupants to listen to one message in the event of an emergency. In addition, many of GSA's federal buildings lack a sprinkler system or only contain a partial sprinkler system. When completed, the updated federal buildings will have fire and life safety systems consistent with national and GSA fire safety codes.

OTHER ACTIVITIES

BASIC REPAIRS AND ALTERATIONS
PROJECTS UNDER $2,600,000..$374,913,000

Funds in the amount of $374,913 thousand are requested for all nonrecurring repairs and alterations projects where obligations at a single location within a fiscal year are above $10 thousand, but are under the prospectus threshold of $2,600 thousand. Projects included in this category are generally short-term in nature and funds can normally be obligated within a one-year period. This category also includes projects that are recurring in nature, such as cyclic painting and the minor repair of defective building systems, e.g., mechanical, plumbing, electrical, fire safety, and elevator system components.

After initial build-out, any post-government occupancy alterations in leased space require a prospectus when the estimated cost of the project exceeds the prospectus threshold of $1,300 thousand for alterations in leased space.

The basic (non-line item) repairs and alterations program is the source of funds to ensure the operational continuity of the 1,600 plus buildings owned by the General Services Administration. These buildings provide over 200 million gross square feet of space to support tenant agency mission requirements. The building inventory averages almost 50 years of age and requires constant attention and significant funding to repair systems, improve health and safety

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Repairs and Alterations
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OTHER ACTIVITIES - Continued

features, alter space, and accomplish special emphasis programs. Without adequate reinvestment in the building inventory, its condition will deteriorate and service delivery to customers will degrade. In addition, the taxpayers' investment in these properties will not be adequately protected resulting in more costly corrective actions in the future. The line-item repairs and alterations program only addresses approximately 20 buildings per year, thus the basic program is extremely important in keeping the rest of the inventory functioning pending a modernization project on a 20-25 year cycle.

The amount provided for the basic program may also be used to pay claims against the government arising from any projects under the heading "Repairs and Alterations."

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Repairs and Alterations
FY 2007 Design Phase Project Descriptions

DISTRICT OF COLUMBIA

Eisenhower Executive Office Building (Phase III)......................$8,447,000

The General Services Administration (GSA) proposes to renovate the Eisenhower Executive Office Building (EEOB). The building was completed in 1888, and is on the National Register of Historic Places. It contains approximately 691,783 gross square feet of space and 46 outside parking spaces.

GSA proposes to renovate the EEOB located at Pennsylvania Avenue and 17th Street, NW, Washington, DC. This funding will provide for the design of Pennsylvania Avenue Wing (Phase III), which consists of approximately 270,000 gross square feet in the building's Northeast Quadrant. At the completion of the modernization of the State Place Wing (the Southeast Quadrant), the tenant will swing into the newly renovated space from the Northeast Quadrant to facilitate the modernization of the Pennsylvania Avenue Wing. The project will modernize the interior spaces while providing a complete update of the mechanical, electrical and plumbing systems throughout the Northeast Quadrant. GSA will remove the A/C window units, provide a new central HVAC system, and install new windows and doors with blast and ballistic protection. The project will also provide for a new telecommunication and cabling system and an interior security system that includes an emergency notification system, intrusion detection system, access controls and video assessment system. Hazardous material abatement and containment will be performed, as necessary.

This request is for design ($8,447 thousand). The balance of funding for construction ($99,274 thousand) and management and inspection ($18,657 thousand) will be requested in a future fiscal year. The estimated total Phase III project cost is $126,378 thousand.

Nebraska Avenue Complex...$1,200,000

The General Services Administration (GSA) proposes upgrades to the primary electrical distribution system that serves 22 buildings in the complex.

The Nebraska Avenue Complex (NAC) is located in Northwest Washington, DC, at the intersection of Nebraska and Massachusetts Avenues. It consists of 32 buildings on 37.55 acres of land. The buildings were constructed between 1916 and 1997 and comprise approximately 600,000 gross square feet. The property was originally a seminary for girls, but was sold to the U.S. Navy in 1943. It was occupied by the Navy until Public Law 108-268 transferred the property to the Department of Homeland Security (DHS) in July 2004.

The proposed project will provide upgrades to the primary electrical distribution system that serves 22 buildings in the complex. The project will involve primary voltage distribution upgrades, individual building service upgrades, and the replacement of the primary distribution system to meet DHS standards.

This request is for design ($1,200 thousand). The balance of funding for construction ($15,032 thousand) and management and inspection ($630 thousand) will be requested in a future fiscal year. The estimated total project cost is $16,862 thousand.

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Repairs and Alterations
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FLORIDA

Miami – David W. Dyer Federal Building and Courthouse............$4,502,000

The General Services Administration (GSA) proposes to renovate the David W. Dyer Federal Building and Courthouse. It is a historic three-story office and courthouse building containing 181,567 gross square feet of space, which was built in 1933. The building is part of a two building complex; the other building is the more modern Courthouse Tower. The Dyer building, along with the Courthouse Tower, the nearby James Lawrence King Federal Justice Building, and the newly constructed Wilkie D. Ferguson Jr., Courthouse comprise the courthouse complex in Miami.

The project proposes renovation and alteration in a manner sensitive to the historic nature and fabric of the building and will maximize the building's capacity to function as a court facility. Major work items include: repair plaza and courtyard areas, improve ADA access, landscaping and external improvements; repoint and clean exterior; restore historic windows; provide for progressive collapse mitigation; improve blast resistance by adding interior window system; repair and/or replace existing tile roof; provide interior space alterations; refurbish existing elevators and controls and provide three new elevators; replace entire plumbing, electrical, and HVAC systems; remove mold and mildew; provide new exit signage and emergency lighting; upgrade sprinkler system; and abate lead paint and asbestos.

This request is for design ($4,502 thousand). The balance of project funding, construction ($43,790 thousand) and management and inspection ($4,194 thousand) will be requested in a future fiscal year. The estimated total project cost is $52,486 thousand.

Orlando – George C. Young Federal Building - Courthouse.........$2,563,000

The General Services Administration (GSA) proposes to renovate the George C. Young Federal Building and Courthouse to meet the long term housing requirements of the Bankruptcy Courts, U.S. Attorneys, and U.S. Trustees. It was constructed in 1975 to house the U.S. District Court and other federal agencies in downtown Orlando, FL. The seven-story building contains 188,588 gross square feet of space and 138 outside parking spaces.

The proposed project will modernize outdated building systems and recapture over 70,000 useable square feet of vacant space. It also includes modernizing the outdated building systems, enhancing life safety measures, replacing windows, and repairing the building exterior. Many of the major building systems and components are original to the 29-year-old building and are in need of replacement. Other alterations include compliance with the ADA, as the entire building is lacking accessible features.

This request is for design ($2,563 thousand). The balance of funding, construction ($29,936 thousand) and management and inspection ($2,668 thousand), will be requested in a future fiscal year. The estimated total project cost is $35,167 thousand.

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Repairs and Alterations
FY 2007 Design Phase Project Descriptions

MISSISSIPPI

Jackson – McCoy Federal Building...$1,043,000

The General Services Administration (GSA) proposes to renovate the Dr. A.H. McCoy Federal Building. It is a 15-story, modern styled, cast-in-place concrete structure located on the western edge of the Jackson Central Business District. The building was constructed in 1979. It has approximately 423,147 gross square feet of space and 33 inside parking spaces. The federal building presently houses 728 occupants representing 24 federal agencies.

The proposed project will upgrade the HVAC system, including the replacement of chillers; upgrade the plumbing system; modernize elevators; replace the fire alarm and electrical systems; and abate asbestos. The project also includes replacement of the second floor patio; replacement of loading dock and garage doors; improvements to garage area with slab and seal coating; and re-design of the landscape architecture. Security will be improved with the addition of a new security screening lobby (outside the footprint of the existing facility). Windows will be brought up to current blast protection standards and standoff distances will be enhanced to mitigate potential threats to structure and tenant. Interior construction would include replacement of ceiling tiles, carpet, and vinyl wall covering.

Design ($3,529 thousand) was funded in fiscal year 2006. This request is for additional design ($1,043 thousand). The balance of funding for construction ($46,474 thousand) and management and inspection ($4,453 thousand) will be requested in a future fiscal year. The estimated total project cost is $55,499 thousand.

NEW YORK

Brooklyn – U.S. Post Office and Courthouse............................$4,723,000

The General Services Administration proposes to renovate the U.S. Post Office and Courthouse. It is listed on the National Register of Historic Places. The building consists of an original four-story post office and courthouse constructed in 1892, and a seven-story addition constructed in 1933. Upon completion of the renovation project the U.S. Post Office and Courthouse will contain approximately 575,000 gross square feet, including 14 inside parking spaces. Recently discovered façade deficiencies, primarily due to water infiltration were not contemplated as part of the adaptive reuse project.

GSA proposes replacement of the terra cotta cladding and any deteriorated brick back-up on the 1933 façade, repair/replacement of all granite deficiencies on both the 1892 and 1933 buildings, replacement of the slate roof on both buildings, and all associated lead-coated copper flashings and gutters, comprehensive repainting and cleaning of all granite on both buildings, and complete replacement of all perimeter sealant joints throughout.

This request is for design ($4,723 thousand). The balance of funding for construction ($45,416 thousand) and management and inspection ($3,906 thousand) will be requested in a future fiscal year. The estimated total project cost is $54,045 thousand.

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Repairs and Alterations
FY 2007 Design Phase Project Descriptions

NORTH CAROLINA

New Bern –Post Office and Courthouse.................................$1,279,000

The General Services Administration (GSA) proposes to renovate the Georgian Revival Style U.S. Post Office and Courthouse. The building was constructed between 1933-35 and has 29,674 gross square feet. It was listed on the National Register of Historic Places in 1973, as a contributing resource in the New Bern Historic District.

The proposed project consist of landscaping; upgrading/restoring the entry lobby including the court security officers station; upgrading restrooms with new plumbing and ADA accessibility; interior alterations including partitions/finishes, holding cells, sallyport, two new secure elevators and replacement of public elevator; install fire sprinkler and fire alarm system; building exterior restoration; repair/replacement for portions of the roof; new HVAC ductwork and air handling units; emergency power capacity, as well as new lighting controls and new wiring; a new public address system; restoration of the historic lighting fixtures; asbestos abatement; and upgrades of the historic windows for blast mitigation.

This request is for design ($1,279 thousand). The balance of funding, construction ($11,315 thousand) and management and inspection ($1,443 thousand), will be requested in a future fiscal year. The estimated total project cost is $14,037 thousand.

OHIO

Columbus – Joseph P. Kinneary U.S. Courthouse......................$1,068,000

The General Services Administration (GSA) proposes to renovate the Joseph P. Kinneary U.S. Courthouse. It is a historic seven-story building consisting of approximately 214,440 rentable square feet. The building was completed in 1934 and primarily houses courtrooms and support offices.

The proposed project will repair and replace the deteriorating exterior of the courthouse. The proposed work includes stone repairs, stone replacements, flashing replacements, tuckpointing, and cleaning. The existing sealants trap moisture and must be removed and replaced with mortar in the joints to allow the stone facade to breathe. The project will also repair and refurbish the historic doors and framing at the four public entrances, and will accessibility safety and other improvements, including an accessible route from parking to the main public entrance.

This request is for design ($1,068 thousand). The balance of funding, construction ($11,120 thousand) and management and inspection ($866 thousand), will be requested in a future fiscal year. The estimated total project cost is $13,054 thousand.

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BUILDING OPERATIONS SUMMARY
($ in 000's)

FY 2005	FY 2006	FY 2007
$1,738,005 [1]	$1,900,102 [2]	$2,003,830 [2]

[1] Includes indefinite authority
[2] Does not include indefinite authority

PROGRAM REQUIREMENTS (in thousands)

Inflationary Increases

- $33,841 for Building Services in New Space

- $22,186 for Increased Cost of Supplies, Materials, and Service Contracts

- $2,920 for Part-Year Increase for FY 2006 Pay Act (2.3%), Effective January, 2006

- $8,713 for Wageboard and Pay Act increases (2.2%), Effective January, 2007

- $33,050 for Increased Utilities and Fuel Rates

- $3,513 for Increase for Cleaning and Maintenance Contract Labor Rates and Benefits

New Initiatives

- $9,496 for Increase for IT Services

- $7,000 for Energy Metering

- $12,549 for Increases to the Working Capital Fund

- $4,290 for Nebraska Avenue Complex Move

- $2,170 for Improvements to Capital Projects Delivery Process

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BUILDING OPERATIONS EXPLANATION OF BUDGET CHANGES (Dollars in Thousands)		
	FTE	**Dollars**
Fiscal Year 2006 Current	**5,586**	**1,900,102**
2006 Hurricane Relief Funding		(15,000)
Revised Fiscal Year 2006 Current		**1,885,102**
Building Services in New Space		33,841
Increase Cost of Supplies, Materials, and Service Contracts (2.1%)		22,186
Part-Year Increase for FY 2006 Pay Act (2.3%), Effective January, 2006		2,920
Wageboard and Pay Act Increase (2.2%), Effective January, 2007		8,713
Increase for Utilities and Fuel Rates		33,050
Increase for Cleaning and Maintenance Contract Labor Rates and Benefits		3,513
GSA Headquarters Move		(21,000)
Increase for IT Services		9,496
Energy Metering		7,000
Increases to the Working Capital Fund		12,549
Nebraska Avenue Complex Move		4,290
Improvements to Capital Projects Delivery Process		2,170
Fiscal Year 2007 Request	**5,586**	**2,003,830**

CHANGES IN BUILDING OPERATIONS
Building Operations
(Dollars in Thousands)

	Cleaning	Utilities and Fuels	Main-tenance	Other Building Services	Space Acquisition	Staff Support	CIO	TOTAL
FY 2006 CURRENT	**268,556**	**334,026**	**279,617**	**215,773**	**175,446**	**475,676**	**151,008**	**1,900,102**
2006 Hurricane Relief Funding	(5,000)	(1,000)	(5,000)	(2,000)	(2,000)			(15,000)
FY 2006 CURRENT Revised	**263,556**	**333,026**	**274,617**	**213,773**	**173,446**	**475,676**	**151,008**	**1,885,102**
Building Services in New Space	8,796	12,028	8,017	5,000				33,841
Increase Cost of Supplies, Materials, and Service Contracts (2.1%)	5,212		5,131	2,485	1,329	6,508	1,521	22,186
Part-Year Increase for FY 2006 Pay Act (2.3%), Effective January, 2006	38		162	708	766	1,165	81	2,920
Wageboard and Pay Act Increase (2.2%), Effective January, 2007	84		485	2,119	2,294	3,486	245	8,713
Increase for Utilities and Fuel Rates		33,050						33,050
Increase for Cleaning and Maintenance Contract Labor Rates and Benefits	1,354		2,159					3,513
GSA Headquarters Move						(14,815)	(6,185)	(21,000)
Increase for IT Services							9,496	9,496
Energy Metering				7,000				7,000
Increases to the Working Capital Fund						12,549		12,549
Nebraska Avenue Complex Move				4,290				4,290
Improvements to Capital Projects Delivery Process					2,170			2,170
FY 2007 REQUEST	**279,040**	**378,104**	**290,571**	**235,375**	**180,005**	**484,569**	**156,166**	**2,003,830**

General Services Administration
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Justification of Building Operations Program Increases for FY 2007
(Dollars in Thousands)

GSA Headquarters Move   **- $21,000**

This amount removes the PBS portion of the total GSA relocation cost request in FY 2006 from the Building Operations base.

Increase for IT Services   **$9,496**

For FY 2007, the PBS Chief Information Officer is requesting funds in the amount of $9,496 thousand to accomplish the eGovernment initiatives established in the President's Management Agenda. It is GSA's goal to provide an increased selection of web-based services, facilitate electronic data exchange, and gain productivity efficiencies. The proposed FY 2007 IT budget additions are as follows:

eCRM	$1,035
Infrastructure Agreement	2,527
STAR	2,233
PBS Corporate (Business Infrastructure)	1,150
E-Leasing (STAR)	934
Technical Support	877
Inventory Reporting and Information System (IRIS)	664
OA Tool	76

Energy Metering   **$ 7,000**

The Energy Policy Act of 2005 includes a requirement for equipping individual Federal Buildings with advanced meters by the year 2012. Advanced Metering is a necessary component of market-based demand response programs. By providing real-time information to facility operators, this capability will minimize the financial risks to GSA while taking advantage of financial incentives for reducing demand at opportune times. This $7 million investment will allow GSA to install advanced metering systems in approximately 210 buildings with over 100,000 square feet. According to a recent GAO report, installing advanced meters in all of GSA's buildings with over 100,000 square feet (approximately 419) will provide an average annual savings of $11.64 million.

Increases to the Working Capital Fund   **$12,549**

In FY 2007, the Federal Buildings Fund (FBF) will pay the Working Capital Fund (WCF) for its increased support of the Public Buildings Service. The FBF will pay the WCF $5,430 thousand to cover new initiatives and workload increases taken on by GSA staff offices that support PBS. The FBF is also required to fund its share of the increase to GSA Centralized Charges to the WCF for the FY 2007 in the amount of $3,719 thousand. Additionally, PBS is requesting an increase of $3,400 thousand in order for the GSA Office of General Counsel to hire claims and litigation consultants to minimize potential losses to the Federal Government.

Nebraska Avenue Complex Move $4,290

Pursuant to Public Law 108-268, the Department of Navy
transferred the Nebraska Avenue Complex (NAC) to GSA in
FY 2005. GSA is responsible for providing funds to the
Department of Navy for certain long-term relocation costs.
This Act provided for the transfer of the NAC from the
Department of the Navy to GSA to facilitate the establishment
of the headquarters of the Department of Homeland Security.
PBS is requesting $4,290 thousand in fiscal year 2007 to
facilitate the activities associated with the permanent
relocation of the Department of Navy from the NAC.

Improvements to Capital Project Delivery Process $2,170

PBS plans on pursuing several initiatives to improve the
capital projects delivery process. These initiatives are
specifically requested for purposes of meeting GSA's goals for
delivery of capital projects on schedule and energy efficiency.
These initiatives include:

Interoperable Object Modeling Technology	$335
Project Delivery Tools	320
Re-commissioning Program	640
Historic Buildings Interactive Database	875

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Long-term Outcome Goal:

Achieve a viable, self-sustaining inventory with an average Return on Equity (ROE) of at least 6% by FY 2010 for 80% of government-owned assets.

Performance Goal: Increase to 74% the percentage of government-owned assets with a Return on Equity of at least 6% by FY 2007.

Performance Measure

- Percentage of government-owned assets with an ROE of at least 6%

Return on Equity is the ratio of annual net operating income to the amount of "equity" (generally fair market value) in the asset. Assets with an ROE of at least 6% are solid financial performers that fulfill the long-term needs of our customers by generating enough money to fund their own operations, repairs, and capital requirements.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
70%	74%	71%	74%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
77%	80%	80%	80%

Performance Goal: Increase the percentage of government-owned assets with a positive Funds from Operations (FFO) to 90% by FY 2007.

Performance Measure

- Percentage of government owned assets achieving a positive FFO

FFO is a measure of PBS's rent revenue minus all expenses (excluding depreciation) associated with running PBS's owned and leased buildings, such as salaries, supplies, lease payments, cleaning, maintenance, utilities and other costs. Increasing the percentage of buildings with a positive FFO will ultimately result in a self-sustaining inventory, improved quality of space for our customers, and superior value for taxpayers.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
78%	80%	85%	90%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
90%	90%	90%	90%

Performance Goal: 88% of R&A projects on schedule by FY 2007.

Performance Measure

- R&A projects on schedule

It is critical that projects be completed on time to meet commitments to customers, avoid changes in scope, and meet financial plans. This measure shows the percentage of projects on schedule, weighted so that more costly projects will have a greater impact on the measure.

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FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
78%	95%	88%	88%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
89%	90%	90%	90%

Performance Goal: Maintain the percent of escalations on R&A projects at less than or equal to 1% by FY 2007.

Performance Measure

- Percent of escalations on R&A projects

PBS manages the capital program with budgets provided by Congress. Projects are considered within budget until PBS escalates, requests a reprogramming, or requests additional appropriations for a project. By remaining within original budgets on R&A projects, PBS ensures that taxpayers are getting the best value.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
0.5%	0.4%	≤1%	≤1%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
≤1%	≤1%	≤1%	≤1%

Performance Goal: Obligate 75% of the minor R&A budget for planned projects by the end of FY 2007.

Performance Measure

Percent of minor R&A budget obligated on planned projects by the end of the fiscal year

This measure will encourage strategic reinvestment and disciplined spending that rewards sound financial planning and budgeting. This measure focuses on how well PBS plans and executes the minor repair and alteration program.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
87%	87%	75%	75%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
75%	75%	75%	75%

Performance Goal: Decrease the vacant (available and committed) space to 7% of the owned inventory by FY 2005 and maintain thereafter.

Performance Measure:

- Percentage of vacant and committed space in government-owned inventory

This measure evaluates our effectiveness at maximizing the use of the government-owned buildings in our inventory. Vacant space

includes any space for which we currently have no tenant, including space that we have committed to a customer, but is not yet occupied

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
7.9%	6.8%	7%	7%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
7%	7%	7%	7%

Long Term Outcome Goal:

Reduce energy consumption by 20% by FY 2015 over the FY 2003 baseline while maintaining overall operating costs 12% below the private sector and customer satisfaction levels at or above 80%.

Performance Goal: Reduce energy consumption in GSA federal buildings by 4% (as measured by Btu/GSF) over the FY 2003 baseline by FY 2007.
Performance Measure

- Percent reduction in energy consumption over the FY 2003 baseline

PBS is a responsible steward of the environment and supports implementation of Executive Order 13123. PBS is committed to implementing energy saving solutions that improve the efficiency of operations and save taxpayer dollars.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
N/A	N/A	-2%	-4%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
-6%	-8%	-10%	-12%

Performance Goal: Execute energy conservation goals while increasing GSA's Customer Satisfaction scores to 75% by FY 2007

Performance Measure: Customer Satisfaction - tenants in owned space

This measure tracks the percentage of tenants in owned space that are satisfied with the building services they receive. The survey assists PBS managers with targeting problem areas within individual buildings.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
72%	78%	73%	75%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
76%	78%	80%	80%

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Performance Goal: Maintain operating service costs in office and similarly serviced space at 12% or more below private sector benchmarks by FY 2007.

Performance Measure:

- Percent below private sector benchmarks for cleaning, maintenance, and utility costs in office and similarly serviced space

This measures PBS performance against the BOMA experience exchange report to ensure that PBS's operating costs are below the industry average.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
-15%	-11%	-12%	-12%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
-12%	-12%	-12%	-12%

FY 2007 Budget Request / Performance Plan
Budget Links
Asset Management of Federally-owned Real Property
(Dollars in Thousands)

Long-term Outcome Goal(s)

Achieve a viable, self-sustaining inventory with an average Return on Equity of at least 6% by FY 2010 for 80% of our government owned assets.

Performance Goal	Performance Measure	FY 2005		FY 2006		FY 2007		Change FY06 to FY07	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Increase to 74% the percentage of government-owned assets with a Return on Equity of at least 6% by FY 2007	Percentage of government-owned assets with an ROE of at least 6 percent	74%	$ 69,302	71%	$ 134,442	74%	$ 93,728	3%	$ (40,714)
Budget Links:	Basic Repairs & Alterations		$ 69,302		$ 113,442		$ 93,728		$ (19,714)
	Building Operations		$ -		$ 21,000		$ -		$ (21,000)
Increase the percentage of government-owned assets with a positive FFO to 90% by FY 2007	Percentage of government-owned assets achieving a positive FFO	80%	$ 2,905	85%	$ 3,965	90%	$ 4,021	5%	$ 56
Budget Links:	Indefinite Authority		$ 240		$ 1,300		$ 1,300		$ -
	Building Operations		$ 2,665		$ 2,665		$ 2,721		$ 56
88% of R&A projects on schedule by FY 2007	R&A projects on schedule	95%	$ 532,760	88%	$ 553,484	88%	$ 439,862	0%	$ (113,622)
Budget Links:	Line Item Repairs & Alterations		$ 511,161		$ 523,422		$ 409,363		$ (114,059)
	Building Operations		$ 21,599		$ 30,062		$ 30,499		$ 437

FY 2007 Budget Request / Performance Plan
Budget Links
Asset Management of Federally-owned Real Property
(Dollars in Thousands)

Long-term Outcome Goal(s)

Achieve a viable, self-sustaining inventory with an average Return on Equity of at least 6% by FY 2010 for 80% of our government owned assets.

Performance Goal	Performance Measure	FY 2005		FY 2006		FY 2007		Change FY06 to FY07	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Obligate 75% of the minor Repairs and Alterations budget for planned projects by the end of FY 2007	Percent of minor R&A budget obligated on planned projects by the end of the fiscal year	87%	$ 211,032	75%	$ 344,376	75%	$ 285,911	0%	$ (58,465)
Budget Links:	Basic Repairs & Alterations		$ 207,905		$ 340,325		$ 281,185		$ (59,140)
	Building Operations		$ 3,127		$ 4,051		$ 4,726		$ 675
Decrease the vacant (available and committed) space to 7% of the owned inventory by FY 2005 and maintain thereafter	Percentage of vacant and commited space in government-owned inventory	6.8%	$ 52,618	7%	$ 68,630	7%	$ 54,883	0%	$ (13,747)
Budget Links:	Building Operations		$ 12,143		$ 12,530		$ 14,783		$ 2,253
	Indefinite Authority		$ 40,475		$ 56,100		$ 40,100		$ (16,000)

FY 2007 Budget Request / Performance Plan
Budget Links
Asset Management of Federally-owned Real Property
(Dollars in Thousands)

Long-term Outcome Goal(s)

Achieve a viable, self-sustaining inventory with an average Return on Equity of at least 6% by FY 2010 for 80% of our government owned assets.

Performance Goal	Performance Measure	FY 2005		FY 2006		FY 2007		Change FY06 to FY07	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Maintain the percent of escalations on R&A projects less than or equal to 1% by FY 2007	Percent of escalations on R&A projects	0.4%	$ 60,520	≤ 1%	$ 66,529	≤ 1%	$ 66,409	0%	$ (120)
	Line Item Repairs & Alterations		$ 37,122		$ 41,521		$ 36,918		$ (4,603)
	Building Operations		$ 23,398		$ 25,008		$ 29,491		$ 4,483
Budget Activities:									
Basic			$ 277,207		$ 453,767		$ 374,913		$ (78,854)
Line-Item			$ 548,283		$ 564,943		$ 446,281		$ (118,662)
Indefinite Authority			$ 40,715		$ 57,400		$ 41,400		$ (16,000)
Building Operations			$ 62,932		$ 95,316		$ 82,220		$ (13,096)
Total New Obligational Authority:			**$ 929,137**		**$ 1,171,426**		**$ 944,814**		**$ (226,612)**

FY 2007 Budget Request / Performance Goal
Budget Links
Asset Management of Federally-owned Real Property
(Dollars in Thousands)

Long-term Outcome Goal(s)

Reduce energy consumption by 20% by FY 2015 over the FY 2003 baseline while maintaining overall operating costs 12% below the private sector and customer satisfaction levels at or above 80%.

Performance Goal	Performance Measure	FY 2005		FY 2006		FY 2007		Change FY06 to FY07	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Reduce energy consumption in GSA federal buildings by 4% (as measured by BTU/GSF) over the FY 2003 baseline by FY 2007	Percent reduction in energy consumption over the FY 2003 baseline	N/A	$ 32,859	-2%	$ 35,941	-4%	$ 30,108	-2%	$ (5,833)
Budget Links:	Line Item Repairs & Alterations		$ 30,000		$ 28,000		$ 15,000		$ (13,000)
	Building Operations		$ 2,859		$ 7,941		$ 15,108		$ 7,167
Execute energy conservation goals while increasing GSA customer satisfaction rating to 75% by FY 2007	Customer Satisfaction - tenants in owned space	78%	$ 677,126	73%	$ 752,379	75%	$ 794,264	2.0%	$ 41,885
Budget Links:	Building Operations		$ 677,126		$ 726,679		$ 764,264		$ 37,585
	Line Item Repairs & Alterations		$ -		$ 25,700		$ 30,000		$ 4,300
Maintain operating service costs in office and similarly serviced space at 12% or more below private sector benchmarks by FY 2007	Percent below private sector benchmarks for cleaning, maintenance, and utility costs in office and similarly serviced space	-11%	$ 795,137	-12%	$ 877,203	-12%	$ 942,614	0%	$ 65,411
Budget Links:	Building Operations		$ 795,137		$ 877,203		$ 942,614		$ 65,411
Budget Activities:									
Line-Item			$ 30,000		$ 53,700		$ 45,000		$ (8,700)
Building Operations			$ 1,475,122		$ 1,611,823		$ 1,721,986		$ 110,163
Total New Obligational Authority:			$ 1,505,122		$ 1,665,523		$ 1,766,986		$ 101,463

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

INSTALLMENT ACQUISITION PAYMENTS	
EXPLANATION OF BUDGET CHANGES	
(Dollars in Thousands)	
FY 2006 Current	**168,180**
Increase in Capitalized Interest Payments	64
Decrease in Interest Payments	(4,245)
FY 2007 Request	**163,999**

General Program Description

The Public Buildings Amendment of 1972 enabled GSA to contract for the construction of a backlog of authorized but unfunded new construction projects. We were granted borrowing authority for a selected number of these projects. Congress has also provided authority on numerous occasions to borrow funds to construct specific federal facilities. This program funds payments for interest, including capitalized interest, for facilities constructed under borrowing authority.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REIMBURSABLE PROGRAM EXPLANATION OF BUDGET CHANGES (Dollars in Thousands)		
	FTE	Dollars
FY 2006 Current	117	1,003,081
Inflation	--	24,074
Workload Increases (+)	--	287,375
Workload Decreases (-)	--	(325,061)
FY 2007 Request	117	989,469

General Program Description

GSA provides tenant agencies with space and building services (e.g., cleaning, maintenance, utilities, and protection) commensurate with those offered in the private sector. When requested by a tenant, we also provide building services which exceed commercially equivalent levels on a reimbursable basis. The reimbursable program allows us to be fully responsive to the special needs of our tenants in the Government-owned and leased space that we operate. Reimbursable services include space adjustments, facility security, utilities, large projects, and janitorial services required for above standard levels of operations, as well as administrative support costs associated with providing the service.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OF REVENUE

[To carry out the purposes of] √ the
√ Fund [established pursuant to section 210(f)
of the Federal Property and Administrative
Services Act of 1949, as amended (40 U.S.C.
592), the] √ revenues and collections deposited
into the Fund, shall be available for necessary
expenses of real property management and
related activities not otherwise provided for,
including operation, maintenance, and
protection of federally owned and leased
buildings; rental of buildings in the District of
Columbia; restoration of leased premises;
moving governmental agencies (including
space adjustments and telecommunications
relocation expenses) in connection with the
assignment, allocation and transfer of space;
contractual services incident to cleaning or
servicing buildings, and moving; repair and
alteration of federally owned buildings including
grounds, approaches and appurtenances; care
and safeguarding of sites; maintenance,
preservation, demolition, and equipment;
acquisition of buildings and sites by purchase,
condemnation, or as otherwise authorized by
law; acquisition of options to purchase buildings
and sites; conversion and extension of federally
owned buildings; preliminary planning and
design of projects by contract or otherwise;
construction of new buildings (including
equipment for such buildings); and payment of
principal, interest, and any other obligations for
public buildings acquired by installment
purchase and purchase contract; in the
aggregate amount of [$7,752,745,000]√ of
which: (1) [$792,056,000]√ shall remain
available until expended for construction
(including funds for sites and expenses and
associated design and construction services) of
additional projects at the following locations:

For an additional amount to be deposited
in _____ √ _____ Federal Buildings

$245,025,000. Amounts in the Fund,
including

$8,046,666,000,
$690,095,000

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New Construction:

√ [Alabama:
Tuscaloosa, Federal Building, $34,500,000.
California:
San Diego, United States Courthouse, $230,803,000.
Colorado:
Lakewood, Denver Federal Center Infrastructure, $4,658,000.
District of Columbia:
Coast Guard Consolidation, $24,900,000.
St. Elizabeths West Campus Infrastructure, $13,095,000.
Southeast Federal Center Site Remediation, $15,000,000.
Illinois:
Rockford Federal Courthouse, $34,500,000.
Maine:
Calais, Border Station, $50,146,000.
Jackman, Border Station, $12,788,000.
Maryland:
Montgomery County, Food and Drug Administration Consolidation, $127,600,000.
Mississippi:
Jackson, United States Courthouse, $8,750,000.
Missouri:
Jefferson City, United States Courthouse, $5,200,000.
New York:
Champlain, Border Station, $52,510,000.
Massena, Border Station, $49,783,000.
Texas:
Austin, United States Courthouse, $3,000,000.
Washington:
Blaine, Peace Arch Border Station, $46,534,000.
Material Price Increases for the following existing projects: U.S. Mission to the United Nations, New York City, New York; FBI

Arizona:
Nogales, Nogales West Border Station, $9,836,000.
San Luis, Border Station II, $42,029,000.
California:
Calexico, Calexico West Border Station, $14,350,000.
District of Columbia:
Coast Guard Consolidation and development of St. Elizabeths campus, $306,139,000.
For transfer to the Navy for certain permanent relocation expenses pursuant to section 1(e) of Public Law 108-268, $52,835,000.
Remote Delivery Facility II, $39,612,000.
St. Elizabeths West Campus Infrastructure, $6,444,000.
Maryland:
Montgomery County, Food and Drug Administration Consolidation, $178,526,000.
New Mexico:
Columbus, Border Station, $2,629,000.
Texas:
El Paso, Ysleta Border Station, $20,217,000.
McAllen, Anzalduas Border Station, $7,478,000.
Non-prospectus Construction, $10,000,000:

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OF REVENUE

Office, Houston, Texas; Border Station, Del
Rio, Texas; United States Courthouse, Cape
Girardeau, Missouri; United States
Courthouse, El Paso, Texas; Border Station,
El Paso, Texas; and United States
Courthouse, Las Cruces, New Mexico,
$66,789,000.

Non-prospectus Construction, $9,500,000:]

Provided, That each of the foregoing limits of
costs on new construction projects may be
exceeded to the extent that savings are
effected in other such projects, but not to
exceed 10 percent of the amounts included in
an approved prospectus, if required, unless
advance [approval is obtained from] √ the
Committees on Appropriations of a greater
amount: *Provided further,* That all funds for
direct construction projects shall expire on
September 30, [2007] √ and remain in the   2008
Federal Buildings Fund except for funds for
projects as to which funds for design or other
funds have been obligated in whole or in part
prior to such date; (2) [$861,376,000] √ shall
remain available until expended for repairs and $866,194,000
alterations, which includes associated design
and construction services:

_____ notice is transmitted to

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OF REVENUE

Repairs and Alterations:

√ [Arizona:

Tucson, James A. Walsh United States Courthouse, $16,136,000.

District of Columbia:

For transfer to the Navy for certain permanent relocation expenses pursuant to section 1(e) of Public Law 108-268, $2,000,000.

Eisenhower Executive Office Building, $33,417,000.

Federal Office Building 8, $47,769,000.

Heating, Operation, and Transmission District Repair, $18,783,000.

Herbert C. Hoover Building, $54,491,000.

Main Interior Federal Building, $41,399,000.

Georgia:

Atlanta, Martin Luther King, Jr. Federal Building, $30,129,000.

New York:

Brooklyn, Emanuel Celler Courthouse, $96,924,000.

New York City, James Watson Federal Building and United States Courthouse, $9,721,000.

Special Emphasis Programs:

Chlorofluorocarbons Program, $10,000,000.

Energy Program, $28,000,000.

Glass Fragmentation Program, $15,700,000.

Design Program, $21,915,000.

Basic Repairs and Alterations, $434,992,000:]

District of Columbia:

Eisenhower Executive Office Building, Phase II, $56,000,000.

Harry S. Truman Building, $4,629,000.

Main Interior Federal Building, $47,179,000.

Mary E. Switzer Federal Building, $50,881,000.

Illinois:

Chicago, Dirksen United States Courthouse, $96,571,000.

Maryland:

Laurel, Center for Veterinary Medicine, Food and Drug Administration, $6,028,000.

Silver Spring, Building 130 Center for Radiological Devices and Health, $5,793,000.

Missouri:

Kansas City, Richard Bolling Federal Building, $96,608,000.

New Mexico:

Albuquerque, Federal Building, $5,783,000.

New York:

New York, Thurgood Marshall United States Courthouse, $46,385,000.

Wisconsin:

Milwaukee, United States Federal Building Courthouse, $5,599,000.

Special Emphasis Programs:

Chlorofluorocarbons Program, $10,000,000.

Energy Program, $15,000,000.

Fire and Life Safety Program, $10,000,000.

Glass Fragment Retention Program, $10,000,000.

Design Program, $24,825,000.

Basic Repairs and Alterations, $374,913,000:

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REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OF REVENUE
FEDERAL BUILDINGS FUND

Provided further, That funds made available in this or any previous Act in the Federal Buildings Fund for Repairs and Alterations shall, for prospectus projects, be limited to the amount identified for each project, except each project in this or any previous Act may be increased by an amount not to exceed 10 percent unless _____ notice is transmitted to an advance [approval is obtained from] √ the Committees on Appropriations of a greater amount: *Provided further*, That additional projects for which prospectuses have been fully approved may be funded under this category only if advance [approval is obtained from] √ the Committees on Appropriations: *Provided further*, That the amounts provided in this or any prior Act for "Repairs and Alterations" may be used to fund costs associated with implementing security improvements to buildings necessary to meet the minimum standards for security in accordance with current law and in compliance with the reprogramming guidelines of the appropriate Committees of the House and Senate: *Provided further*, That the difference between the funds appropriated and expended on any projects in this or any prior Act, under the heading "Repairs and Alterations", may be transferred to Basic Repairs and Alterations or used to fund authorized increases in prospectus projects: *Provided further*, That all funds for repairs and alterations prospectus projects shall expire on September 30, [2007]√ 2008 and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: *Provided further*, That the amount provided in this or any prior Act for Basic Repairs and Alterations may be used to pay claims against the Government arising from any projects under the heading "Repairs and Alterations" or used to fund authorized increases in prospectus projects;

_____ notice is transmitted to

(3) [$168,180,000]√ for installment acquisition
payments including payments on purchase
contracts which shall remain available until
expended; (4) [$4,046,031,000] √ for rental
of space which shall remain available until
expended; and (5) [$1,885,102,000]√ for
building operations which shall remain available
until expended: *Provided further,* That funds
available to the General Services
Administration shall not be available for
expenses of any construction, repair, alteration
and acquisition project for which a prospectus,
if required by the Public Buildings Act of 1959,
as amended, has not been approved, except
that necessary funds may be expended for
each project for required expenses for the
development of a proposed prospectus:
Provided further, That funds available in the
Federal Buildings Fund may be expended for
emergency repairs when advance [approval is
obtained from] √ the Committees on
Appropriations: [*Provided further,* That,
notwithstanding any other provision of law, the
Administrator of the General Services
Administration is authorized and directed to
proceed with site, design, acquisition, and
construction for a new courthouse in Jefferson
City, Missouri, of which planning and design
funding is provided in this Act:] *Provided
further,* That amounts necessary to provide
reimbursable special services to other agencies
under section 210(f)(6) of the Federal Property
and Administrative Services Act of 1949, as
amended (40 U.S.C. 592(b)(2)) and
amounts to provide such reimbursable fencing,
lighting, guard booths, and other facilities on
private or other property not in Government
ownership or control as may be appropriate to
enable the United States Secret Service to
perform its protective functions pursuant to 18
U.S.C. 3056, shall be available from such
revenues and collections: *Provided further,*

$163,999,000

$4,322,548,000

$2,003,830,000

notice is transmitted to

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OF REVENUE

	2007

That revenues and collections and any other sums accruing to this Fund during fiscal year [2006] √, excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 592(b)(2)) in excess of the aggregate new obligational authority authorized for Real Property Activities of the Federal Buildings Fund in this Act shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.

(Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006.)

[For an additional amount for 'Federal buildings fund', $38,000,000, from the general fund and to remain available until expended, for necessary expenses related to the consequences of hurricanes in the Gulf of Mexico during calendar year 2005: *Provided, That* notwithstanding 40 U.S.C. 3307, the Administrator of General Services is authorized to proceed with repairs and alterations for those facilities: *Provided further, That* the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.] *Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.*

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OF REVENUE

Explanation of Changes in Appropriation Language
for Fiscal Year 2007.

For fiscal year 2007, the proposed language
for the Federal Buildings Fund includes
changes from previously requested legislation
as follows:

1. PBS is requesting a direct appropriation
   of $245,025,000.

2. There are four instances in the
   appropriation language where the phrase
   "advance notice is transmitted to" the
   Committees has been substituted for
   the phrase "advance approval is
   obtained from" the Committees. The
   four instances include language
   providing authority to escalate
   Construction and Repairs and
   Alterations projects by an amount of 10
   percent, authority to create additional
   repairs and alterations line-items within
   funds available, and authority to
   proceed with emergency repairs. With
   this change, the Committees will still
   retain control over projects while
   permitting GSA to conduct its capital
   program in a more timely and
   responsive manner.

Acquisition Services Fund

General Services Administration
Acquisition Services Fund

Overview

The Federal Acquisition Service (FAS) was formed through the consolidation of the Federal Supply Service (FSS) and Federal Technology Service (FTS). This consolidation has brought together the combined operations of these services under one umbrella to better support customer requirements.

In order to effectively finance the operations of these combined services, GSA proposes to establish the Acquisition Services Fund (ASF) see proposed General Provision 607. This fund merges the General Supply Fund (GSF) and the Information Technology (IT) Fund into a single revolving fund operated under the authority of General Services Administration (GSA).

FAS business operations are organized in a portfolio structure based on the product or service provided to customer agencies. The three business portfolios that comprise FAS are:

- The Integrated Technology Services (ITS) Portfolio
- The General Supplies and Services (GSS) Portfolio
- The Travel, Motor Vehicle and Card Services (TMVCS) Portfolio

The following objectives will be supported through the formation of FAS and the ASF. GSA's organizational capability to meet the increasing customer need for acquisition services will be addressed through alignment of resources around key functions. GSA's acquisition workforce is at the core of its operations. The efficient acquisition of goods and services is an essential component in GSA's success in being a best value source for customer agencies. Success in this area will be achieved through the continued development of the acquisition workforce and keeping all associates current in training and career development.

Another major focus of FAS will be to ensure the consistency of GSA's operating procedures and promoting best practices. The compliance of all stakeholders with Federal laws, regulations and policies will be a key goal of the FAS organization and will be more easily achieved through the standardization of operations and procedures across FAS. Through the realization of these activities GSA's acquisition process will be simplified and more accessible to small and large industry contractors.

Strategic Assessment

The following key trends drive the design of the FAS organization:

- Tighter budgets for customer agencies
- Strategic sourcing
- Customer seeking best value
- Changing industry and technology trends

FAS will assist customer agencies operating with constrained budgets by reducing acquisition costs and achieving savings through increased vendor competition. It is anticipated that savings in acquisition costs will be achieved through streamlined processes. The FAS portfolio structure will allow for greater transparency and better alignment between GSA costs and fees assessed to customers.

Strategic sourcing will be promoted for customer agencies as the organization will be better equipped to utilize customer information in making informed procurement decisions. The centralized procurement approach to the portfolio structure will enable FAS to develop improved data on its customers and

provide a systematic analysis for customers while making decisions relative to purchases of goods and services. The new organization increases the ability of FAS to share information across business lines and to provide world class service.

The customer base that conducts business with, or through, GSA has evolved over the years into a complex market that seeks different value propositions. Some customers desire a "hands on" approach and a considerable amount of assistance from GSA as a service provider while others simply need to purchase a good or service using a GSA acquisition vehicle with little other interaction with GSA. The FAS business model insures the appropriate mix of expertise based on customers' needs. Through this business model FAS is able to ensure that customers comply with acquisition policies, rules and regulations, and are provided greater choices in the level of service needed. This in turn will help FAS create fee structures which are more appropriate for the services provided.

Changing industry and technology trends have created an environment in which there is not a clear definition between technology, goods, and services. Much of what Federal agencies require to support their missions is a combination of technology and services. Through integrating the programs that encompass FAS and merging the GSF and IT Funds, outdated boundaries that existed between business lines and funding mechanisms are eliminated. This enables GSA to provide emerging products and desired services to customer agencies with greater flexibility than in the past when technology and telecommunications procurements could only be purchased from the IT Fund while related management services were purchased through the GSF. GSA will be able to position itself in the market more efficiently and effectively than in the past due to this greater flexibility and stay abreast of changes.

Through addressing these trends and using them as a foundation in FY 2007, GSA and FAS will continue to be a "world class" provider of goods and service to the Federal community.

Program Assessment Rating Tool (PART) Reviews

From FY 2002 through FY 2005, nine programs have been analyzed through a joint effort with the Office of Management and Budget (OMB) using the PART process to find ways in which program effectiveness and accountability can be improved. The programs that have been assessed are the Multiple Awards Schedules, Supply Depots and Special Order, Vehicle Acquisition, Vehicle Leasing, Personal Property Management, Regional IT Solutions, National IT Solutions, GSA Travel and the GSA Transportation. The findings of the evaluations will be discussed in the individual business line sections of this document.

General Services Administration
Acquisition Services Fund

PART FUNDING SUMMARY TABLE

$(000)'s	FY 2005 Actuals	FY 2006 Estimate	FY 2007 Budget
Supply Depots and Special Order	$1,037,550	$1,032,481	$1,050,768
Vehicle Acquisition	$1,163,325	$1,212,628	$1,232,812
Vehicle Leasing	$955,979	$999,844	$1,029,839
GSA Travel Programs	$13,394	$14,264	$14,682
GSA Transportation Programs	$17,674	$22,881	$22,022
Personal Property Management Program	$28,299	$32,004	$33,036
Regional IT Solutions	$3,640,037	$4,329,024	$4,156,271
National IT Solutions	$1,885,737	$1,674,043	$1,465,407
Multiple Awards Schedule	$405,275	$448,929	$472,585

Long-Term Outcome Goals

The FAS is currently maintaining the long-term goals and measures that were used within the former FTS and FSS organizations. The organization is also working to develop goals and measures that are specific to FAS and align with its structure. Goals and measures for the three business portfolios are discussed in the respective sections of this document.

Financial Summary

The business and financial environment in which FAS operates continue to evolve since the formulation of this budget. Currently FAS is experiencing a downturn in its level of business, predominately in its assisted acquisition business areas. FAS is working to redefine its business processes to stay abreast in these markets. In addition to this hurdle, FAS will also realize the termination of a major IT project in FY 2006 and associated write-offs which were not assumed in this budget. The delay in the award of the Networx contract,

also not assumed in the budget, will result in lower reserve expenses in FY 2007. The realignment of the workforce resulting from combining FTS and FSS will also require additional upfront resources for separation incentives that have not been included at this time. While the efficiencies achieved by the merger will have a positive long-term effect, these events will have a negative impact on the FAS financial position in the near term and will be monitored closely to ensure a timely recovery. FAS will continue to keep all stakeholders apprised of its progress in the reorganization and the financial implications.

General Services Administration
Acquisition Services Fund

FEDERAL ACQUISITION SERVICE
Acquisition Services Fund
FY 2005 September End of Year
$(000)

	Total	ITS	GSS	TMVCS
Revenue	10,455,567	7,677,443	1,357,595	1,420,529
Acquisition Training Fund	(14,003)	(7,944)	(5,548)	(511)
Cost of Goods Sold	8,520,229	7,137,228	963,190	419,811
Gross Margin	$1,921,336	$532,271	$388,858	$1,000,207
Cost of Operations				
Program Expenses	767,332	376,712	273,933	116,687
Corporate Overhead	131,834	63,400	48,073	20,361
Other Cost of Operations	895,874	3,562	75,706	816,606
Total Cost of Operations	1,795,040	443,674	397,713	953,654
Operating Results Before Reserves	126,296	88,597	(8,855)	46,553
Reserves	48,350	8,427		39,923
Net Operating Results	77,946	$80,170	($8,855)	$6,630

General Services Administration
Acquisition Services Fund

FEDERAL ACQUISITION SERVICE
Acquisition Services Fund
FY 2006 Plan
$(000)

	Total	ITS	GSS	TMVCS
Revenue	11,167,889	8,248,578	1,395,317	1,523,995
Acquisition Training Fund	(17,059)	(9,405)	(7,246)	(408)
Cost of Goods Sold	9,101,113	7,648,663	962,450	490,000
Gross Margin	**$2,049,717**	**$590,509**	**$425,621**	**$1,033,587**
Cost of Operations				
Program Expenses	845,987	416,771	300,148	129,069
Corporate Overhead	147,286	75,151	50,141	21,994
Other Cost of Operations	935,311	4,701	79,552	851,058
Total Cost of Operations	1,928,584	496,623	429,840	1,002,121
Operating Results Before Reserves	121,133	93,886	(4,219)	31,466
Reserves	52,568	12,539		40,029
Net Operating Results	**$68,565**	**$81,347**	**($4,219)**	**($8,563)**

General Services Administration
Acquisition Services Fund

FEDERAL ACQUISITION SERVICE
Acquisition Services Fund
FY 2007 Budget
$(000)

	Total	ITS	GSS	TMVCS
Revenue	10,973,171	7,968,417	1,436,081	1,568,673
Acquisition Training Fund	(17,834)	(9,833)	(7,573)	(428)
Cost of Goods Sold	8,803,309	7,317,858	985,651	499,800
Gross Margin	**$2,152,028**	**$640,726**	**$442,857**	**$1,068,445**
Cost of Operations				
Program Expenses	873,533	430,577	310,839	132,117
Corporate Overhead	156,283	79,877	52,652	23,754
Other Cost of Operations	959,220	4,936	78,640	875,644
Total Cost of Operations	**1,989,036**	**515,390**	**442,131**	**1,031,515**
Operating Results Before Reserves	**162,992**	**125,336**	**726**	**36,930**
Reserves	109,350	67,720		41,630
Net Operating Results	**$53,642**	**$57,616**	**$726**	**($4,700)**

General Services Administration
Acquisition Services Fund

Acquisition Services Fund Obligations by Object Class $(Thousands)			
	FY 2005 **Actua**	**FY 2006** **Current**	**FY 2007** **Request**
Personnel Compensation:			
11.1　Full-time permanent	314,230	334,474	336,518
11.3　Other than permanent	2,551	2,311	2,367
11.5　Other personnel compensation	11,147	13,800	14,057
11.9　Total personnel compensation	327,928	350,585	352,942
12.1　Civilian personnel benefits	80,936	83,542	84,824
13.0　Benefits for former personnel	200	271	279
21.0　Travel and transportation of persons	12,122	12,813	13,036
21.0　Motor pool travel	1,159	1,187	1,215
22.0　Transportation of things	57,648	58,881	60,073
23.1　Rental payments to GSA	50,352	65,289	65,137
23.3　Communications, utilities, and misc. charges	17,777	17,937	18,307
24.0　Printing and reproduction	2,710	2,827	2,887
25.2　Other services	7,016,142	8,090,219	7,801,901
25.3　Purchases of goods/svcs from Gvmt. accounts	232,277	193,659	197,761
26.0　Supplies and materials	2,211,994	2,270,733	2,318,386
31.0　Equipment	790,426	784,051	792,225
Total Obligations	10,801,671	11,931,994	11,708,973

General Services Administration
Acquisition Services Fund

ACQUISITION SERVICES FUND	
Explanation of Budget Changes	
Obligations	
($Thousands)	
FY 2006 Program Level…………………………………………………………..	**$11,931,994**
Business Volumes Adjustments……………………………………………………	-233,553
Change in Capital Acquisitions…………………………………………………	+8,174
Pay Increase………………………………………………………………….	+2,358
FY 2007 Budget Request……………………………………………………	**$11,708,973**

General Services Administration
Acquisition Services Fund

	FY 2005 Actual	FY 2006 Current	FY 2007 Request	FY06/07 Change
Acquisition Services Fund				
Results of Operations				
$(000)				
Revenue				
Integrated Technology Services (ITS)	7,677,443	8,248,578	7,968,417	(280,161)
General Supplies and Services (GSS)	1,357,595	1,395,317	1,436,081	40,764
Travel, Motor Vehicle and Card Services (TMVCS)	1,420,529	1,523,995	1,568,673	44,678
Acquisition Workforce Training Fund (AWTF)	(14,003)	(17,059)	(17,834)	(775)
Subtotal Revenue	10,441,564	11,150,831	10,955,337	(195,494)
Expense				
Integrated Technology Services (ITS)	7,517,501	8,070,135	7,753,371	(316,764)
General Supplies and Services (GSS)	1,312,829	1,342,150	1,375,130	32,980
Travel, Motor Vehicle and Card Services (TMVCS)	1,353,104	1,470,127	1,507,561	37,434
Contribution to GSA Corporate	131,834	147,286	156,283	8,997
Reserve Expenses	48,350	52,568	109,350	56,782
Subtotal Expense	10,363,618	11,082,266	10,901,695	(180,571)
Net Operating Results	77,946	68,565	53,642	(14,923)
Net Outlays	(13,160)	(31,000)	(150,000)	(119,000)
FTE	4,384	4,203	3,999	(204)

Integrated Technology Services Portfolio

Overview

The Integrated Technology Services (ITS) Portfolio provides customer agencies with the full range of information technology and telecommunication, goods and services provided by the former FSS and FTS organizations. Operations within this portfolio include; Multiple-Award Schedules (MAS) and Government-wide Acquisition Contracts (GWACs) for information technology and telecommunications products and services and related professional services. Through the consolidation of these businesses within one organization FAS is poised to provide customers support at any level to meet their technology and telecommunications requirements. ITS operations aggregate and leverage the Federal government's buying power to obtain a full range of end to end IT and telecommunications products and services at a significant savings for customer agencies.

The following operational units from FTS have been transitioned to the ITS portfolio.

IT Solutions – This program provides acquisition, project management, and financial services to assist Federal agencies in identifying, acquiring, deploying, managing, and using technology solutions. These services range from regional to global coverage. The business units within this business line are Regional IT Solutions which provides services within a given region and National IT Solutions which provides services to customers on a national and global basis.

Network Services – This program delivers voice and data telecommunications services. The program is comprised of a Regional Telecommunications unit that provides local telecommunication services. Long distance telecommunications are provided under this program through the Long Distance business unit.

Professional Services – This program provides acquisition management, project management, procurement support and financial management services on a cost reimbursable basis, to assist customers in acquiring a broad range of services through Multiple Award Schedules.

The following components of FSS have been transitioned to the ITS portfolio.

Multiple Award Schedule (MAS) – The MAS program provides direct access to a vendor's goods and services by allowing customer agencies to have access to contracts that are already established. The ITS Portfolio contains all Information Technology schedules that were previously contained in the FSS Commercial Acquisition business line.

Government-wide Acquisition Contracts (GWACs) – The GWAC program was formerly a component of the FSS Office of Commercial Acquisition. This program establishes Specialty and Solution-Based GWACs which cover a wide range of IT solutions. GSA has been granted Executive Agent authority to establish these contracts for use by customer agencies.

General Services Administration
Acquisition Services Fund

Strategic Direction / Value Proposition

The ITS portfolio value proposition to customer agencies is outlined below.

- Provide effective and efficient acquisitions to customers by being a cohesive and integrated development and delivery organization.
- Position the organization in such a way that it is agile in responding to technology trends and can deliver integrated technology solutions based on customer's buying models.
- Provide customers diverse solutions in order to assist agencies in achieving results to support its mission.
- Maintain an optimized organization designed to eliminate unnecessary redundancy and promote knowledge sharing.

The ITS organization is able to support these value propositions through its structure which is designed to provide superior acquisition support and services.

PART Status

There have been several PART reviews conducted on components of the ITS portfolio in prior fiscal years. These reviews include a review of the National IT Solutions and Regional IT Solutions programs of FTS and the MAS program of FSS.

During the FY 2003 PART cycle a review was completed for the Regional IT Solutions Program and received a rating of "Results Not Demonstrated". OMB has made the following recommendations to the program to improve its performance.

- Develop long-term outcome goals with ambitious targets that are comparable to other government agencies or the private sector.

- Develop a systematic approach to correcting management deficiencies.

- Develop efficiency goals and targets that capture the savings (cost or time) agencies realize when using the program.

The National IT Solutions Program was reviewed during the FY 2004 PART cycle and received a rating of "Results Not Demonstrated". OMB has made the following recommendations to the program to improve its performance.

- Develop long-term outcome goals with ambitious targets that are comparable to other government agencies or the private sector.

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

- Assist agencies with their major acquisitions by participating more actively in the full development of the business case.

- Implementing a mechanism to collect and report performance information on capital projects to ensure adherence to cost and schedule goals.

The FSS MAS program was reviewed through the PART process during the FY 2005 PART cycle and received a rating of *"Results Not Demonstrated"*. Based on the reorganization design the MAS program will no longer reside in one portfolio, the Schedule contracts from this business line will reside in multiple portfolios

within FAS and as such there will not be any further reviews of MAS as a stand-alone program going forward. The management of Schedule contracts will be reviewed within the programs that utilize Schedules as a tool to meet customer needs.

Strategies and Action Plans

The IT Solutions Division will continue to sustain the objectives of the "Get It Right" Plan for Federal Acquisition Excellence. To ensure that IT Solutions uses GSA and other contracting vehicles in full compliance with regulations, policies, procedures, and best practices, ITS must: 1) ensure compliance with Federal contracting regulations; 2) make contracting policies and procedures clear and explicit; 3) ensure competition for all contracts and task orders; 4) improve transparency relating to how GSA contract vehicles and services are used; and 5) ensure that taxpayers get the best value for their tax dollar whenever GSA's contract vehicles or services are used.

This division will also redefine its value proposition and ensure appropriate business and financial models are available to meet customer needs. Some customers are demanding comprehensive cradle-to-grave acquisition solutions; while others only require assistance with the acquisition itself and prefer to manage their own projects. The range and type of assisted acquisition services to be provided needs to be determined with appropriate business models developed and implemented.

The IT Solutions Division will accomplish these strategies by using its unique cross-government vantage point and expertise to evaluate vulnerabilities, weaknesses, initiatives, and requirements across the government. Service offerings must be developed that benefit both individual organizations and the Federal government at large. In addition, ITS will continue to mature the SmartBUY service offering and program management office through expansion of efforts to aggregate identified types of software acquisitions and

continued partnering with the Office of Management and Budget (OMB).

Success in these areas is dependent upon the associates that work within IT Solutions and the supporting organizations. To ensure that associates are well prepared to support the organization and its customer organizations GSA will provide appropriate training to develop associates' skills to ensure customer requirements are met. IT Solutions will continue to strengthen capabilities in acquisition, project and financial management and continue to increase the number of certified project managers and ensure contracting officers have the required training. Efforts will also focus on ensuring associates have appropriate training on the contract vehicles used (e.g., multiple award schedules), available acquisition tools (e.g., e-Buy), and the federal government and GSA ethics training. IT Solutions will continue to work with DoD to request that project managers and contracting officers be able to attend the Defense Acquisition University to become more familiar with the Defense Federal Acquisition Regulations.

The Network Solutions Division will focus on the following strategies and action plans within its Regional Telecommunication and Long Distance business units to improve performance and ensure that customer needs are being met.

The Regional Telecommunications business unit will provide a full compliment of best value solutions that client agencies expect. This will be accomplished by providing diverse service offerings to meet client agency demand for first mile/last mile connectivity and to help implement agency network architecture strategies. Human capital requirements will also be a major focus going forward and ensuring that associates have the proper skills to successfully accomplish the needs of the business unit.

Improving the quality of service and solutions offered to national and regional client agencies will drive Regional Telecommunication operations going forward. The program will continue to offer

traditional services to all client agencies, while aggressively pursuing growth opportunities for Expanded Services. Additionally, the development of the capability to measure the cost of solutions delivery will be a major focus. This is essential so the program is able to demonstrate the value that it delivers to customer agencies in the form of cost savings, budget conformity and schedule adherence.

The Long Distance business unit will award new contracts that provide a portfolio of services that meet current and future customer requirements. The program will build on current operating success by creating a path to enhanced technologies for the implementation of integrated solutions. Additionally, continuing support will be provided to customers of the expiring FTS2001 contracts. Customer buying trends will be analyzed to determine ways to better serve customers and areas for growth in business. Acquisition actions will also be reviewed to ensure compliance with policy and regulations.

Professional Services will diversify its customer base by retaining and growing DoD business with a focus on expanding support to civilian customers. A large majority of the Professional Services customer base has come from cross selling to existing IT and Network Services customers, many of whom are in DoD. Diversification into the civilian market will provide a more stable business base and enhance leverage in the markets represented. This growth in DoD and civilian agencies will also strengthen the FAS position as a leader in government-wide acquisitions.

The MAS Division will provide customers with economical, efficient and effective programs which offer time, administrative and cost savings. To remain a provider of choice the program must maximize savings to customers and streamline its internal processes so that new technologies and services will be expeditiously offered to the Federal community. The program will evaluate administrative processes and systems (i.e. e-Offers and e-

Mods) for opportunities to offer customers enhancements and improve the efficiency of operations.

Ensuring that the MAS program has a well qualified workforce is also of utmost importance for program operations and will be a focus of the program going forward. The program will continue to recruit highly qualified associates that meet Clinger-Cohen educational requirements for acquisition professionals. The program will also encourage associates to participate in and pursue training and developmental activities that enhance their acquisition knowledge and abilities.

GSA is establishing agency acquisition vehicles for agencies to procure products and services to implement the E-Authentication E-Government Initiative and the Homeland Security Presidential Directive 12. In addition, FAS is the lead GSA entity for E-Authentication, which creates a single, governmentwide approach to provide more uniform identity management across government by setting standards for identity proofing of individuals and businesses. This program area focuses on meeting the authentication business needs of the E-Gov initiatives, building the necessary infrastructure to support common, unified processes and systems for government-wide use.

Long-Term Outcome Goals

The following long-term outcome goals and measures were used by each of the programs that comprise the ITS Portfolio in the former services (FTS & FSS). Each long-term goal has supporting annual goal(s) and these goals have supporting annual measure(s) that assist in gauging the success of the programs in accomplishing the long-term goals.

The following three long-term outcome goals are aligned with the Regional Telecommunications program.

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07Target
Not Measured	Not Measured	75%	76%
FY 08 Target	FY 09Target	FY 10 Target	FY 11 Target
76%	78%	78%	80%

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

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

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07Target
47%	72%	50%	60%
FY 08 Target	FY 09Target	FY 10 Target	FY 11 Target
60%	65%	70%	75%

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

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

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

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

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07Target
89%	96%	76%	77%
FY 08 Target	FY 09Target	FY 10 Target	FY 11 Target
77%	78%	79%	80%

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

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

General Services Administration
Acquisition Services Fund

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

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07Target
96%	90.6%	80%	80%
FY 08 Target	FY 09Target	FY 10 Target	FY 11 Target
81%	82%	82%	83%

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

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07Target
Not Measured	Not Measured	80%	90%
FY 08 Target	FY 09Target	FY 10 Target	FY 11 Target
91%	91%	92%	93%

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

Performance Goal: Improve the financial condition of the Fund.

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

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07Target
56%	52%	66%	66%
FY 08 Target	FY 09Target	FY 10 Target	FY 11 Target
66%	65%	65%	65%

Performance Goal: Provide cost management for solutions delivery.

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

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07Target
Not Measured	Not Measured	80%	90%
FY 08 Target	FY 09Target	FY 10 Target	FY 11 Target
90%	92%	92%	93%

The following three long-term outcome goals are aligned with the Long Distance program.

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

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

Performance Measure: Customer satisfaction with value added solutions.

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
77%	Not Measured	80%	80%
FY08	FY09 Target	FY 10 Target	FY11 Target
81%	81%	82%	83%

This survey was not done in FY 2005.

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

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
Not Measured	100%	100%	100%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
100%	100%	100%	100%

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

Performance Goal: Provide effective management of Newtwork Services acquisitions.

Performance Measure: Networx Program Milestones planned versus actual.

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
100%	99.1%	100%	100%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
100%	100%	100%	100%

Performance Measure: Completed Transition Planning Milestones planned versus actual.

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
Not Measured	Not Measured	Not Measured	80%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
80%	81%	81%	82%

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

Performance Goal: Improve the financial condition of the Fund.

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

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
41%	41.3%	55%	55%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
55%	54%	54%	54%

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

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

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
Not Measured	41.5%	35%	35%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
35%	35%	35%	35%

Performance Measure: Savings provided to customers.

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
$705	$633	$550M	$500M
FY08 Target	FY09 Target	FY10 Target	FY11 Target
$500M	$500M	$500M	$500M

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

Performance Measure: Percentage of agencies serviced by Network Services.

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
Not Measured	88.2%	90%	90%
FY08 Target	FY09 Target	FY10 Target	FY11 Target
91%	91%	92%	92%

The following long-term goals and supporting goals and measures pertain to the Professional Services program.

The goals and measures for this business line are currently under review and will be revised to be consistent with the newly formed ITS portfolio. As a result the current measures of this business line do not have targets beyond FY 2007.

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

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

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

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
43%	64%	50%	52%

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

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
Not Measured	Not Measured	Not Measured	76%

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

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

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
83%	88%	>95%	>96%

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

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

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

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
83%	81%	>86%	>86%

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

GSA Schedule acquisitions exceeding $2,500 must seek adequate competition. Solicitations using e-Buy are posted publicly to all Schedule holders, and, therefore, is a preferred mechanism for fostering competition, Section 803 of the National Defense Authorization Act for 2002 requires that three realistic bids must be

received for consideration for every GSA Schedule award. Solicitations included on GSA's e-Buy website satisfy the DoD requirement for fair and equal competition.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
Not measured	78%	90%	90%

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

Performance Goal: Improve the financial condition of the Program.

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

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
64%	50%	66%	65%

Performance Goal: Provide cost management for solutions delivery.

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

Value added Professional Services acquisition services include developing accurate cost estimates for client agency requirements and negotiating with industry to obtain the best price for the customer. The comparison of initial cost estimates and award

amounts will improve Professional Services' capability to manage solutions delivery costs.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
Not measured	Not measured	90%	90%

The following long-term goals and supporting goals and measures pertain to the IT Solution business line's National IT Solutions program.

The goals and measures for this business line are currently under review and will be revised to be consistent with the newly formed ITS portfolio. As a result the current measures of this business line do not have targets beyond FY 2007.

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

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

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

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
48%	26%	>50%	>50%

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

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

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
92%	87%	>95%	>95%

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

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

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

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target

98%	94%	>95%	>95%

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

Performance Goal: Improve the financial condition of the Fund.

Performance Measure: Direct operating expense as a percentage of gross margin.

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
78%	83%	62%	61%

The following long-term goals and supporting goals and measures pertain to the IT Solution business line's Regional IT Solutions program.

The goals and measures for this business line are currently under review and will be revised to be consistent with the newly formed ITS portfolio. As a result the current measures of this business line do not have targets beyond FY 2007.

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

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

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

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
88%	84%	>95%	>95%

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

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

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

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

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
96%	92%	>95%	>95%

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

Performance Goal: Provide cost management for solutions delivery.

Performance Measure: Percent of dollar savings between independent government cost estimates (IGCEs) and award amounts

Increasing the dollar savings between IGCEs and award amounts is a valuable measure of savings realized by IT Solutions customers.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
12%	8%	>8%	>8%

General Supplies and Services Portfolio

Overview

The General Supplies and Services (GSS) Portfolio provides customer agencies a wide range of general products such as furniture, office supplies and hardware products. This portfolio also provides personal property disposal services to customer agencies. These services were provided by the former FSS and were contained in three separate business lines. Through the consolidation of these functions into one portfolio FAS will focus on the acquisition of the given product types and establish a supply chain mechanism that is appropriate for each product type. This refinement of the supply process will lead to increased efficiency and improved customer service by GSA.

The following components of FSS have been transitioned to the GSS portfolio.

Global Supply Business Line – This business line proactively supports the Federal community by providing mission-critical global supply chain services and access to competitively priced products. The business line supports every element of the supply chain including contracting, order processing, warehousing, distribution and transportation of products. These activities are supported through GSA maintained distribution facilities as well as through direct vendor channels.

Multiple Award Schedule (MAS) – The FSS MAS program provides direct access to a vendor's goods and services by allowing customer agencies to have access to contracts that are already established. The GSS Portfolio contains all schedules that were previously contained in the FSS Commercial Acquisition business line with the exception of IT Schedules.

National Furniture Center – The national furniture center was previously managed within the Commercial Acquisition business line. This center provides services that range from the procurement of furniture to the design and build out of work space.

Personal Property Management Business Line – This business line specializes in asset management and property sales. Property no longer needed by one Federal agency may fill a need in another, thereby avoiding new procurements. If no other Federal agency needs this property it may be donated through state agencies for surplus property to approved public or non-profit organizations. Personal property items that are not claimed through the utilization and donation process are sold to the public.

Strategic Direction / Value Proposition

The GSS portfolio value proposition to customer agencies is outlined below.

- Provide mission critical service, fire/disaster FEMA emergency response around the clock and rapid deployment to support the military.
- Use strategic sourcing to leverage the government's purchasing power.
- Assist customers in meeting their socioeconomic program goals.
- Utilize volume purchasing to reduce cost of goods and provide best value to agency customers.
- Provide expert assistance in acquisition and assist customers in ensuring compliance with Federal Acquisition Regulations (FAR).
- Generate savings through efficient use of Government assets and maximize proceeds received from the sale of excess personal property.

PART Status

There have been several PART reviews conducted on components of the GSS portfolio. These reviews include a review of the FSS office of Global Supply program, FSS office of Personal Property Management program and the FSS Multiple Awards Schedule (MAS) program.

The Office of Global Supply was included in the FY 2004 OMB PART review cycle and received a rating of "Adequate". OMB has recommended that the program take the following actions to improve performance.

- Compare program performance against similar Federal agencies.

- Evaluate the program's information technology systems to improve automation and become more customer-oriented.

- Evaluate opportunities to increase efficiency and effectiveness by minimizing duplication of product offerings and standardizing and/or consolidating delivery mechanisms.

The Personal Property Management program was included in the FY 2005 OMB PART review and received a rating of "Moderately Effective". OMB recommended the following actions to improve program performance:

- Implement an independent evaluation process that assesses, on a regular basis, the full scope and effectiveness of this program in carrying out its mission.

- Work with the Office of Governmentwide Policy and National Association of State Agencies for Surplus Property to identify

performance measures that should be added to state agency agreements.

The FSS MAS Program PART results were discussed in the ITS Portfolio PART discussion. This program has been realigned within the ITS and GSS portfolios through the formation of FAS. However, the review of the MAS program as discussed in the ITS Portfolio is based on the program as it was organized in the former FSS.

Strategies and Action Plans

The GSS Distribution Division will continue to foster its relationship with the Department of Defense (DoD) and will work to implement and adapt Global Supply programs to better fill the needs of DoD. It is essential that Global Supply keep pace with the current transformations taking place in DoD as it is the largest customer of the program. The support of these programs is also paramount as many of the products and services provided are in support of national security at home and abroad. Global Supply will continue to be an active participant in joint agency workgroups such as TRANSCOM's Distribution Transformation Task Force.

The Distribution Division will continue to be a key partner and resource in the response of the Federal Government to major events such as natural disasters, which include events such as wild fires and floods. Through its position as a strategic source the program will ensure that items are provided to customers in a timely manner, supporting the protection of both public and private assets to the greatest extent possible.

The Personal Property Division will continue its use of automation to improve program efficiency going forward. The use of tools such as GSA Auctions® is an example of how information technology is integrated into the Personal Property Management business model and will continue to influence operations in the future. GSA

Auctions® is not location-dependent, as are the more traditional sealed bid and public auction processes. This sales approach facilitates consolidation of its sales functions. GSA Auctions® is expected to generate significant savings annually within the business line through reduced printing, mailing, advertising, and travel expenses. GSA Auctions® is also being proposed as a Center of Excellence for selling surplus agency personal property assets under the Federal Asset Sales (FAS) initiative. This initiative, one of the Office of Management and Budget's e-Government initiatives, will simplify citizen access to all sales of Federal real and personal property assets.

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

Long-term Outcome Goals

The following long-term goals and measures that were developed by FSS programs will continue to be used going forward for the operations that are transitioning to the GSS portfolio.

The following long-term outcome goal is aligned with the Global Supply program.

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

Performance Goal: Reduce Supply mark-up on stocked items.

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

Performance Measure: Percentage of Supply mark-up (percent) on stocked items.

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
42.8%	42.9%	40.1%	37.5%
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
37.25%	37%	36.75%	36.25%

Performance Goal: Achieve timely delivery for all customer orders.

Timely delivery of goods is important for agency's mission accomplishment and customer satisfaction. Reducing delivery time also helps in increasing inventory turnover thereby increasing the efficiency of the program.

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

Performance Measure: Percent of domestic non-hazardous orders shipped within 24 hours.

The shipment process of goods to a customer entails multiple variables or processes that must be accomplished to ensure that the goods reach the desired destination in a timely manner. Ideally, tracking takes place from the time an order is placed until it the customer signs for the order. Global Supply is working on the capability to accomplish this level of tracking; however; it is not yet in place. In order to continue focusing on timely shipment and receipt of goods by customers, Global Supply measures the timeliness of orders being filled within the facility, which is the process that can most readily be affected by Global Supply associates. Domestic non-hazardous orders encompass approximately 80% of orders so this measure focuses on this product grouping which captures a majority of shipping operations.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
85%	83%	93%	93.5%
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
94%	94.5%	95%	95.5%

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

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

Performance Measure: Operating costs per $100 business volume.

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

to business volume the program is able to ensure that costs are in check relative to the sales of the program.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
$17.58	$17.58	$17.38	$17.18
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
$17.08	$17.00	$16.95	$16.92

Performance Goal: Increase customer satisfaction toward the 75th percentile for customer satisfaction in government.

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

Performance Measure: External customer satisfaction survey score.

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
79.0	77.3	79.9	80.0
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
80.1	80.2	80.3	80.4

The following long-term outcome goal is aligned with the Personal Property Management program.

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

Performance Goal: Decrease the time it takes to complete disposal action for excess property to 55 days by FY 2007.

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

Performance Measure: Cycle time for disposal process (days)

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
72	56	56	55
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
55	54	54	53

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

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

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

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
48%	35%	46%	45%
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
44%	43.5%	43.0%	42.5%

Performance Measure: Operating cost per $100 business volume.

Through monitoring operating costs per business volume the program is able to focus on reducing costs relative to the amount of business that is being conducted. This is important as it can be expected that a program will have greater operating costs as the program conducts more business. Monitoring costs relative to a business volume enables management to ensure that variations in cost are commensurate with changes in business.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
$24.88	$15.23	$22.00	$21.50
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
$21.00	$20.50	$20.00	$19.50

Performance Goal: Maintain a customer satisfaction score higher than the Federal Government American Customer Satisfaction Index (ACSI) reflecting customer satisfaction in government in FY 07 and each year thereafter.

Monitoring program success in meeting customer expectations is of utmost importance as many of the programs that are operated by GSA are not mandatory. Therefore, customer agencies are free to find other options to GSA services should a given customer not be satisfied with the level of service it receives.

Performance Measure: External customer satisfaction survey score.

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
75.6	74.6	79	79
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
79	79	79	79

Travel, Motor Vehicle and Card Services Portfolio

Overview

The Travel, Motor Vehicle and Card Services (TMVCS) Portfolio provides customer agencies with a broad scope of services that include travel and relocation services, freight management, motor vehicle acquisition, fleet management and card services. These services were provided by the former FSS and were contained in three separate business lines. Though these programs are all unique to a given industry they all share several commonalities in operations and management that can be capitalized upon to form a stronger organization. The major commonalities of the programs within the TMVCS portfolio are all programs operate as national programs and conduct highly leveraged buys for government-wide use. Additionally, all of these programs depend upon e-tools to interact with customers and carry out their missions; and charge cards are used to a large extent as a common acquisition channel within these programs.

The following components of FSS have been realigned to form the TMVCS portfolio.

Vehicle Acquisition and Leasing Business Line – This business line provides two distinct services to the Federal government.

GSA Automotive (Vehicle Acquisition) manages the acquisition of vehicles for all Federal agencies through consolidated acquisitions. By consolidating customer requirements, the Government's buying power is leveraged and GSA is able to achieve significant discounts.

GSA Fleet (Vehicle Leasing) provides non-tactical vehicles to civilian and military customer agencies with a comprehensive "cradle to grave" leasing program. GSA Fleet handles vehicle acquisition, maintenance and repairs, accident management, fuel expenses and resale of used vehicles within its umbrella of service.

Travel and Transportation Business Line – There are a number of services that are provided by this business line. Within the area of travel services the following services are provided: access to commercial travel agency and travel consulting services, negotiated airline contracts, travel card services, lodging and employee relocation services. Additionally, eTravel Service (eTS) which is one of the Presidential Management Agenda initiatives of promoting electronic Government is managed within this business line. Services that are under the transportation functions include express package delivery, freight services and household goods moves to support the relocation of government employees.

Card Services – this service was managed within the Commercial Acquisition Business Line of FSS. Card services consolidate the management of government-wide charge cards, and reduce government-wide administrative expenses for this function.

Strategic Direction / Value Proposition

The TMVCS portfolio value proposition to customer agencies is outlined below.

- Support agency best management practices and accountability
- Reduce Government management, capital expenditure and operating costs
- Leverage the Government's purchasing power and deliver best value goods and services at the best price
- Deliver fast and easy-to-use services through streamlined processes and provide superior customer service
- Use customer and internal information to manage processes and programs to support continuous improvement

PART Status

There have been several PART reviews conducted on components of the TMVCS portfolio. These reviews include a review of the FSS Office of Vehicle Leasing, the FSS Office of Vehicle Acquisition and the FSS Office of Travel and Transportation.

The Vehicle Leasing Program was reviewed during the FY 2004 PART cycle and received a rating of "Moderately Effective". OMB has recommended the following actions to improve the performance of the program.

- Market unbundled fleet management services more aggressively to Federal Agencies.

- Clarify the relationship between resource levels and performance results.

- Commission regular, independent outside evaluations of the program that assess the performance of the overall program and its major components.

The Vehicle Acquisition Program was reviewed during the FY 2004 PART cycle and received a rating of "Adequate". OMB has recommended the following actions to improve the performance of the program.

- Define the relationship between resource levels and performance results.

- Commission regular, independent outside evaluations of this of the program that asses its performance against commercial and other vehicle fleet acquisition programs.

- Annually reassess targets for performance measures where actual results indicate that more aggressive targets are appropriate.

The Travel programs were reviewed during the FY 2005 OMB PART cycle and were rated Results Not Demonstrated (RND). OMB recommended the following actions to improve program performance.

- Reorganize GSA's travel operational programs so that they are accountable to a single manager with responsibility for the full range of those programs.

- Develop "best value" and efficiency measures for each of the travel services offered by GSA, and a way to consolidate them into measures for the overall program.

- Modify GSA's governmentwide travel service and charge card contracts to obtain the data necessary to support the performance measures.

- Implement a process for obtaining an external, independent evaluation of GSA's travel operational programs on a regular basis.

- Develop a formal governance mechanism to assure that travel operations and services offered by the Federal Acquisition Service and travel policies set by the Office of Governmentwide Policy are mutually supportive.

The Transportation programs were reviewed during the FY 2005 OMB PART cycle and were rated Results Not Demonstrated (RND). OMB recommended the following actions to improve program performance.

- Reorganize GSA's transportation operational programs, including all related schedules, so that they are accountable to a single manager with responsibility for the full range of those programs.

- Develop "best value" and efficiency measures for the transportation services offered to GSA customers.

- Implement a process for obtaining an external, independent evaluation of GSA's transportation operational programs on a regular basis.

- Develop a formal governance mechanism to assure that transportation operations and services offered by the Federal Acquisition Service and the transportation policies set by the Office of Governmentwide Policy are mutually supportive.

- Modify all GSA government-wide contracts under which transportation services can be obtained to obtain the data necessary for OMB and OGP to provide proper oversight of agency transportation activities and spending.

Strategies and Action Plans

The strategy which is the keystone to the success of GSA Motor Vehicle Acquisition Management business unit is the consolidation of automotive purchases across the Federal government. Through volume purchases GSA is able to realize discounts of approximately 25 percent or more for customer agencies.

The incorporation of technology is also an effective strategy in realizing GSA Automotives core mission and objectives and will continue to be significant going forward. AutoChoice, an on-line ordering module that allows customers to choose and compare vehicle models and contract prices for many vehicle types is an example of an application employing these concepts. Some of the benefits of this system include allowing customers to view base prices as well as prices of equipment options, choose delivering dealers and place orders. AutoChoice will calculate the prices for the selected vehicles and provide a price summary, including the GSA surcharge. This type of all inclusive interface that is able to accomplish multiple tasks for customers will continue to be an integral part of business processes in the future. Enhancements to the system will only increase the benefits that are realized by customers.

GSA Fleet is able to provide value to customer agencies through a number of mechanisms including total vehicle management and by providing leases that are unique to customer needs. Customers save money in the form of reduced personnel costs as GSA associates take over the management of the customers' fleet. Through shifting management of an agency's fleet to GSA the customer agency is able to realign its personnel to work on mission critical activities and redundancies in fleet management activities are eliminated. Savings are also generated through the economies of scale generated by the GSA Fleet program. GSA Fleet will continue to generate savings for the Government in FY 2007 through the consolidation of other agency fleets into the GSA Fleet.

Managing operating costs is also essential and ensures that customers are receiving favorable terms for services at a good value to the taxpayer. In order to accomplish this, GSA Fleet will place an emphasis on purchasing the least costly vehicle while meeting the needs of the customer's mission. Minimizing maintenance and repair cost is also an important part of this equation. GSA Fleet is able to ensure that resources are being used efficiently by staying abreast of service providers that provide optimal service and recommending customers use these providers. GSA Fleet also monitors vendors to ensure competitive pricing and quality work. Program efficiency will also be enhanced through the continued monitoring of vehicle specific transaction data to eliminate

waste, fraud and abuse as well as working with the Inspector General to prosecute fraudulent activity.

The Transportation program's strategy includes further implementation of the Transportation Management Services Solution (TMSS), a web-based, fully automated, end-to-end system to handle all of our customers' transportation management needs, from rate and routing through pre-pay audit, payment, post-pay audit and dispute resolution. Within the Government, there is considerable fragmentation in the transportation sector. TMSS is a valuable tool to agencies as end-to-end services may be purchased from this schedule, bypassing the need for independent transportation experts within smaller agencies or agencies that have a limited need for this type of expertise.

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

FAS will also continue to work closely with agency customers to assist in their full deployment of eTravel (eTS), which is one of the twenty four Presidents Management Agenda (PMA) initiatives. Through the use of eTS customer agencies will be able to operate more efficiently and effectively. Federal travelers and travel managers will operate more efficiently through the elimination of manual processes, improve the accuracy of information and the simplification of authorization and approval procedures. Additionally, Government travel budgeting, financing and accounting activities will be more consistent and accurate. FAS will ensure that

the best valued solution for customer agencies is available and that eTS and all travel programs are provided in such a way that the services provided complement each other.

Long-Term Outcome Goals:

The TMVCS Portfolio will continue to use the following long-term goals and measures that were contained within the FSS programs to monitor its operations.

The following goals and measures pertain to the GSA Fleet program.

Long-term Outcome Goal: Continue to achieve leasing rates to customer agencies that offer 20% or more savings when compared to commercial rates.

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

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

The following annual performance measure is aligned with this goal.

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
32%	43.13%	= >29%	= >29.25%
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
= >29.50%	= >29.75%	= >30%	= >30.25%

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

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
$556	$508	$504	$500
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
$495	$490	$485	$484

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

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

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

Performance Measure: Number of vehicles managed per onboard associate.

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
275	329	335	340
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
345	350	355	356

Performance Goal: Maintain the Vehicle Leasing program's current level of world-class customer satisfaction in government.

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

Performance Measure: External customer satisfaction survey score.

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
84.9	85.9	83	83.1
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
83.2	83.4	83.5	83.6

The following goals and measures pertain to the Vehicle Acquisition program.

Long-term Outcome Goal: Achieve acquisition cost savings for customer agencies by providing vehicles at 28% or more below manufacturers' invoice price

Performance Goal: Maintain 28% or better discount from manufacturer's invoice price.

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

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

Performance Measure: Percentage discount from invoice price.

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

manufacturers and the coordination of these orders to fit manufacturers' production schedules.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
33%	40.6%	= > 28%	= > 28.5%
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
= > 28.7%	= > 28.9%	= > 29%	= > 29.1%

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

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

Performance Measure: Number of vehicles purchased per FTE.

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
1350	1498	1300	1310
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
1320	1330	1335	1340

Performance Goal: Increase the Vehicle Acquisition program's customer satisfaction toward the 75th percentile for customer satisfaction in government.

Customer satisfaction is of major importance as GSA and the Vehicle Acquisition program strives to be a world class provider of goods and services. External customer surveys are a valuable barometer of how well the program is meeting customer needs and are used for this reason.

Performance Measure: External customer satisfaction score.

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
77	79.3	79	80
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
80.1	80.2	80.3	80.4

The following goals and measures pertain to the GSA Travel programs.

Long-term Outcome Goal: Provide an end-to-end and fully integrated travel management shared service that is:

* Policy compliant, cost-effective, and customer focused

* An enabler for agencies to better manage their individual travel businesses.

* Fulfilling Agency needs as well as delivering the best value to agencies (at discounts unattainable by individual agencies) by leveraging the government's purchasing power via strategic sourcing.

Performance Goal: Reduce program operating costs.

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

Performance Measure: Direct cost as a percent of revenue.*

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

FY 04 Actual	FY05 Actual	FY 06 Target	FY 06 Target
57%	56%	64%	63%
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
62%	61%	60%	59%

*The eTravel program is excluded at this time since the majority of the program financing comes from GSF contributions and not revenue generated by the program. Including that program would distort the measures value and relevance.

Performance Measure: Operating cost per $100 business volume.

Through monitoring operating costs per business volume the program is able to focus on reducing costs relative to the amount of business that is being conducted. This is important as it can be expected that a program will have greater operating costs as the program conducts more business. Monitoring costs relative to a business volume enables management to ensure that variations in cost are commensurate with changes in business.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
$0.80	$0.95	$0.95	$0.94
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
$0.935	$0.93	$0.925	$0.92

Performance Goal: Increase the program's customer satisfaction toward the 75th percentile for customer satisfaction in government.

Customer satisfaction is of major importance as GSA and its programs strive to be a world class provider of goods and services. External customer surveys are a valuable barometer of how well the program is meeting customer needs and are used for this reason.

Performance Measure: External customer satisfaction score.

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
71.1	73.6	74	74.25
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
74.5	74.75	75	75.25

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

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
578 (0.02%)	37,304 (1.1%)	450,000 (12.9%)	1,700,000 (48.6%)
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
2,800,000 (80%)	3,150,000 (90%)	3,150,000 (90%)	3,150,000 (90%)

Performance Measure: Percentage of agencies migrating to eTS.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
8%	29.2%	58.3%	100%
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
100%	100%	100%	100%

The following goals and measures pertain to the GSA Transportation programs.

Long-term Outcome Goal: Provide end-to-end fully integrated management system/solutions to increase value for agency customers.

Performance Goal: Increase the program's customer satisfaction toward the 75th percentile for customer satisfaction in government.

Customer satisfaction is of major importance as GSA and its programs strive to be a world class provider of goods and services. External customer surveys are a valuable barometer of how well the program is meeting customer needs and are used for this reason.

Performance Measure: External customer satisfaction score.

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

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
74.1	73.3	78	79
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
79.1	79.2	79.3	79.4

Performance Goal: Reduce program operating costs.

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

Performance Measure: Direct cost as a percent of revenue.

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

FY 04 Actual	FY05 Actual	FY 06 Target	FY 06 Target
56.5%	56.33%	52%	51.5%
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
51%	50.5%	50%	49.5%

Performance Goal: Maximize customer savings through the use of GSA Transportation programs.

In order to monitor the savings realized by Transportation customers FAS monitors the overall savings to customer agencies through the use of its programs. These tracking measures are important to demonstrate that these programs are saving government resources.

Performance Measure: Freight and household goods savings.

FY 04 Actual	FY05 Actual	FY 06 Target	FY 06 Target
$103 M	$128 M	Tracking only	Tracking only
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
Tracking only	Tracking only	Tracking only	Tracking only

Performance Measure: Domestic delivery savings.

FY 04 Actual	FY05 Actual	FY 06 Target	FY 06 Target
NA	$515 M	Tracking only	Tracking only
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
Tracking only	Tracking only	Tracking only	Tracking only

Performance Goal: By fiscal year 2007, as part of overall automation and streamlining of transportation processes, attain and sustain percentage of electronic audits at 95%.

This goal focuses on increasing the number of audits that are conducted electronically. The achievement of this goal requires the incorporation of automated process improvements and the adoption of technology.

Performance Measure: Percent of audits performed electronically.

This measure will track the number of audits that are performed electronically relative to the entire population of audits that are conducted through manual processes. Increases in the percent of audits performed electronically of all audits performed by the Transportation Audits program will indicate the success of this goal.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
92.1%	94%	95%	95%
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
95%	95%	95%	95%

Performance Measure: Percent of claims processed within 120 days.

This measure will track the number of claims processed within 120 days relative to the total number of claims processed. Increases in the number of claims processed within 120 days will indicate the success of this goal.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
51.2%	69%	52%	55%
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
60%	70%	80%	90%

In addition to the three business portfolios FAS also contains two enterprise wide organizations the Customer Accounts & Research (CAR) organization and Acquisition Management (AM) organization. These organizations support the operations of the business portfolios and focus on agency wide solutions for FAS and its customers. These are non-revenue generating national centers of excellence and are funded by the business portfolios that they support.

Customer Accounts & Research (CAR)

The role of CAR is to enable FAS to understand customer requirements for acquisition services and become a strategic partner helping customers select the best value solution for their needs. This is achieved through customer relationship management which includes market research and providing customers with information about the range of acquisition vehicles and solutions that FAS offers, in concert with the FAS business units. The value proposition of CAR is to provide enterprise-wide representation of the value of FAS to agency customers and of the needs of agency customers to FAS.

 A core element of customer relationship management is the Enterprise CRM system which enables and enhances the proactive collection, analysis and sharing of customer data relative to customer purchasing patterns and requirements across the FAS organization. The ECRM system provides the foundation for CAR's core functions, and supports the identified value proposition. CAR also acts as the liaison between FAS business portfolios and ECRM development to ensure that the system meets the changing needs of FAS and its customers.

Acquisition Management (AM)

The purpose of AM is to support and promote contract integrity and contracting excellence within FAS. The AM organization's responsibility is to provide acquisition career management, supplier management, acquisition review and improvement, and acquisition vehicle program management. The GSA Office of the Chief Acquisition Officer provides policies and guidance for GSA and FAS. Therefore, the AM organization is closely aligned with the GSA CAO to ensure FAS compliance with GSA policies. AM also works closely with the acquisition operation units that contain the contracting officers and contract specialists within the ITS, GSS, and TMVCS portfolios. This coordination between AM and the operational units will is able to ensure that contract management, acquisition management, and program reviews are performed efficiently and effectively within FAS.

The value propositions of the AM organization follow. Ensure quality and integrity throughout the acquisition lifecycle. Develop a highly competent and experienced acquisition workforce. Ensure a positive customer experience through efficient, effective, and consistent processes and procedures for directing and implementing acquisition policy. Enhance vendor performance and customer satisfaction through efficient, effective, and consistent processes and procedures for managing suppliers.

WORKING CAPITAL FUND

General Services Administration
WORKING CAPITAL FUND

INTRODUCTION

In support of the President's Management Agenda (PMA) and government-wide management initiatives, GSA developed the following goals: provide best value for customer agencies and taxpayers, achieve responsible asset management, operate efficiently and effectively, ensure financial accountability, maintain a world-class workforce and world-class workplace, and carry out social, environmental, and other responsibilities as a federal agency.

These goals support GSA's mission statement "We help Federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies."

The Working Capital Fund (WCF) is a fully reimbursable revolving fund that finances administrative support services that are provided to GSA and other select Federal organizations. The agency-level management activities funded through the WCF include the Chief Financial Office, Chief People Office, Chief Information Office, Chief Acquisition Office, the Office of General Counsel, the Office of Small Business Utilization, the Office of Civil Rights, the Office of Performance Improvement, and the Office of Emergency Management. The total WCF program level for FY 2007 is estimated to be $448 million with 1,386 full-time equivalent (FTE) positions.

The following describes some of the specific services provided through the WCF. Centralized Administrative Support (CAS) represents the largest portion of the WCF, at approximately 55% of total obligations. The CAS functions are provided to internal GSA customers and include agency-wide functions such as finance, budget and accounting support, information technology, personnel administration, acquisition policy, and

legal services. Centralizing administrative support functions has enabled GSA to achieve economies of scale, reducing costs and increasing operational efficiencies, and allowed GSA's program areas to focus on and accomplish their goals.

The strategic directions presented focus on initiatives for improving services, including technological innovations, to meet the needs of both internal and external customers and achieving the criteria for success under the President's Management Agenda.

Other Reimbursable activities provide services to both GSA and non-GSA clients. Included in Other Reimbursable are Centralized Charges, Enterprise Infrastructure Operations and External Reimbursable activities.

Explanation of Estimates:

General Services Administration
WORKING CAPITAL FUND

The fiscal year 2007 operating program level of $447,742 thousand reflects a net decrease of $33,661 thousand below the fiscal year 2006 program level of $481,403 thousand. The net change of $33,661 thousand provides $8,207 thousand for increases of:

- $4,262 thousand for pay raise;
- $480 thousand for increased Rent, office space increase for contractors;
- $18 thousand for DHS Security cost increases;
- $3,184 thousand for increased costs of goods and services due to inflation;
- $172 thousand for increased Centralized Charges payable from the Centralized Administrative Support Program;
- $91 thousand for Inspector General reimbursable authority.

These increases are offset by decreases of $41,868 thousand related to:

- $1,408 thousand for One-Time FY 06 contractual services;
- $36,071 thousand for one time FY2006 move out Relocation Costs;
- $1,741 thousand for Centralized Charges programs;
- $2,648 for Financial Systems Development.

General Services Administration
WORKING CAPITAL FUND

	Centralized Administrative Support		Other Reimbursable		Major Equip Acquisition & Development	Total	
	FTE	$(000)	FTE	$(000)	$(000)	FTE	$(000)
FY 2006 Operating Program	**1,274**	**$ 239,544**	**158**	**$ 207,213**	**$ 6,450**	**1,432**	**$ 453,207**
DHS Security		79					79
Rent		1,374					1,374
Increase to Centralized Charges payment		1,858					1,858
Reduction of CFO/PBS/FTS MOU		(3,000)					(3,000)
One-time increase for Contractual Support Services		1,408					1,408
Program growth for IT Support and Maintenance				5,637			5,637
Centralized Charges programs			10	11,857		10	11,857
Inspector General				(465)			(465)
Financial Systems Development					9,448		9,448
Adjusted FY 2006 Operating Program	**1,274**	**241,263**	**168**	**224,242**	**15,898**	**1,442**	**$ 481,403**
Pay Raise, FY06		963		262			1,225
Pay Raise, FY07		2,565		472			3,037
Rent Inflation and office space increase		314		166			480
DHS Security Inflation		18					18
General Inflation		538		2,646			3,184
One-time increase for Contractual Support Services for FY06		(1,408)					(1,408)
Increase to Centralized Charges payment		172					172
FY2006 one-time cost				(36,071)			(36,071)
Centralized Charges Program				(1,741)			(1,741)
Inspector General				91			91
Financial Systems Development					(2,648)		(2,648)
FTE's Reduction relate to A-76	(56)					(56)	
Fiscal Year 2007 Total Request	**1,218**	**244,425**	**168**	**190,067**	**13,250**	**1,386**	**$ 447,742**

General Services Administration
WORKING CAPITAL FUND

Resources and Obligations

	FY 2005 Actual	FY 2006 Current	FY 2007 Request	FY 06 - FY 07 Change
Resources Avaliable for Obligation				
Operating Programs				
Centralized Administrative Support	228,206	241,263	244,425	3,162
Other Reimbursable	168,708	224,242	190,067	(34,175)
Major Equipment Acquisition, and Development 1/	13,419	15,898	13,250	(2,648)
Total Resources	410,333	481,403	447,742	(33,661)
Obligations				
Operating Programs				
Centralized Administrative Support	218,591	241,263	244,425	3,162
Other Reimbursable	150,378	224,242	190,067	(34,175)
Major Equipment Acquisition, and Development 1/	6,551	15,898	13,250	(2,648)
Total Obligations	375,520	481,403	447,742	(33,661)
Total Employment	1,406	1,442	1,386	(56)

1/ Includes IG and OCFO Lapsed Balances.

General Services Administration
WORKING CAPITAL FUND

<table>
<tr><td colspan="4" align="center">OBLIGATIONS BY OBJECT CLASS
$(Thousands)</td></tr>
<tr><td></td><td>FY 2005
Actual</td><td>FY 2006
Current</td><td>FY 2007
Request</td></tr>
<tr><td>Personnel Compensation:</td><td></td><td></td><td></td></tr>
<tr><td>11.1 Full-time permanent</td><td>104,599</td><td>112,875</td><td>114,843</td></tr>
<tr><td>11.3 Other than full-time permanent</td><td>456</td><td>503</td><td>0</td></tr>
<tr><td>11.5 Other personnel compensation</td><td>2,472</td><td>1,780</td><td>5,028</td></tr>
<tr><td>11.8 Special personal services payment</td><td>92</td><td>103</td><td>0</td></tr>
<tr><td>12.1 Civilian personnel benefits</td><td>39,821</td><td>42,541</td><td>42,883</td></tr>
<tr><td>13.0 Benefits for former personnel</td><td>995</td><td>1,032</td><td>975</td></tr>
<tr><td>21.0 Travel and transportation of persons</td><td>3,750</td><td>4,657</td><td>4,700</td></tr>
<tr><td>22.0 Transportation of things</td><td>502</td><td>579</td><td>818</td></tr>
<tr><td>23.1 Rental payments to GSA</td><td>14,042</td><td>15,652</td><td>18,735</td></tr>
<tr><td>23.2 Rental payments to other</td><td>71</td><td>83</td><td>57</td></tr>
<tr><td>23.3 Communications, utilities and miscellaneous charges</td><td>29,818</td><td>31,823</td><td>31,042</td></tr>
<tr><td>24.0 Printing and reproduction</td><td>1,492</td><td>1,862</td><td>3,819</td></tr>
<tr><td>25.1 Advisory and assistance services</td><td>98,124</td><td>178,498</td><td>126,542</td></tr>
<tr><td>25.2 Other services</td><td>4</td><td>42</td><td>41</td></tr>
<tr><td>25.3 Purchases of goods and services from Government Accounts</td><td>57,029</td><td>63,137</td><td>63,918</td></tr>
<tr><td>25.4 Operation & maintenance of facilities</td><td>0</td><td>0</td><td>162</td></tr>
<tr><td>25.7 Operation & maintenance of equipment</td><td>6,220</td><td>7,205</td><td>9,541</td></tr>
<tr><td>26.0 Supplies and materials</td><td>2,079</td><td>2,549</td><td>2,965</td></tr>
<tr><td>31.0 Equipment</td><td>13,954</td><td>16,482</td><td>21,673</td></tr>
<tr><td>99.0 Total Working Capital Fund</td><td>375,520</td><td>481,403</td><td>447,742</td></tr>
</table>

General Services Administration
WORKING CAPITAL FUND

Chief Financial Officer (CFO)

Strategic Assessment

The GSA Office of the Chief Financial Officer (OCFO provides "corporate" shared services and full service financial management for all of GSA and more than 40 external customers. OCFO provides professional financial management services, guidance, and innovative solutions to our customers. OCFO's long-term goal is to deliver timely and accurate financial and performance management policies and services that support management decision-making. Our mission directly supports GSA's mission by providing high quality financial management services, including: strategic planning, budget and performance management; labor forecasting and distribution, financial analysis, financial operations (accounts payable, accounts receivable, cost allocation, asset management, and payroll), financial reporting, internal controls; and audit follow-up. To accomplish our long-term goal, OCFO will:

(1) Provide executive direction for financial systems life cycle analysis, including the implementation of the e-Travel services application, a Cost Allocation module and an Asset Management module;

(2) Complete the replacement of National Electronic Accounting and Reporting (NEAR) system;

(3) Develop GSA's financial management data warehouse, including the Performance Management Tool (PMT), Activity Based Costing/ Labor Distribution System (ABC)/(LDS) and executive and managerial reporting;

(4) Establish and revise GSA's financial policies/guidance, in particular, establishing revised policy direction for OMB Circular A-123 and Management's Responsibilities for Internal Controls;

(5) Refine and identify processes to improve the overall Performance Management Process (PMP);

(6) Revise the strategic direction for identifying and sustaining financial/management human capital resources;

(7) Provide strategic direction for management control policies and procedures, including direction to ensure new FAS organization's application of management controls policies, procedures, documentation and testing;

(8) Provide strategic direction for the E-GOV Financial Management Line of Business (FMLOB) activities; and

(9) Provide strategic business and financial advice to advance quality of management decision making and financial analysis and reporting.

The OCFO institutionalized performance-based budgeting at GSA, via the Performance Management Process (PMP). The PMP requires leaders to: identify Business Line/Program areas needing performance improvement; develop strategy and action plans, performance goals, and measures to initiate and track the improvement; and execute the strategies at the operational level to achieve desired results. This process has reinforced and strengthened discussion among Senior Managers throughout the year about planning, budget prioritization, and performance results.

The OCFO has implemented Activity Based Costing (ABC) across the agency. The ABC process will help business line managers better understand the activities of this office and the cost drivers, thereby improving the effectiveness of programs and business lines. The process will allow the agency to allocate support costs to business programs, provide accurate reports on support cost to managers, services we offer and how we price them.

In fiscal year 2005, OMB issued several mandates to improve upon the management, documentation, and testing of management and financial controls. To implement these mandates, we have implemented new processes and revised policies. The OCFO has revised and/or established internal control policies and procedures where financial and/or program risks are identified. We have implemented methodology for program managers to conduct risk assessments. We have

implemented new internal controls database for completing assurance statements, internal control evaluations, and risk assessments. We have revised GSA handbooks to incorporate new OMB Circular requirements. The OCFO will continue to develop and improve in the following areas: standardizing financial reporting, financial accountability, managing follow-up actions of audit findings (FFMIA), and improving the annual reporting process and results.

The OCFO is actively working to meet the goals of timely and accurate financial transactions by using the aging of payables and receivables reports. These reports reflect the age of the payable/receivable and the responsible region. By improving data integrity in the four areas (accounts receivable, accounts payable, unfilled customer order, and undelivered orders) business line managers will be able to obtain a better understanding of financial activity impacting their programs. The aging reports will tie to our general ledgers and will be based on the same standard general ledger accounts that feed our financial statements and other financial reports.

Strategies

OCFO will integrate the Performance Measurement Tool (PMT) and Activity Based Costing (ABC) across GSA. OCFO will use the PMT and ABC to accurately assess and allocate support costs, which will assist GSA in achieving the objective of linking performance to budget to ensure GSA achieves the objectives of the President Management Agenda (PMA).

In fiscal year 2006 and fiscal year 2007 the OCFO will update or develop and implement new information technology (IT) systems, software and hardware (i.e., cost allocation module, data warehouse, asset management module and complete replacement of NEAR) that will align GSA and CFO goals. To offset a portion of the costs, GSA's Office of the Chief Financial Officer is authorized by statute to use GSA appropriated lapsed unobligated balances for financial systems investments

(GSA must request, justify and have approved use of 5 year or older lapsed funds with OMB and Congress).

For example:

- The OCFO is in the process of implementing a cost allocation module. This subsystem will provide the agency with a tool to distribute centrally charged costs or centrally collected revenues to the program and object that benefits from or drives the particular cost or revenue. This distribution process will facilitate cost management reporting, and allow costs or revenues to transfer to the benefiting entity.

- The GSA Financial Data Warehouse (DW) will consolidate and integrate data from legacy, production, and feeder financial systems. The consolidated data warehouse will serve as GSA's single reporting entity, and will be used to create GSA-wide financial and business reports.

- The OCFO is currently replacing the NEAR accounts receivable, billing and collections modules. The new modules will provide an efficient and effective platform to collect GSA revenues and will streamline operations by consolidating, storing, and processing financial data under a single platform.

- The OCFO will also develop and identify business requirements for an agency-wide Asset Management Module, which will include guidelines for financial systems operation and maintenance. OCFO will develop a business case for asset management investment, and determine an implementation strategy. OCFO will begin the implementation stage of the process in FY 2007.

Long-Term Outcome Goal:

Deliver timely and accurate financial and performance management policies and services needed for management decision-making and financial reporting.

Performance Goal: Increase the percentage of vendor invoices received electronically by Electronic Data Interchange (EDI) or through the Internet.

Performance Measure: Percent of invoices received electronically.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
56%	64%	68%	75%
FY08 Target	**FY09 Target**	**FY10 Target**	**FY11 Target**
80%	85%	90%	95%

Chief People Officer (CPO)

The Office of the Chief People Officer's (OCPO's) mission is to contribute to GSA's business success by providing human capital management strategies, policies, advice, information, services, and solutions consistent with merit system principles. In order to remain focused on this mission, the OCPO will continue to lead the implementation of GSA's Human Capital Strategic Plan (HCSP). By fiscal year 2007, planning for the implementation of the Working for America Act will be well-underway. Additional initiatives will include the enhancement of GSA's performance culture through successful implementation and enhancement of the Associate Performance Plan and Appraisal System (APPAS) and the Associate Performance Recognition System (APRS) for all associates. The OCPO will continue to modernize recruitment programs to help GSA develop/acquire the needed skills/talents identified in organization specific human capital strategies. In addition, the

OCPO will provide placement, and outplacement programs for GSA organizations and associates that are undergoing "workforce transitions" as part of reorganization, downsizing, competitive sourcing or direct outsourcing.

Internally, the OCPO will continue to transform its business processes across Central Office and Regional HR offices to improve internal efficiency and service to customers. The OCPO will continue to refocus/re-skill its own workforce to provide human capital solutions to meet customer needs by implementing the OCPO human capital strategy.

By 2007, the OCPO will implement the information technology strategy and priorities established in previous years, and make adjustments based upon changes in customer needs, the external environment, and the Federal HR Line of Business (LOB) environment. Some e-HR initiatives (E-Payroll, Go-Learn, Recruitment One Stop, and e-Clearance) have fairly clear project plans and are already in the implementation stage.

Strategies

The goal of the OCPO is to move from an organization focused primarily on meeting customer needs by responding to requests for specific actions, to one that is more focused on providing human capital solutions to ensure GSA business success. The OCPO Business Model includes understanding our customer's business, determining workforce needs based on business requirements, conducting workforce analyses, developing organization-specific and corporate human capital solutions, and ensuring that GSA has the talent to successfully accomplish its mission, values, and goals. Much of the day-to-day transaction work will be accomplished through improved business processes and technology solutions.

Through the continued implementation and refinement of its own human capital strategies, OCPO will continue to refocus

its workforce to provide human capital solutions to meet customers' needs. The OCPO will continue to enhance its training, recruitment, placement, and outplacement programs to help GSA acquire and develop the needed skills and talent identified in human capital programs. Also, OCPO will determine best value solutions for GSA on human capital information management systems. The OCPO will continue to transform business processes across all Central Office and Regional Human Resources Offices to improve internal efficiency and services to customers and, at the same time, continue to improve the accuracy and availability of information needed in the strategic management of human capital.

Long-Term Outcome Goal:
Develop and deliver human capital programs, policies and services that promote GSA's strategic management of human capital, in order to enhance GSA's capability to achieve its mission, strategic goals, and performance outcomes.

Performance Goal: Enhance ability to attract talent to GSA

Performance Measure: Number of days to fill a vacancy.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
N/A	26.3 days	45 days	45 days *
FY08 Target	**FY09 Target**	**FY10 Target**	**FY11 Target**
45 days	45 days	45 days	45 days

*Note: This target is set by the Office of Personnel Management and is subject to change in FY 2007 and beyond.

Chief Information Officer (CIO)

The mission of the Office of the Chief Information Officer (OCIO) is to provide high quality, enterprise IT services and solutions at best value by leveraging IT resources to support GSA business needs and electronic government. OCIO provides six major services to GSA and its external customers.

They are: 1) Enterprise-wide IT infrastructure services, 2) IT portfolio management (Capital Planning and Investment Control), 3) Management of IT security programs, 4) Enterprise architecture linking business to IT, 5) IT leadership, and 6) Integration and Alignment of E-Gov and Line of Business initiatives. These services are provided through two major business lines: IT Direction and Management, and Enterprise Infrastructure Operations (EIO).

The Office of the Chief Information Officer (OCIO) developed in fiscal year 2002 a GSA IT Strategic Plan to guide the agency's IT effort over the next five years.

OCIO is focused on maintaining the One-GSA Enterprise Architecture and developing a configuration management system to capitalize on prior fiscal year investments. The OCIO needs to improve the execution of information technology portfolio management to ensure that they continually meet the standards for Earned Value Management Systems.

Strategies

GSA has established the initial One GSA Enterprise Architecture (EA) as a strategic asset in support of capital planning and investment control, business performance planning and monitoring, and systems engineering and integration across the GSA enterprise. The Enterprise Architecture defines the business activities supporting GSA's mission, the information necessary to perform these activities, and the technologies that support them. Near term focus is on adding performance measures and security to the architecture. The long-term outcome goal of EA is to develop, maintain, and manage the execution of the "Business Modernization Blueprint" to capture the full lifecycle.

Investment evaluation and control will consist of systematic management of the Agency's IT investment portfolio. It will be

founded upon the use of an Earned Value Management system for all development, modernization, or enhancement, and the use of an operational analysis for all steady state projects.

The OCIO currently provides program management support for GSA's e-Government initiatives approved by the President's Management Council. OCIO, in conjunction with OMB, has developed an eGov implementation plan to ensure GSA investments properly align with the appropriate eGov initiatives. Future activity will focus on the execution of the approved eGov implementation plan.

Long-Term Outcome Goal:

Ensure GSA's information technology investments increase Federal productivity, customer satisfaction, and legal compliance.

Performance Goal: Provide a secure IT environment.

Performance Measure: % of IT systems that have a current certification and accreditation.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
97%	100%	100%	100%
FY08 Target	**FY09 Target**	**FY10 Target**	**FY11 Target**
100%	100%	100%	100%

Performance Goal: Improve IT Investment Control & Project Management.

Performance Measure: % of the IT Portfolios DM&E Projects that have a schedule variance within 10% of plan.

FY04 Actual	FY05 Actual	FY06 Target	FY07 Target
92%	100%	100%	100%
FY08 Target	**FY09 Target**	**FY10 Target**	**FY11 Target**
100%	100%	100%	100%

Other Centralized Administrative Support Offices

The **Office of General Counsel (OGC)** provides sound and timely legal support to GSA's programs in areas such as contracting, information technology, travel and transportation, e-government initiatives, disposal of government property, bankruptcy, real estate, construction, historic preservation, leasing, environmental issues, telecommunications, litigation, personnel and labor relations, equal employment opportunity (EEO), appropriations, finance, the Freedom of Information Act, the Privacy Act, and the Federal Advisory Committee Act. OGC also supports GSA's responses to Congressional inquiries, develops and manages GSA's ethics program and supports the agency's alternative dispute resolution efforts.

The **Office of Small Business Utilization (OSBU)** has nationwide responsibility for GSA's small business programs. OSBU focuses on programs, policy and outreach to the small business community and is GSA's advocate for small business. The mission of the OSBU is to promote and facilitate programs and activities that provide "Access to Opportunity" to small, small disadvantaged, women-owned, HUBZone certified, and service-disabled veteran-owned businesses in GSA contracting nationwide. The OSBU is the lead office for a nationwide network of regional Small Business Utilization Centers (SBUC). The SBUCs provide information, assistance, and counseling to private sector concerns seeking to do business with the Government.

In fiscal year 2004, GSA's contracts with small businesses totaled more than $3.1 billion including $263 million for

women-owned small businesses, $478.7million for minority-owned small businesses, $160.3 million for HUBZone small businesses, and $19.2 million for Service-Disabled Veteran-Owned small businesses.

The **Office of Civil Rights (OCR)** and regional counterparts are responsible for implementing both the internal and external Civil Rights Programs at GSA. The internal civil rights program ensures equal employment opportunity for all GSA associates and applicants for employment on the basis of sex, race, color, national origin, religion, disability, age (40 and over), and retaliation for protected EEO activity. The internal civil rights program processes EEO complaints of discrimination pursuant to 29 C.F.R. Part 1614. The external civil rights program ensures nondiscrimination on the basis of race, color, sex, age (40 and over), national origin, and disability by recipients of GSA's Federal Financial Assistance and Federally Conducted Programs. Both the internal and external civil rights programs have enforcement and prevention as the cornerstones of their programs.

The **Office of Performance Improvement (OPI)** directs GSA's performance planning initiatives by ensuring that there is a robust and rigorous process in place to identify, develop, and execute changes necessary to achieve performance improvements. OPI directs and oversees the competitive sourcing process. Also, OPI ensures PMA goals and milestones are met by providing technical and analytical performance measurement advice and counsel to GSA's decision makers. Finally, the Office is responsible for facilitating the successful implementation of the five management agenda items included in the President's Management Agenda.

The **Office of Emergency Management (OEM)** is responsible for the GSA Nationwide Continuity of Operations Program (COOP) and the GSA Interagency Emergency Response Program. OEM sets nationwide GSA Emergency Management policies, procedures, and guidance for COOP and Emergency Response activities. These policies and procedures

guide GSA's role in implementing Emergency Support Function #7 of the National Response Plan and GSA's provision of COOP Training to other Federal Agencies.

In addition to its governmentwide policy role, the **Office of the Chief Acquisition Officer (OCAO)** has agency-wide responsibility for planning, directing, and controlling functions that affect all GSA contracting activities. It is responsible for establishing and maintaining GSA acquisition policies, regulations, guidance and procedures through issuance of the General Services Acquisition Manual and other policy documents. It establishes and monitors agencies contracting activities to ensure compliance with applicable statutes, regulations and directives; performance measures for GSA's acquisition system; conducts procurement management reviews of buying activities; establishes and administers acquisition workforce programs, such as the Contracting Officer Warrant Program and 1102 Occupational Certification Program; manages the Federal Acquisition Institute and the Integrated Acquisition Environment; and determines non-federal entities' eligibility to use GSA sources of supply. It performs the debarment and suspension functions, the agency protest function, the agency ombudsmen function and serves as the Head of Contracting Activity for GSA.

GSA's **Regional Acquisition Management (RAM) Staffs** are located in the GSA Regional Offices and are responsible for monitoring and reviewing GSA Regional Office contractual and other procurement activities to ensure compliance with applicable procurement statutes, regulations and directives in conjunction with the Office of the Chief Acquisition Officer.

Other Reimbursable

Other Reimbursable activities provide services to both GSA and non-GSA clients. Included in Other Reimbursable are

General Services Administration
WORKING CAPITAL FUND

Centralized Charges, Enterprise Infrastructure Operations, and External Reimbursable.

Centralized Charges is a clearing account for agency-wide costs paid by GSA, and includes programs such as Unemployment Compensation, Workman's Compensation, Postage, FTS Long Distance Services, Wireless Cell Phone, etc.

Enterprise Infrastructure Operations (EIO) is critical to the efficient operation of all GSA systems and, in some instances, is vital to interfacing individual programs/projects with GSA's enterprise systems. EIO is an Agency-wide utility supporting the business lines. It comprises the telecommunications foundation of the Agency, supporting local area networks, client facilities and the public Internet. It holds a unique place in service to Agency missions because it is the "glue" which unifies all IT communications and processing related to GSA and customer business lines. The management operation and maintenance of EIO is a critical component in the achievement of the OCIO long-term outcome goal. Continued emphasis will be in the areas of standards compliance, improved IT security posture, and increased associate productivity. Key initiatives targeted for fiscal year 07 are:

- Migrate the GSA Enterprise Messaging Services to an infrastructure based on Microsoft Outlook and Exchange.
- Prepare a comprehensive plan for consolidation and relocation of GSA's information infrastructure and facilities as embodied in the Enterprise Infrastructure Operations general support system in preparation for the scheduled move of the GSA Headquarters in 2007.
- Implement, manage, and maintain uniform, commercially benchmarked metrics GSA-wide for the delivery of desktop and mobile computing, local area networking and voice communications support.
- Implement, manage, and maintain the GSA Directory Services Program under the shared services umbrella of Enterprise Infrastructure Operations.

- OCIO will embark on an IT infrastructure consolidation effort during fiscal year 2006 and fiscal year 2007 and implement this via a shared services model.
- Provide IT, Information Systems and program management support functions under the auspices of the Office of Enterprise Infrastructure Operations (IO) to the Office of Governmentwide Policy (OGP).

Operational efficiencies will be gained through targeted consolidations and by adopting the tenets of service level management. EIO will become a more customer centric, shared services entity.

Coordination is paramount between OCIO and all Services, Staff Offices, and Regions to ensure that information technology requirements are being collected and acted upon in a coordinated, consolidated fashion for the effective and efficient delivery of IT services to GSA.

EIO will be required to contract for additional subject matter experts, operations, testing and implementation resources, to work in conjunction with the OCIO staff on this strategic investment initiative. In addition, there will be a need for new hardware and software acquisitions. Contractor support is needed to accomplish these actions because projected fiscal year 2007 EIO resources do not contain needed staffing and expertise to accomplish these strategy initiatives. Additional resources are required to manage and maintain the centralized, consolidated Infrastructure.

Support for **External Reimbursable** activities includes providing administrative services similar to those described under "Centralized Administrative Support," including accounting, payroll, budget, personnel and procurement. Customers include small agencies and Presidential committees and commissions.

The OMB approved GSA to be a provider of financial management services to other Federal agencies. The Financial Management Line of Business (FM LOB) program utilizes Centers of Excellence (COEs) to provide information technology hosting, while leveraging Government-wide standardized business processes. COEs consist of some combination of Federal Agencies and/or private sector contractors supporting a FSIO-compliant (Financial Systems Integrity Office) financial management solution. The COE may be engaged in a variety of tasks such as project management, system migration, system implementation, change management, training, independent validation and verification, certification and accreditation testing, help desk, and other functions. COEs may offer additional value-added services to agencies, such as core financial operations support, and/or hosting and processing for subsidiary systems such as procurement, fixed asset management, real property, fleet management, and investment management.

The establishment and sustainment of GSA as a Center of Excellence supports the overall GSA mission and OCFO mission to provide both internal and external customers with high quality, best value financial products, services and support. GSA serves as the manager of a private/public partnership providing IT hosting services and support of GSA's FSIO-certified core financial system, while adopting and leveraging Government-wide standardized business processes and data. In addition, GSA has the capability to offer additional value-added services to agencies, beyond just core financial operations support, and is developing an agile business model that will meet our Federal customers' needs.

Detailed planning for the COE has occurred in fiscal year 2005 and the GSA OCFO is now prepared to begin expanding its existing client base. Concurrent, and coordinated with the planning and execution work related to becoming a COE, the GSA OCFO will be completing the integration of its core financial system by defining and implementing the solutions for cost allocation, asset management, accounts receivable, as well as

robust data warehousing and business intelligence functionality. Since GSA is partnering with the private sector to provide IT hosting and support, time to "scale" up is minimized and significant Government capital costs outlays are avoided. During fiscal year 2006, GSA will continue to implement financial management services for new small agencies and is prepared to enter into agreements and begin migration planning with larger client agencies.

MISCELLANEOUS ACCOUNTS

General Services Administration
EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

Strategic Assessment

The Transportation Audits program is a mandatory transportation audit function which recovers overpayments to carriers for Government moves resulting from rate and service agreements that are established by GSA or by other Federal agency traffic managers. The transportation audit function business strategies include the development of a web-based, fully automated, end-to-end system to handle all customers' transportation management needs, from rating and routing through pre-pay and post-pay audit as well as dispute resolution. This account is a permanent, indefinite appropriation that does not require annual Congressional action. Business operations in this program still contain some manual processes and those that are automated are being realigned to promote program efficiency.

Program Assessment Rating Tool (PART) Review

This program was reviewed during the FY 2005 OMB PART cycle as part of the Federal Supply Service Transportation Program and was rated Results Not Demonstrated (RND). OMB recommended the following actions to improve program performance:

- Reorganizing GSA's transportation operational programs, including all related schedules, so that they are accountable to a single manager with responsibility for the full range of those programs.

- Developing "best value" and efficiency measures for the transportation services offered to GSA customers.

- Implementing a process for obtaining an external, independent evaluation of GSA's transportation operational programs on a regular basis.

Strategy and Action Plans

Strategies adopted by the program include GSA working with agency payment offices, carriers and audit contractors to increase the number of electronic audits. This will help in achieving shorter cycle times for handling protests and claims. Currently, the benchmark to resolve protests and claims is approximately six months. Through converting to electronic audits and upgrading systems' capabilities, the timeframe will be reduced significantly as it will be possible to generate monthly reports to monitor the handling of claims and expedite the resolution of outstanding claims. The incorporation of improved technology into the business processes will not only create efficiencies in the time to complete an audit but will also allow for more intensive program management of current operating procedures that will lead to procedural improvements.

These strategies and key actions will help the Transportation Audits program improve its operating efficiency and save agencies money through prepayment audits and the recovery of funds from overpayment through post-payment audits. The funds recovered through post-payment audits in excess of expenses are returned to the U.S. Treasury, benefiting the taxpayer.

Long-Term Outcome Goal: Provide an end-to-end fully integrated management system/solutions to increase value for agency customers.

General Services Administration
EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

This goal is intended to focus on improving operations and efficiency that will in turn generate savings for the taxpayers in FY 2007 and in the out-years.

Performance Goal: By fiscal year 2007, as part of overall automation and streamlining of transportation processes, attain and sustain percentage of electronic audits at 95%.

This goal focuses on increasing the number of audits that are conducted electronically. The achievement of this goal requires the incorporation of automated process improvements and the adoption of technology.

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

Performance Measure: Percent of audits performed electronically.

This measure will track the number of audits that are performed electronically relative to the entire population of audits that are conducted through manual processes. Increases in the percent of audits performed electronically of all audits performed by the Transportation Audits program will indicate the success of this goal.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
92.1%	94%	95%	95%
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
95%	95%	95%	95%

Performance Measure: Percent of claims processed within 120 days.

This measure will track the number of claims processed within 120 days relative to the total number of claims processed. Increases in the number of claims processed within 120 days will indicate the success of this goal.

FY 04 Actual	FY 05 Actual	FY 06 Target	FY 07 Target
51.2%	69.3%	52%	55%
FY 08 Target	FY 09 Target	FY 10 Target	FY 11 Target
60%	70%	80%	90%

The FY 2007 budget for this program supports the fulfillment of this long-term outcome goal and the annual performance goal and performance measures that accompany it.

General Services Administration
EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

<table>
<tr><td colspan="9">FY 2007 Budget Request / Performance Goal
Budget Links
Expenses of Transportation Audit Contracts and Contract Administration
$ (Thousands)</td></tr>
<tr><td colspan="9">Long-term Outcome Goal(s)</td></tr>
<tr><td colspan="9">Provide an end-to-end fully integrated management system/solutions to increase value for agency customers.</td></tr>
<tr><td>Performance Goal</td><td>Performance Measure</td><td colspan="2">FY 2005</td><td colspan="2">FY 2006</td><td colspan="2">FY 2007</td><td colspan="2">Change
FY 06 to FY 07</td></tr>
<tr><td></td><td></td><td>Actual</td><td>Dollars</td><td>Target</td><td>Dollars</td><td>Target</td><td>Dollars</td><td>Target</td><td>Dollars</td></tr>
<tr><td rowspan="2">By fiscal year 2007, as part of overall automation and streamlining of transportation processes, attain and sustain percentage of electronic audits at 95%.</td><td>Percent of audits performed electronically</td><td>94%</td><td>$6,650</td><td>95%</td><td>$8,991</td><td>95%</td><td>$8,100</td><td>-</td><td>-$891</td></tr>
<tr><td>Percent of claims processed within 120 days</td><td>69.3%</td><td>$4,434</td><td>52%</td><td>$5,994</td><td>55%</td><td>$5,400</td><td>3%</td><td>-$594</td></tr>
<tr><td>Total</td><td></td><td></td><td>$11,084</td><td></td><td>$14,985</td><td></td><td>$13,500</td><td></td><td>-$1,485</td></tr>
<tr><td>Outlays</td><td></td><td></td><td>$11,084</td><td></td><td>$14,985</td><td></td><td>$13,500</td><td></td><td>-$1,485</td></tr>
<tr><td>Employment (FTE)</td><td></td><td></td><td>58</td><td></td><td>61</td><td></td><td>61</td><td></td><td>0</td></tr>
</table>

Explanation of Dollar Changes:

The FY 2007 decrease is a result of a reduction in funding due to the relocation of 61 Central Office associates which created a one-time obligation in FY 2006. The remaining reduction is due to savings achieved from automation and streamlining business processes. There are also minor increases in other object classes resulting from inflation.

Explanation of Budget Changes
Obligations
($Thousands)

FY 2006 Program Level..	**14,985**
Pay Raise, January 2006..	+204
Automation and Streamlining Business Processes............................	-378
Inflation...	+171
RENT Increase..	+3
One-time Relocation to New Facility...	-1,485
FY 2007 Budget Request..	**13,500**

	Obligations by Object Class $(Thousands)	FY 2005 Actual	FY 2006 Current	FY 2007 Request
	Personnel Compensation:			
11.1	Full-time permanent	3,508	4,639	4,801
11.5	Other personnel compensation	704	186	192
11.9	Total personnel compensation	4,212	4,825	4,993
12.1	Civilian personnel benefits	764	1,062	1,098
13.0	Benefits for former personnel	225	0	0
21.0	Travel and transportation of persons	66	67	67
22.0	Transportation of things	1	1	1
23.1	Rental payments to GSA	647	695	698
23.3	Communications, utilities, and misc. charges	41	42	43
24.0	Printing and reproduction	1	43	44
25.2	Other services	3,706	5,750	4,003
25.3	Purchases of goods/svcs from Gvmt. accounts	1,310	2,365	2,412
26.0	Supplies and materials	97	115	118
31.0	Equipment	14	20	23
	Total Obligations	11,084	14,985	13,500

Program Description

Expenses, Disposal of Surplus Real and Related Personal Property is a permanent, indefinite appropriation authorized by section 204 (b) of the Federal Property and Administrative Services Act of 1949, as amended. This section was added by P.L. 83-760 (40 U.S.C. 485(b)) of August 31, 1954, and later recodified as 40 U.S. Code 572. This account finances contractual services of appraisers, auctioneers, and brokers familiar with local real estate markets to accelerate the utilization or sale of surplus real property. It also covers the costs of surveying, advertising, environmental services, historic preservation services, highest and best of use of property studies, property utilization studies and deed compliance inspections.

Financing is provided through receipts from sales of surplus property and outleasing of government-owned space.

The Expenses, Disposal appropriation account reflects performance goals and measures for the Real Property Disposal (RPD) program. These goals include awarding 95% of utilization and donation (U&D) property within 240 days for fiscal year 2007; awarding 100% of public sales within 170 days for fiscal year 2007; and, attaining 1.08% cost of sales as a percentage of sales proceeds for reimbursable sales for fiscal year 2007, based upon projected sales and the correlating sliding scale target.

FY 2005 - FY 2007 Obligations (Direct)		
$(Thousands)		
	FY 2005 Actual	**FY 2006 Current**	**FY 2007 Request**
Obligations Categories:			
Salaries and Benefits	-	-	-
Contractual Services	4,215	11,141	11,141
All Other	89	350	350
Total Obligations	4,304	11,491	11,491
Outlays	5,348	11,261	11,261
Employment (FTE)	-	-	-

FY 2005 - FY 2007 Obligations (Reimbursable)		
$(Thousands)		
	FY 2005 Actual	**FY 2006 Current**	**FY 2007 Request**
Obligations Categories:			
Salaries and Benefits	-	-	-
Contractual Services	149	520	520
All Other	1	80	80
Total Obligations	150	600	600
Outlays	-	-	-

Explanation of Budget Changes (Direct) $(Thousands)		
	FTE	**$**
FY 2006 Program…......................…..................…….	0	**11,491**
No Change		0
FY 2007 Request………......……...................……..……	0	**11,491**

Explanation of Budget Changes (Reimbursable) $(Thousands)		
	FTE	**$**
FY 2006 Program..……..	0	**600**
No Change		0
FY 2007 Request ….......................................……..	0	**600**

Obligations by Object Class (Direct) $ (Thousands)			
	FY 2005 Actual	FY 2006 Current	FY 2007 Request
24.0 Printing and reproduction	89	350	350
25.2 Other Services	4,215	11,141	11,141
Total Obligations	4,304	11,491	11,491

Obligations by Program Activity (Direct) $ (Thousands)			
	FY 2005 Actual	FY 2006 Current	FY 2007 Request
Disposal - Real Property:			
a. Appraisers, auctioneers, brokers fees, surveying	3,209	3,511	3,511
b. Advertising	437	2,300	2,300
c. Environmental Services	426	2,235	2,235
d. Historical Preservation Services	0	2,000	2,000
e. Highest and best use of property studies, Utilization of property studies and deed compliance inspections	134	930	930
Outleasing - Government-owned Space:			
a. Appraisers, auctioneers, brokers fees, surveying, advertising	98	500	500
b. Advertising	0	15	15
Total Obligations	4,304	11,491	11,491

General Services Administration
PUBLIC BUILDINGS SERVICE
EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY

Obligations by Object Class (Reimbursable)			
$ (Thousands)			
	FY 2005 Actual	FY 2006 Current	FY 2007 Request
24.0 Printing and reproduction	1	80	80
25.2 Other Services	149	520	520
Total Obligations	150	600	600

Obligations by Program Activity (Reimbursable)			
$ (Thousands)			
	FY 2005 Actual	FY 2006 Current	FY 2007 Request
Disposal - Real Property:			
a. Appraisers, auctioneers, brokers fees, surveying	131	240	240
b. Advertising	13	50	50
c. Environmental Services	6	300	300
d. Historical Preservation Services	0	10	10
Total Obligations	150	600	600

INTRODUCTION

The Acquisition Workforce Training Fund was authorized by the Services Acquisition Reform Act of 2003 (SARA), Title XIV of the National Defense Authorization Act for fiscal year 2004 (P.L. 108-136) signed into law on November 24, 2003. Section 1412 of SARA amended section 37 of the Office of Federal Procurement Policy Act to establish the Acquisition Workforce Training Fund within GSA. The fund was created to ensure that the Government's non-defense acquisition workforce has training resources to adapt to the changing nature of Federal Government acquisition.

GSA, under direct oversight of the OMB Office of Federal Procurement Policy (OFPP), manages the fund through the Federal Acquisition Institute to develop training resources for the acquisition workforce of all executive agencies, except the Department of Defense. SARA authorized the fund to be credited with five percent of the fees collected from executive agencies (other than the Department of Defense) under the following contracts:

- Government-wide task and delivery-order contracts entered into under sections 303H and 303I of the

Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h and 253i).

- Government-wide contracts for the acquisition of information technology as defined in section 11101 of Title 40, U.S.C., and multi-agency acquisition contracts for such technology authorized by section 11314.
- Multiple-award schedule contracts entered into by the Administrator of General Services.

Amounts credited to the fund are available to be expended in the fiscal year for which credited and the two succeeding fiscal years.

The OMB Office of Federal Procurement Policy (OFPP) is working closely with the Chief Acquisition Officer's Council (CAOC), and the Federal Acquisition Institute (FAI), to identify and prioritize training and training support activities that will be funded from the Acquisition Workforce Training Fund.

General Services Administration
ACQUISITION WORKFORCE TRAINING FUND

BUDGET AUTHORITY
$(Thousands)

	FY 2005 Actual	FY 2006 Current	FY 2007 Request	FY 2006/2007 Change
Carryover	5,476	12,362	14,932	+2,570
Collections (New Budget Authority)	7,767	8,010	8,060	+50
Total Available	13,243	20,372	22,992	+2,620
Total Obligations	881	5,440	7,997	+2,557
Net Outlays	793	4,097	7,138	+3,041

EXPLANATION OF BUDGET CHANGES
IN PRIORITY ORDER
$(Thousands)

FY 2006 Current Level……………………………….……………………………. **$8,010**

Increase ……………………………………………………. +50

FY 2007 Total Budget Request…..……………………………………… **$8,060**

General Services Administration
ACQUISITION WORKFORCE TRAINING FUND

Obligations by Object Class $(Thousands)			
	FY 2005 Estimate	FY 2006 Current	FY 2007 Request
Personnel Compensation:			
11.1 Full-time permanent	0	0	0
11.3 Other than permanent	0	0	0
11.5 Other personnel compensation	0	0	0
11.9 Total personnel	**0**	**0**	**0**
12.1 Civilian personnel benefits	0	0	0
21.0 Travel and transportation of persons	2	0	0
21.0 Motor pool travel	0	0	0
22.0 Transportation of things	0	0	0
23.1 Rental payments to GSA	0	0	0
23.3 Communications, utilities, and misc. charges	0	0	0
24.0 Printing and reproduction	0	0	0
25.1 Advisory and assistance services	879	4,202	6,635
25.2 Other services	0	0	0
25.3 Purchases of goods and services from Government accounts	0	1,238	1,362
26.0 Supplies and materials	0	0	0
31.0 Equipment	0	0	0
99.0 Subtotal direct obligations	881	5,440	7,997
99.0 Reimbursable obligations	0	0	0
99.9 Total Obligations	**881**	**5,440**	**7,997**