



G A O

Accountability * Integrity * Reliability

United States General Accounting Office
Washington, D.C. 20548

General Government Division

B-282259

July 20, 1999

The Honorable Dick Armey
Majority Leader
House of Representatives

The Honorable Dan Burton
Chairman, Committee on Government Reform
House of Representatives

The Honorable Fred Thompson
Chairman, Committee on Governmental Affairs
United States Senate

Subject: Observations on the General Services Administration's Fiscal Year 2000 Performance Plan

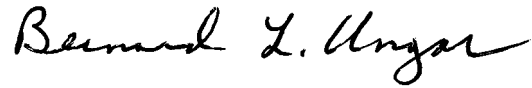
As you requested, we have reviewed and evaluated the fiscal year 2000 performance plans for the 24 Chief Financial Officers (CFO) Act agencies that were submitted to Congress as required by the Government Performance and Results Act of 1993 (Results Act). Enclosure I to this letter provides our observations on the fiscal year 2000 performance plan for the General Services Administration (GSA). Enclosure II lists the identified GAO management challenges and the GSA Inspector General's areas of concern that the agency faces and the applicable goals and measures in the fiscal year 2000 annual performance plan.

Our objectives were to (1) assess the usefulness of the agency's plan for decisionmaking and (2) identify the degree of improvement the agency's fiscal year 2000 performance plan represents over the fiscal year 1999 plan. Our observations were generally based on the requirements of the Results Act, guidance to agencies from the Office of Management and Budget (OMB) for developing the plan (OMB Circular A-11, Part 2), our previous reports and knowledge of GSA's operations and programs, and our observations on GSA's fiscal year 1999 performance plan. Our summary report on the CFO Act agencies' fiscal year 2000 plans contains a complete discussion of our objectives, scope, and methodology.¹

¹Managing for Results: Opportunities for Continued Improvement in Agencies' Performance Plans (GAO/GGD/AIMD-99-215, July 20, 1999).

B-282259

As agreed, unless you announce the contents of this letter earlier, we plan no further distribution until 30 days from the date of the letter. The major contributors to this report are Gerald Stankosky, Assistant Director; Bill Dowdal, Senior Evaluator; and David Sausville, Senior Evaluator. If you or your staff have any questions, please contact me on (202) 512-8387.

A handwritten signature in black ink that reads "Bernard L. Ungar". The signature is written in a cursive style with a large initial 'B' and a long, sweeping tail on the 'g'.

Bernard L. Ungar
Director, Government Business
Operations issues

Enclosures - 2

Observations on the General Services Administration's Annual Performance Plan for Fiscal Year 2000

The General Services Administration's (GSA) fiscal year 2000 annual performance plan,¹ issued March 2, 1999, should be useful to decisionmakers in that it provides a clear picture of intended performance across the agency and a general discussion of the strategies for achieving its goals. For example, 48 of the 58 goals in the 2000 plan had measures, baselines, and targets that are quantifiable and that should allow decisionmakers to more easily gauge performance. However, the plan's discussion of the budget resources needed to achieve the goals is incomplete, and it provides only limited confidence that agency performance information will be credible. For example, the 2000 plan continues to be very general and does not sufficiently discuss GSA's planned actions to verify and validate data that will be used to measure results. Figure 1 highlights the plan's major strengths and key weaknesses.

Figure 1: Major Strengths and Key Weaknesses of Fiscal Year 2000 Annual Performance Plan

Major Strengths

- It provides sufficient context for understanding GSA's operations and what it intends to achieve.
- It contains clear connections between GSA's mission, strategic goals, and performance goals.
- It includes goals and measures that are quantifiable, with related baselines and targets.
- It contains clear relationships between goals and measures.

Key Weaknesses

- It does not sufficiently discuss how the performance goals and measures link to the program activities and funding in GSA's budget.
- It does not explain how GSA will ensure that its performance data are reliable.

Overall, the fiscal year 2000 plan more fully meets the criteria in the Results Act and related guidance and provides sufficient context for understanding GSA's operations and what it intends to achieve. Among its improvements, the plan has (1) much better linkages between GSA's mission, strategic goals, and performance goals; (2) goals and measures that are more quantifiable and outcome oriented; and (3) clearer relationships between the goals and measures. For example, measures of the percentage of construction and repair and alteration projects delivered on time are directly linked to the performance goals related to the on-time delivery of these services. The plan is also improved in how it addresses crosscutting issues,

¹GSA's fiscal year 2000 performance plan contained revised goals, measures, and targets for fiscal year 1999; GSA refers to it as the "Fiscal Years 1999/2000 Performance Plan." Our analysis compared this plan with the fiscal year 1999 performance plan, which GSA issued on March 5, 1998, hereafter referred to as the "fiscal year 1999 performance plan" or "the 1999 plan."

management problems, and the strategies needed to achieve the goals. However, the plan does not sufficiently discuss budget resources needed to achieve the goals or adequately describe GSA's efforts to verify and validate performance data. For example, the narrative for 30 of the 58 goals does not directly link the goals to the budget or explain why the linkage is missing.

GSA's Performance Plan Provides a Clear Picture of Intended Performance Across the Agency

The plan provides a clear picture of intended performance across the agency. Compared to the 1999 plan, the 2000 plan has much clearer linkages between GSA's mission, strategic goals, and performance goals that each of GSA's major organizational components aim to achieve.² The plan accomplishes this through a combination of tables and narrative that describe GSA's mission, as well as each organizational component's specific performance goals, measures, and targets. The plan has a summary table that identifies the goals, measures, and targets for easy reference. Another table shows how the strategic goals link to the performance goals for each organizational component. These tables and the related narrative should provide the context that decisionmakers need to better understand the plan and what GSA aims to achieve.

The goals and measures in GSA's 2000 plan are more quantifiable than the goals and measures that were in GSA's fiscal year 1999 performance plan. We reported in May 1998 that the 1999 plan did not provide a succinct and concrete statement of expected performance for subsequent comparison with actual performance. Despite the expectations of the Results Act and related Office of Management and Budget (OMB) guidance that annual performance goals be quantifiable, only 9 of the 31 performance goals in the 1999 plan had measures and targets that could have been used to gauge performance. For example, the 1999 plan contained a performance goal to "offer the quality of goods and services desired by our customers:" but did not include any measures, baselines, or targets. In the 2000 plan, 48 of the 58 goals had measures, baselines, and targets that are quantifiable and that should allow decisionmakers to more easily gauge progress. For example, the 2000 plan contains a goal to "increase tenant satisfaction with leased space," indicates that tenant satisfaction surveys will provide the measure, and identifies a baseline and targets. For some of the goals and measures, GSA plans to benchmark itself against the private sector in areas such as travel and

²GSA's major organizational components include the Public Buildings Service (PBS), the Federal Supply Service (FSS), the Federal Technology Service (FTS), and the Office of Governmentwide Policy (OGP).

leasing costs. These types of goals and measures should be especially useful in gauging GSA's future performance.

The goals and measures in the 2000 plan also provide more meaningful, straightforward information in relation to their stated goal. In the 1999 plan, the relationship between each measure and its goal was sometimes unclear. This relationship is much clearer for the large majority of goals and related measures in the 2000 plan. For example, measures of the percentage of construction and repair and alteration projects delivered on time are directly linked to performance goals related to on-time delivery of these services. In addition to having goals and measures with clearer relationships, we noted that the plan has many goals related to GSA's core functions, such as effectively managing space. Examples for this important function include goals to reduce the amount of non-revenue-producing space in government-owned buildings and to reduce the time required to lease space for federal agencies.

We also noted that the fiscal year 2000 plan has more outcome-oriented goals. We reported in May 1998 that GSA's fiscal year 1999 performance plan had goals that were typically more activity or output oriented rather than results or outcome oriented, as envisioned by the Results Act. OMB guidance specifies that as a general rule, outcome goals should be included in an annual performance plan, whenever possible. The fiscal year 2000 plan does include outcome-oriented goals. Some of these reflect important aspects of GSA's core functions, such as leveraging the purchasing power of the federal government and ensuring that federal customers are satisfied with their physical working environments. For example, the plan contains a goal to achieve significant savings on the cost of federal travel as compared with commercial travel. Another example is the goal and related targets for offering 20 percent in savings over commercial prices for compact sedans. The plan also has goals and related targets for assessing the level of satisfaction among GSA's federal customers. If GSA continues to include more outcome-oriented goals as the performance plan evolves, the usefulness of these future plans will be enhanced.

The 2000 plan also shows improvement in its discussion of crosscutting issues and management challenges. We reported in May 1998 that GSA's 1999 plan did not adequately explain how crosscutting functions were to be coordinated with the federal community. We pointed out that OMB Circular A-11, section 220.8, states that the annual performance plan should identify performance goals that reflect activities being mutually undertaken to support programs of an interagency, crosscutting nature. We went on to say that GSA is an agency with governmentwide policymaking, oversight, and operational functions and that its major activities collectively affect the whole federal community.

The 2000 plan discusses the crosscutting nature of its activities in the narrative at the beginning of the plan and in the FSS and OGP sections. Also, the OGP section of the plan contains some goals that relate directly to interagency coordination. The plan also makes indirect reference to the crosscutting nature of its activities throughout the plan. Further, the improvements in the goals and measures in the plan mentioned earlier have the effect of clarifying GSA's role as an agency whose functions cut across government. However, in some areas of the plan, it is difficult to determine which goals reflected activities being undertaken to support programs of an interagency, crosscutting nature and how exactly the efforts are being coordinated. This seems inconsistent with OMB guidance that states that agencies should indicate such goals to assist in reviewing the plan. For example, the plan recognizes that other government agencies have "shadow GSAs" for real property and procurement. Implicit in this discussion is that other agencies probably have mutual or competing goals; however, the plan is silent on whether they do, and, if so, how GSA coordinated with these other agencies. The FSS section of the plan contains a subsection entitled "Cross-Cutting Programs," where the plan recognizes crosscutting areas affecting FSS and statements about FSS working closely with the agencies involved. However, there is no mention of which goals were specifically affected or what exactly was done to coordinate the plan with the other agencies. Moreover, there is no direct discussion of potential crosscutting issues in the sections on FTS and PBS, which is GSA's largest component.

Finally, unlike the 1999 plan, the 2000 plan did include a specific discussion of major management challenges. This discussion and a few of the performance goals touch on some of the problems we and the IG have identified, such as the need for timely, accurate, and useful financial information and the agency's challenges in the area of employee skills. However, the plan does not adequately address several other long-standing, core problems that we believe could hamper the accomplishment of many of the performance goals GSA hopes to achieve. For example, in a November 1998 letter to the House Majority Leader and a February 1999 letter to the Chairman of the Senate Governmental Affairs Committee, the IG identified several major management challenges that seem worthy of discussion in the plan. Some examples of these problems include the effects of removing management controls that deter fraud, waste, and abuse; data security concerns; and cost and time controls over replacing outdated information systems. Throughout the plan, there is some implicit discussion of issues related to some of these areas, but the plan does not focus on how best to address them.

With respect to the building security area, the IG also identified deficiencies in implementing building security measures and in reliably tracking progress. Relatedly, in June 1998, we

recommended that GSA develop outcome-oriented goals and measures for the security program.³ The plan contains a goal to reduce the number of buildings with high protection costs while maintaining effective security in government buildings. It also contains some discussion of actions GSA plans to take to monitor and improve security. However, the plan recognizes that GSA has no measures to assess performance related to enhancing building security and is exploring ways to develop such measures.

Overall, the fiscal year 2000 performance plan shows much improvement in providing a clear picture of intended performance across the agency. It addressed all—or is well on its way to addressing all—the weaknesses that we identified in our assessment of the fiscal year 1999 performance plan as it relates to providing a clear picture of intended performance across the agency. In reviewing the fiscal year 1999 performance plan, we observed that the plan did not have (1) good linkages between GSA’s mission, strategic goals, and performance goals; (2) many quantifiable or outcome-oriented goals; or (3) clear relationships between the goals and measures. It also had a limited discussion of crosscutting issues and major management problems. The fiscal year 2000 plan shows much improvement in addressing these issues; as a result, the plan more fully meets the criteria of the Results Act and related guidance.

GSA’s Performance Plan Provides a General Discussion of Strategies to Achieve Goals

The plan provides a general discussion of the strategies that GSA would use to achieve the goals. For example, the fiscal year 2000 plan has a strategy associated with each performance goal and provides, in the management challenges section, a general discussion of the skills, technology, and financial information resources that are needed to meet the goals. Also, the FTS section of the plan contains a specific overview of the management strategies FTS plans to pursue. These discussions respond to the requirements in the Results Act and related OMB guidance that agencies discuss the operational processes, skills, technology, and resources (human, capital, information or other resources) needed to achieve the performance goals. However, it is difficult to specifically link individual goals or groups of goals directly to the skills, technology, and information resources required to meet them. Without a good linkage, it is difficult for decisionmakers to determine the extent to which GSA is equipped to achieve the goals. To illustrate, the strategy for the goal to “Maintain the current proportion of Schedules contracts awarded to small businesses” was to “Actively participate in outreach efforts to sustain the proportion of contracts awarded to small businesses.” This strategy is

³General Services Administration: Many Building Security Upgrades Made But Problems Have Hindered Program Implementation (GAO/T-GGD-98-141, June 4, 1998).

silent on the skills, technology, and human or other resources that are available or needed to achieve the performance goal. A more explicit discussion of the skills, technology, and human or information resources that GSA planned to use to achieve its goals would, in our view, strengthen the plan.

We also noted that the front part of the plan does identify external factors that can affect GSA's performance, such as the competitive marketplace, the changing international economy, and administration priorities. Also, the FSS section identifies several external factors that can affect performance in the vehicle acquisition and leasing, travel and transportation, and personal property management areas. In fact, the plan does a good job of laying out these external factors. However, the discussion of the strategies to mitigate these factors was not always clear or explicit. A clear and explicit discussion of the strategies would enhance the plan and provide decisionmakers with better insight into the types of actions GSA could take to address these factors.

Although the plan provides a more complete discussion of strategies, it does not sufficiently discuss the budget resources needed to meet the goals. Contrary to the Results Act and related guidance, the plan does not always show clear connections between the performance goals and the specific funding and program activities in the budget. Without such linkages, decisionmakers will have difficulty relating the performance goals in the plan to the program activities in the budget and assessing how GSA intends to allocate its anticipated budgetary resources among its performance goals. In the narrative for many of the performance goals, GSA included a subsection entitled "Budget Link" where the source of funds to be used to achieve the goal is identified. However, the narrative for 30 of the 58 performance goals does not contain the "Budget Link" subsection or explain why it is not included. In addition, several accounts or program activities in GSA's budget are not linked to any performance goals, including \$4 billion in the information technology fund, \$1 billion for special services and improvements, and about \$775 million related to vehicle acquisition/leasing and fleet-related purchase of equipment.

It is important to recognize that in 21 of the 28 goals where the link was included, the plan does identify an amount to be spent and its source. For example, the goal to reduce the amount of non-revenue producing space identified \$77 million from the Basic Repair and Alterations program activity. However, in the other cases, the link to the funding category and activity in GSA's budget is often unclear because the activity and source of funding are not identified explicitly or in a consistent manner.

OMB's guidance gives agencies some flexibility in how they relate the performance plan to the budget. For example, an agency may aggregate, consolidate, or disaggregate activities in the budget's program and financing schedules if this would make the plan more informative.

However, it is not always clear which, if any, of these approaches GSA used. As a result, the plan could benefit from having an explicit discussion of the approach used to link the goals to the budget, as well as a consistent application of this approach throughout the plan.

Overall, the fiscal year 2000 performance plan shows moderate improvement in the strategy and budget resources areas, despite the shortcomings mentioned above. The plan has made progress in addressing the weaknesses that we identified in our assessment of the fiscal year 1999 performance plan, especially as it relates to providing a general discussion of the strategies the agency will need to achieve performance goals. In reviewing the fiscal year 1999 plan, we observed that the discussion on strategy and resources was very limited and incomplete and did not meet the criteria in the Results Act and related guidance. Among the improvements in the fiscal year 2000 plan are a general and informative discussion of the strategies to achieve the goals and at least a recognition that there needs to be a link between performance goals and the funding and program activities in the budget. For example, some of the goals have budget resource linkages.

GSA's Performance Plan Provides Limited Confidence That Agency Performance Information Will Be Credible

The plan provides limited confidence that the agency's performance information will be credible. The front part of the 2000 plan does discuss the importance of having the technological capacity to maintain good data, and the plan's section on PBS discusses the importance of reliable information and PBS' implementation of a new system for tracking real property data. Further, the narrative for all but nine of the performance goals have subsections entitled "Verification/Validation" that generally identify the source of the data that will be used as a measure, with some identifying actions to be used to identify data problems, such as audits of financial records and systems. It should also be recognized that GSA has received an unqualified opinion on its financial statements for the last several years.

However, the information on data reliability is too general to sufficiently describe, as required by the Results Act and related OMB guidance, GSA's planned actions to verify and validate the data that will be used to monitor progress and gauge results. The information also does not identify any actions GSA is taking to compensate for unavailable or low-quality data or discuss the implications of data limitations for assessing performance. Furthermore, audits of financial records and systems will not necessarily validate specific performance measures. The process used to develop measures by extracting and manipulating data from the audited system would also have to be checked to ensure the data are used correctly and provide a valid basis for assessing performance. As a result, the 2000 plan provided only limited confidence that the data used to measure performance will reflect actual performance. The

plan's recognition that data reliability is important is a good first step. However, data integrity is critical to the success of any performance measurement initiative, and decisionmakers must have assurance that the program and financial data being used are sufficiently complete, accurate, and reliable.

An example of an agency attempting to provide this assurance is in the Department of Education's fiscal year 1999 performance plan. In this plan, the Department discusses its efforts to establish accountability for data quality with its program managers as one strategy for ensuring high-quality information. The plan also mentions that the Department will support this strategy through guidance to managers on developing and monitoring quality data systems and using data to measure program performance. GSA's performance plan would better aid decisionmakers if it described the overall strategy for ensuring data quality and discussed the major procedures to be used to verify and validate performance information on an ongoing basis. Such procedures could include periodic data reliability tests, computer edit controls, and supervisory or independent review of the data used to develop performance measures. The plan relies on many different types of data for its measures and indicators. Although GSA may not be able to verify all data in a given year, it should be able to do so over a period of time. Thus, a schedule showing when data are to be verified, by whom, and how would provide useful information.

Overall, the fiscal year 2000 performance plan shows little, if any, improvement in the data validation and verification area. It does recognize the weaknesses that we identified in our assessment of the fiscal year 1999 performance plan related to providing full confidence that performance information will be credible, and it makes some attempt to address those weaknesses. However, real progress is not yet evident. In reviewing the fiscal year 1999 plan, we observed that the plan only partially discussed how the agency will ensure that its performance information is sufficiently verified and validated and did not discuss data limitations. The discussion in the 2000 plan continues to be very general and does not sufficiently discuss, as required by the Results Act and related OMB guidance, GSA's planned actions to verify and validate data that will be used to measure results.

Other Observations on GSA's Implementation of Performance-Based Management

GSA's performance plan has nearly 60 performance goals reflecting major activities in each of its primary components—20 for PBS, 19 for FSS, 8 for FTS, and 11 for OGP. However, the plan does not identify any of GSA's top goals or priorities for fiscal year 2000 from an organizationwide perspective. A discussion of the agency's top priority goals would provide decisionmakers with a better context for understanding what GSA believes are the most

important initiatives for fiscal year 2000 and what strategies and resources it needs to accomplish them. Although the Results Act and related OMB guidance do not require agencies to do this, identifying a small number of performance goals as priorities for the agency as a whole could be helpful to both GSA and its stakeholders. Both would be able to focus their time, attention, and resources on the most important areas, which could have the effect of facilitating GSA's efforts to achieve its most critical intended results in 2000.

Finally, the 2000 performance plan reflects a solid commitment by GSA's top management to achieve the purposes of the Results Act. Although there is room for improvement, the 2000 plan is, overall, superior to the 1999 plan. Furthermore, in reviewing the plan, we noted several positive statements and initiatives that, if implemented effectively, should go a long way toward improving GSA's operations and making it a more results-oriented organization. These included:

- PBS' recognition that having accurate, reliable information to make responsible business decisions is important, and its implementation of the new System for Tracking and Administering Real Property to achieve this goal;
- PBS' ongoing practice of measuring accomplishments in each major program and its stated commitment to linking rewards to performance;
- FTS' investment in its employees by giving them an individual training budget of 1 percent of salary, in addition to the normal training allocations; and
- FSS' strong commitment to minimizing costs while maintaining a high level of product quality and service.

Agency Comments

On March 30, 1999, GSA's Chief Financial Officer, Director of Budget, and Managing Director for Planning provided oral agency comments on a draft of our analysis of GSA's fiscal year 2000 performance plan. They generally agreed with our analysis and said it would help them correct the weaknesses we identified as they develop next year's plan. They did point out that GSA has actions under way or plans that address the IG's management challenges discussed in our analysis. However, they said that they did not share the IG's view that the year 2000 computer challenge continues to exist. They said that GSA has been very aggressive in preparing its systems for year 2000 and, as discussed in the management challenges section of the performance plan, GSA believes it has addressed the problem for all mission-critical systems. They said that the Chairman of the House Subcommittee on Government

Enclosure I

Observations on the General Services Administration's Annual Performance Plan for Fiscal Year 2000

Management, Information and Technology, Committee on Government Reform, had reviewed GSA's plan to address the year 2000 challenge and gave its plan a grade of A-.

Management Challenges

Table II.I provides some major issues related to management controls, information systems, building maintenance and security, and others that GSA's Inspector General believes present key management challenges to GSA.

Table I : Management Challenges Identified by GSA's Inspector General	
Inspector General's areas of concern	Applicable refernces in the fiscal year 1999/2000 performance plan
Management is not emphasizing the importance of following management controls that are intended to deter fraud, waste, and mismanagement.	None. Although there is no general goal addressing this broad challenge, the transportation area has a goal related to transportation audits. Specifically, the goal is to reduce government's transportation costs by recovering or avoiding excess charges through pre- and postpayment audits of freight and transportation audits measured in terms of dollars saved through cost avoidance and collections of overpayments.
Developing new management information systems to replace the many GSA systems that are outdated provides significant challenges to (1) control costs and time frames and (2) develop agencywide architecture.	None. The plan does discuss some GSA efforts to use new information systems like the System for Tracking and Administering Real Property and an off-the-shelf financial management system that will be known as Pegasys. Also, its goals to recover full costs associated with leasing programs, complete all construction programs on time, and complete all repair and alteration projects on time mention the need to maintain and improve management information systems.
GSA's automated information systems need to (1) have security features that restrict individuals' access to data and processes needed to perform job duties and (2) utilize controls and safeguards to protect its systems from interference and destruction from outside GSA.	None. GSA has goals related to providing information on best practices in system accessibility. Although security is not explicitly mentioned in these goals, this issue certainly could be addressed, and GSA could take advantage of this information to address its own potential problems. The goals are: improve accessibility to shared databases and information on best practices and policies for government, industry, and the public's use; and establish policies, standards, and best practices to help develop an interoperable, single face for government electronic business transactions.
Eliminating some multiple award schedule preaward and postaward processes, which uncovered problems and led to large settlements and payments to the government, may leave the government without adequate protection. In addition, industrial funding arrangements for these contracts may provide a structural disincentive for contracting personnel to negotiate lower prices or eliminate contracts because GSA recovers its costs to operate this program through a 1 percent of total sales fee levied on all contractors.	None.

Enclosure II
Management Challenges

Inspector General's areas of concern	Applicable refernces in the fiscal year 1999/2000 performance plan
<p>GSA's organization and management structure have not changed to keep pace with the downsizing, streamlining, and reform that have taken place within the agency. In addition, the structure does not seem to match the responsibility with the authority to manage programs. The structure has created situations where regions, which operate independently, compete with one another and take divergent positions on similar issues.</p>	<p>None.</p>
<p>Much of GSA's corporate knowledge and expertise has been lost or displaced, and replacement staff in procurement and contract management positions have limited job knowledge and have not been adequately trained.</p>	<p>None. Although there are no specific goals or measures linked to upgrading staff qualifications, GSA has a goal related to providing a core curriculum of courses for all federal agencies and increasing the number of employees completing these courses. Also, the FTS section of the plan makes reference to giving employees individual training budgets of 1 percent of salary in addition to normal training allocations. However, there is no direct discussion of how these efforts, or other references to developing employee skills that appear in the plan, will address this management problem.</p>
<p>GSA is challenged to provide quality space to federal agencies with an aging and deteriorating building inventory and critical budgetary limitations.</p>	<p>PBS has the following goals that directly relate to the repair and alteration of buildings:</p> <ul style="list-style-type: none"> complete repair and alteration projects on time; minimize cost escalations on repair and alteration projects; and meet client agency space needs at the best value to the client and taxpayer. <p>In addition, it has several goals which relate to efficient use of funds for capital projects:</p> <ul style="list-style-type: none"> optimize revenue from government- owned buildings to fund capital programs; reduce the amount of non-revenue- producing space in government-owned buildings to maximize rental income; maintain building operating costs at or below market rates; reduce indirect costs; reduce the number of buildings that have high security costs; and minimize cost escalation on construction projects.
<p>GSA's supply depots may no longer be cost effective to operate.</p>	<p>None. FSS' management challenges and solutions section specifically states that FSS believes there is a need to maintain its stock (i.e., depot) program.</p>

Enclosure II
Management Challenges

Inspector General's areas of concern	Applicable refernces in the fiscal year 1999/2000 performance plan
GSA may not be positioned to meet the Y2K problem.	None. Although the plan has no general goal intended to address this broad challenge, the plan's management challenges section states that GSA has addressed the Y2K problem for all of its mission-critical systems, and it leads four governmentwide work groups addressing Y2K compliance issues. Also, OGP has a goal to maintain a centralized database that contains sources of Y2K-certified hardware and software that could be used by GSA to address this problem.
GSA has deficiencies in implementing security measures and in the reliability of systems tracking the progress towards implementation. After the security upgrades are implemented, GSA needs to take steps to ensure that it has adequate staff to carry out its security responsibilities. GSA also needs to ensure that its security program is integrated to gather intelligence, maintain technology, and keep a physical presence throughout the federal and local law enforcement community. In addition, GAO recommended that GSA develop outcome-oriented goals and measures for the security program.	In the Government-Owned Operations area, there is a goal of reducing the number of buildings with high protection costs while maintaining effective security in government buildings. Although the plan identifies several actions related to security, including the exploration of security measures, it does not have measures that decisionmakers could use to assess GSA's performance related to enhancing building security or in addressing the IG's or GAO's concerns in this area.
