



**GSA Administrator**

MEMORANDUM FOR CAROL F. OCHO  
INSPECTOR GENERAL (J)

FROM: DENISE ROTH   
ADMINISTRATOR (A)

SUBJECT: GSA's Management Challenges, Fiscal Year 2016

Thank you for providing me the opportunity to review your assessment of the major challenges currently facing the U.S. General Services Administration (GSA) and our progress in addressing them.

GSA acknowledges these challenges and is implementing a broad range of measures to address them, including reinforcing our internal control framework, gaining efficiencies through shared service providers and also, implementing strategies to transition federal partners to new telecommunication solutions.

Please find attached our comments that provide information and clarification pertaining to the actions above.

We look forward to continuing to work with the Office of the Inspector General (OIG) to minimize if not, eliminate waste, fraud, abuse and promote greater Government effectiveness and efficiency.

Attachment

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# GSA Responses to the Office of Inspector General's **Management Challenges for FY 2015** (*Unaudited*)

## **Summary**

GSA is committed to providing the highest level of service to both the American public and our partners throughout the federal government. As part of that commitment, the agency continuously looks to improve our services and strengthen our internal management systems.

We welcome and appreciate the comments from the Office of the Inspector General (OIG) and understand this feedback assists GSA with the effective management of the agency. As identified in the report, GSA has already taken many actions to address the challenges identified in the OIG Assessment of GSA's Major Management Challenges.

## **Acquisition Programs**

**ISSUE:** GSA continues to face challenges within the GSA Schedules Program.

### **RESPONSE:**

#### **Pricing**

GSA is committed to ensuring that the MAS program delivers the best possible value in Government acquisition. As noted by the report, several Agencies have expressed concern with price variability within the MAS program. GSA recognizes that the current vertical price analysis model for commodities has led to pockets of suboptimal price variability across suppliers and in response, and has already implemented horizontal price pressure through part number standardization and data-driven analysis of both catalog and transaction pricing to ensure highly competitive pricing is obtained across all MAS contractors. Additional future efforts include launching a fully integrated horizontal price comparison tool to assist Contracting Officers in the determination of fair and reasonable pricing which will lead to less variability and lower MAS pricing.

## **Proposed General Services Acquisition Regulation (GSAR) Rule on Transactional Data Reporting**

GSA issued a proposed GSAR rule in the Federal Register on March 4, 2015 to require transactional data reporting for the MAS and other GSA government-wide acquisition vehicles. The proposed rule outlines numerous benefits in obtaining transactional data in terms of implementing smarter buying strategies in support of category management, strengthening pricing, achieving administrative savings, reducing barriers to small business participation, standardization of contract terms, and increasing transparency into purchasing on GSA acquisition vehicle programs. In addition, on April 17, 2015, GSA held a public meeting to allow any interested party to present their viewpoints on the proposed rule and for affected parties to ask questions of GSA and the presenters. Consistent with the rulemaking process, GSA is evaluating all comments received from interested parties and assessing the next steps to take in the rule-making process.

## **Contractor Compliance**

GSA has implemented a new contractor assessment model. Industrial Operations Analysts currently conducts contract assessments every year for all contractors who have sales of at least \$150k in the previous four reporting quarters to review sales tracking systems and compliance with contract terms and conditions. The new model is driven by prior findings, dollar value of sales, programmatic issues, and repeat issues identified by the Procurement Contracting Officer (PCO). Particular attention will be paid to sales tracking and reporting, pricing overcharges to customers, and proper application of the prompt payment discount. All contracts, independent of risk, will receive a contract assessment by the end of each option period. PCO requested visits are always honored.

## **Contract Workload Management**

GSA agrees with the OIG's assessment of the challenge of administering a large number of Schedule contracts. GSA believes that we can alleviate contract workload by looking

at ways to streamline the acquisition process and automate additional business processes.

### **Hiring, Development, and Retention of the Contracting Officer Workforce**

The Management Challenges correctly identifies some of the issues the Senior Procurement Executive has raised, regarding the state of the overall GSA acquisition workforce. The Office of Acquisition Policy has initiated an Acquisition Professional Development Program to include the following elements:

- Promote targeted recruitment at colleges and universities with acquisition programs
- Establish a new employee Acquisition Orientation to provide new acquisition employees with a consistent overview of the acquisition environment at GSA
- Launch a three-year cohort program for entry level GS-1102s to include rotational development opportunities
- Update staffing plans to reflect business needs to address workload balancing
- Establish rotations for mid and senior level GS-1102 for professional development
- Hold seminars for GSA staff to support their continued professional development.

### **Proposed Changes to the GSAR Transactional Data Rule**

*Please see previous response.*

### **Order Level Materials**

The FAR Council opened FAR Case 2015-023 to clarify the authority to acquire order level materials when placing a task order or establishing a blanket purchase agreement against a Federal Supply Schedule contract. The team draft report, which will contribute to a draft rule, is expected in November 2015.

### **GSAR Rewrite**

On December 28, 2012 GSA published a notice in the Federal Register withdrawing the rewrite of GSAR part 538. GSA has initiated a series of GSAR cases to update part 538 to support the modernization of the MAS program.

**ISSUE:** GSA faces challenges as it moves toward transactional data reporting.

**RESPONSE:** As cited above, GSA issued a proposed GSAR rule in the Federal Register on March 4, 2015 to require transactional data reporting for the MAS and other GSA government-wide acquisition vehicles. The proposed rule outlines numerous benefits in obtaining transactional data in terms of implementing smarter buying strategies in support of category management, strengthening pricing, achieving administrative savings, reducing barriers to small business participation, standardization of contract terms, and increasing transparency into purchasing on GSA acquisition vehicle programs. In addition, on April 17, 2015,

GSA held a public meeting to allow any interested party to present their viewpoints on the proposed rule and for affected parties to ask questions of GSA and the presenters.

**ISSUE:** FAS is challenged to develop its acquisition personnel to award, administer, and manage the One Acquisition Solution for Integrated Services (OASIS)

**RESPONSE:** As part of FAS's commitment to category management, responsibility for the OASIS contracts and program have been transferred to Region 10 in support of FAS's work to establish its Professional Services Category. This allows for resources matrixed across multiple professional services contracts to be leveraged, ensuring adequate and effective resource utilization. The OASIS Program is fully staffed in accordance with an approved plan. Currently, dedicated OASIS contracting personnel have awarded over 400 contracts, successfully resolved multiple protests, and have trained approximately 2,000 federal acquisition professionals on the appropriate use of the contracts.

The value to customers provided by the OASIS program is exemplified by a Memorandum of Understanding signed between GSA and the US Air Force, Department of the Army, and Department of Homeland Security making OASIS and OASIS Small Business preferred vehicles for requirements within scope of those contracts. These agencies have recognized the value of the OASIS contract and chose to build upon its foundation rather than duplicate it through their own contract vehicles.

**ISSUE:** GSA continues to face challenges to meet the government's evolving needs for telecommunications and integrated technology infrastructure solutions.

**RESPONSE:** GSA agrees with the management challenges presented by the OIG regarding timely transition to the Enterprise Infrastructure Solutions (EIS) contract. The agency is implementing a transition strategy that capitalizes on lessons learned from the previous transition, as outlined in the December 2013 GAO audit report. As part of that strategy, FAS leadership initiated executive-level customer outreach by meeting with Agency Chief Information Officers. FAS will continue to coordinate planning and implementation activities and discuss transition initiatives in FY 2016 with a newly developed interagency Infrastructure Advisory Group, the OMB, and the U.S. Congress.

With the October 16, 2015, issuance of the EIS Request for Proposals (RFP), GSA expects agency customers to develop transition plans within one year in order to meet the transition timeline. Customers must also name a senior transition sponsor, transition manager, lead Contracting Officer, and validate inventory data. GSA is negotiating contract extensions for Network, WITS3, and regional Local Support Contracts to ensure expiration dates coincide with the transition timeline. To aid with transition activities, FAS is providing assistance for agencies to

validate their telecommunications service inventories. FAS will offer contractor support to customer agencies to ensure they have the resources to prepare for and implement a successful transition to EIS. While GSA will support customers as they transition, agencies are ultimately responsible for moving their services to the new solution.

While GSA has begun transition planning, agencies cannot initiate actual transition orders until EIS is awarded. Therefore, there are risks associated with any delays in awarding EIS which narrows the window for transitions. GSA has to balance the need for a timely award with achieving the appropriate terms, conditions, and price points that meet government requirements. In order to define a standard service that industry can deliver in an effective way, GSA conducted extensive outreach and coordination with industry prior to release of the RFP, including releasing a full draft RFP in February 2015, conducting three industry days, posting frequent material to a collaborative website, and holding over 60 additional one-on-one meetings with industry.

### **GSA'S Real Property Operations**

**ISSUE:** GSA needs to develop a portfolio strategy to meet OMB's "Reduce the Footprint" initiative

**RESPONSE:** GSA committed to reviewing its portfolio strategies in response to the U.S Government Accountability Office (GAO) report entitled, GSA Needs to Determine Its Progress toward Long-Term Sustainability of its Portfolio (GAO-15-609). GSA's portfolio strategy is predicated upon the financial performance of assets as started under portfolio restructuring. GSA will re-examine current portfolio metrics for the end of FY 2016 reporting by consulting with industry leaders to glean applicable best practices to further strengthen its asset management approach. This approach will address portfolio sustainability as well as agency mission need, which is a key component of the Reduce the Footprint initiative.

GSA has completed review of the Real Property Efficiency Plan and space design standard for office space for the 24 CFO Act agencies, focusing on alignment with known GSA asset, lease and customer engagement strategies and provided feedback to the agencies to suggest areas where the agency may have consolidation, co-location or disposal opportunities in addition to what the agencies had outlined in their plans. Furthermore, GSA has already taken action to directly assist agencies in reducing their footprint through funding assistance of consolidation projects and better use of existing assets. For instance, using \$70 million provided in FY 2014 for consolidation activities, GSA is executing 17 projects that will save Federal agencies \$16 million in rent payments annually, reduce the Federal footprint by 492,000 square feet, and reduce the Government's leasing costs by \$38 million.

Additionally, GSA has taken opportunities to reduce space when high-value leases expire, providing long-term savings to taxpayers. In the Agency's FY 2014 prospectus-level lease program, GSA and partner Federal agencies have reduced overall space needs by approximately 13 percent, from a current requirement of 4.3 million square feet to a proposed 3.7 million square feet. As outlined in GSA's own Real Property Efficiency Plan, GSA set targets to reduce its own occupied space by more than 500,000 USF (or 10 percent) between FY 2016 and FY 2020. GSA exceeded its Freeze the Footprint (FTF) goal and reduced its footprint by 23 percent of the FTF 2012 baseline (based on preliminary FY15 Federal Real Property Profile data). GSA plans to continue reducing its footprint by utilizing the same successful workplace strategies including right-sizing, desk-sharing, a continued emphasis on enabling and supporting mobile work, and a shift from traditional office space to more flexible, open-plan environments. GSA also will strive to limit all new GSA occupied projects to 136 USF/person, per its new agency space design policy.

GSA will continue to serve customer mission needs while exploring co-location and consolidation opportunities. GSA will produce metrics that better help identify these opportunities and assist in portfolio re-investment strategies that serve the long term viability of the Federal Buildings Fund.

**ISSUE:** GSA faces significant challenges from the risks related to large-scale exchanges of real property

**RESPONSE:** GSA acknowledges the risks and challenges associated with pursuing large-scale exchange projects. GSA has developed and began implementing mitigation strategies to avoid and lower the impact of these risks.

To counter the risks associated with exchanges, GSA created a Program Management Office (PMO) comprising nationwide experts in their respective fields of acquisition, real estate asset management, design and construction, and property disposal. These experts were chosen due to their experience in successfully completing complicated real estate projects. The PMO will guide project teams through cost-benefit analyses and project development.

According to PBS Policy 4065.1 Procedural Guidance for Section 412 Exchanges for In-Kind Consideration, potential exchange projects must successfully pass strict scrutiny which includes both net present value and highest and best use analyses. During project development, GSA requires a professional, third-party Fair Market Value (FMV) appraisal to be conducted. GSA crafts the requirements of the in-kind consideration to be as close in value as possible to the FMV appraisal.

Prior to the execution of an exchange agreement, negotiations between GSA and the exchange partner take place that encompass both the value of the exchange parcel as well as the

estimated total construction cost of the in-kind consideration. GSA will not enter into any contractual agreement that would expose the agency to an Antideficiency Act violation. In addition, GSA will ensure that all funds expended on such projects are obligated in full compliance with the agency's policies and Federal law.

GSA recognizes and understands the inherent risks in executing exchange projects.

GSA has taken steps to reduce the impact of these risks and will only pursue exchange projects that meet the needs of stakeholders and are the best value to the taxpayer.

**ISSUE:** Challenges persist to safeguard federal infrastructure and provide a secure work environment for the federal employees and contractors.

**RESPONSE:** GSA is committed to reviewing the performance challenges in regards to safeguarding Federal infrastructure. The comprehensive remarks below outline future strategies being implemented by GSA to address the Office of Inspector General concerns related to building security.

In response to the recent GAO report highlighting building security concerns, GSA maintains that it is working to improve its operations related to building security for Federal employees, contractors, and visitors. GSA is in the early stages of developing a video content analysis initiative, in partnership with DHS Science and Technology, to enhance external building security through object detection and recognition and monitoring of street activity. Additionally, GSA is taking action to identify possible security weaknesses with concession vendors and outleas. GSA has repeatedly recommended corrective action to ensure all contractor employees accessing GSA facilities have the proper security clearances prior to site access and that background check information is shared with and retained by contract and project management staff. GSA has conducted initiatives to ensure that the Chief Security Office and PBS are coordinated around the security clearance process. The Office of Mission Assurance has conducted training for contractors and other outreaches across the regions. In addition, the Office of Mission Assurance continues to conduct monthly calls with PBS stakeholders as part of ongoing working group to discuss this process. GSA has also developed and is implementing a new policy to examine existing and review all new building occupancies to ensure that potentially problematic functions like laboratories or explosives storage are managed to ensure that any co-location is safe for all tenants. This work is underway and will continue.

## Financial Operations

**ISSUE:** GSA's transition of its Financial Management Line of Business is a complex undertaking.

## RESPONSE:

GSA transferred our FMLOB to the USDA at the direction of OMB Memo M-13-08, Improving Financial Services Through Shared Services and the guidance to agencies to move to shared services models in the federal government. The agency expects this migration to result in long-term savings and cost avoidance, and recognizes that there are short-term challenges and complexities associated with realizing those gains. In fact, GSA is acutely aware of the challenges associated with shared service transitions, having been a longstanding provider.

The selection of USDA as the shared service provider was in part based on reducing the risk in daily financial operations. USDA was willing and able to accept our existing core financial management systems, which reduced the inherent risks associated with moving to a shared service provider. GSA and USDA are cooperatively managing the relationship with regular governance meetings and a service level agreement that includes monthly performance metrics. A senior position was created in the Office of Financial Management to monitor USDA's performance, guide the transition of services, and escalate and troubleshoot issues as they arise.

In FY 2016, GSA and USDA will continue to identify efficiencies and enhance the user controls GSA has over financial activities performed at USDA. We realize that our overall level of success will significantly increase, if USDA services additional agencies and GSA will continue to support USDA's efforts to add new agencies.

**ISSUE:** GSA continues to face challenges with the effectiveness of its internal control over financial reporting.

**RESPONSE:** In FY 2015, GSA implemented an improved internal control framework to address challenges with the effectiveness of financial reporting controls. This framework included:

- Increasing senior leadership focus on internal controls across the entire GSA enterprise,
- Analyzing financial audit findings to accurately identify the root cause of the material weakness and significant deficiencies,
- Reorganizing OCFO's regional financial services to promote greater operational efficiency and standardization, and
- Developing corrective action plans to address the root causes of each finding.

GSA has made significant progress against the referenced internal control challenges by modifying its approach to audit remediation and elevating the development and execution of CAPs to senior leadership. The MCOC maintained its strong role in FY 2015 of identifying challenges and coordinating mitigation strategies for issues related to financial controls. OCFO also

leveraged the performance appraisal process by incorporating a metric for resolution of audit findings in senior management plans.

OCFO has designed, obtained approval and began implementation of a reorganization strategy that will radically improve the consistency of key business processes and the application of financial controls in the Office of Regional Financial Services. After conducting a thorough current state assessment of our regional PBS financial services, the OCFO identified several challenges: 1) The 11 current regional structures were historically established and designed to meet individual regional needs, leading to inconsistency in business processes, and difficulties in developing uniform best practices; 2) Service offerings and service levels varied considerably among regions; and 3) Staff were matrixed across multiple service areas, especially in smaller regions, often impacting customer service and operational consistency.

To address these issues, PBS and OCFO collaborated on a design and reorganization strategy for regional financial services. To mitigate the collective action problem of managing 11 different regions, OCFO's reorganization strategy consolidates into four regional zones with all supervisory and oversight functions of PBS regional financial services. The reorganization strategy standardizes divisional structures within the four zones to drive consistency in business processes and the application of financial controls. A new division - the Financial Management Division - will be established in each Zone to promote greater oversight of internal controls, increase audit response and support, and collaborate with the Central Office - Office of Financial Management, which is currently tasked with enterprise-level management of the audit response, internal controls, and corrective action planning. Finally, the new organization will engage in a "Communities of Practice" initiative that will review key business processes and develop standard approaches to be used across all four Zones to promote greater efficiency and consistency in operations.

**ISSUE:** GSA faces challenges retaining consistent leadership in the Office of the Chief Financial Officer.

**RESPONSE:** While the GSA will never have total control over when senior leaders choose to leave, we have made it a critical priority to maintain a highly skilled set of OCFO leaders, and to reduce the structural and management challenges that may have led to previous attrition. The OCFO's approach has focused on three key elements:

- Recruit Outstanding Talent and Leadership - while the impact of leadership turnover can be negative, it also provides the OCFO with the opportunity to recruit Office Director candidates that are highly-qualified. The new directors of the Office of Budget, Office of Strategic Planning and Performance Management, Office of Regional Financial Services, and Office of Business and Financial Analytics bring decades of private and public

sector experience to their roles, and their impact on the organization has been swift and noteworthy.

- Create a new Deputy Chief Financial Officer position - OCFO is in the process of recruiting a Deputy Chief Financial Officer who will play an important role in managing organization-wide operations and will assist in filling any leadership gaps if additional senior-level attrition occurs. In addition, this position can take on certain critical initiatives that were previously absorbed by the office directors. This will increase leadership stability across the organization.
- Develop and strengthen functional leadership opportunities - Leverage the OCFO reorganization to clarify accountability among senior leaders and provide a clear mandate of functional ownership. This empowers Office Directors to be focused on excellence in their functional areas and is expected to decrease the need for them to troubleshoot and mitigate many business process issues.

## Information Technology

**ISSUE:** Improvements are needed to protect sensitive information in GSA's cloud computing environment.

**RESPONSE:** GSA IT management determined that a consolidated approach to cloud would allow GSA to move forward with its cloud efforts in an efficient and secure manner. To this end, the Hosting Division has established a Cloud Management Office to begin addressing GSA IT's implementations. Phase I establishes a Security and Management virtual private cloud and issue an initial authority to operate as the foundation. This would include firewalls, identity access management, virtual private network connections, as well as a few other basic tools. This will be completed by December 2015. As with any new initiative, the next phase will look at what subset of tools or applications are needed by others coming on board for continued growth by mid FY 2016.

**ISSUE:** Improved planning and development is needed to properly offer GSA's IT shared services to other agencies.

**RESPONSE:** GSA is working to improve the planning, management and offering of shared services to other agencies. A consolidated IT inventory has been developed to manage all current IT shared service engagements, as well as to track potential engagements with other agencies. A cross-agency team made up of members from GSA IT, FAS, 18F, OGP, OCSIT, and other stakeholders in GSA, has begun establishing policies and procedures that will promote a single intake process and help define a clear decision-making approach to entering new shared services engagements that best leverages the full range of GSA capabilities.

**ISSUE:** An increase in GSA IT executive turnover could negatively impact strategic planning and management of the Agency's IT infrastructure.

**RESPONSE:** GSA has taken aggressive steps to put permanent leadership in place, implement succession planning, and reduce turnover within the Office of GSA IT. In September 2015, we hired a permanent Chief Information Officer (CIO), promoting from within the agency to ensure continuity as well as create promotion and succession opportunities for the GSA IT workforce. We have made a selection to fill an additional key leadership position, and expect the individual to be on board within the next month. We are in the process of interviewing candidates for the Deputy CIO and Associate CIO of Enterprise Planning and Governance. Selections in these last two leadership positions will form a complete GSA IT leadership.

Concurrently, we are continuing efforts to align IT functions to meet the needs and demands of the Agency. We are actively engaged with HR on a workforce planning strategy that includes a succession, recruitment and retention plan and the identification of promotion opportunities.

### **GSA's Green Initiative - Sustainable Environmental Stewardship**

**ISSUE:** GSA faces challenges achieving sustainability and environmental goals.

#### **RESPONSE:**

#### **Collecting data to support goals and evaluate results**

Data substantiating GSA's performance against mandated sustainability targets associated with Federal buildings is supported by a variety of systems of record. While these systems of record are managed by the business line with operational responsibility for each of the sustainability goals led by PBS, this information is shared to inform decision-making. For example, GSA uses the Energy Use Analysis System (EAUS) to track energy and water use intensity performance at the building, regional and portfolio levels. EUAS data in turn is used to verify ongoing performance of certain new construction and major alteration projects. Another example is the collaboration and sharing of data maintained by three different operational business lines to track agency conformance against the Guiding Principles for High Performance and Sustainable Buildings in GSA's portfolio of owned buildings and leased space.

GSA completed several actions to strengthen its project delivery program and collect quality data, per OIG's Recovery Act Sustainability Data Audit (report A130128, dated March 31, 2015). Specifically: (1) Policy now requires sustainability data updates to be completed within 60 days after the start of each gBUILD data call, and a new *Regional Approval Process for gBUILD Data* complements ongoing Quality Reviews. (2) gBUILD has a new "Challenge/ not on track" minimum performance criteria (MPC) status option, and displays all historical MPC statuses and comments. (3) A new *Sustainability Exemption Oversight Process* validates MPC statuses of N/A or Waiver.

### **Diminishing returns on portfolio investments**

GSA's Energy and Water Conservation Measures Program (BA55) is designed to reduce on-site energy and water consumption through building alteration projects or retrofits of existing buildings systems. These projects are an important part of GSA's approach to reach mandated percentage reduction goals through 2025. Through surveys and studies, GSA is identifying projects in Federal buildings across the country with positive savings-to-investment ratios and with reasonable payback periods. GSA pursues opportunities to invest in certain technologies that may generate rebates and savings from utility companies and incentives from grid operators. Also, GSA's Energy Savings Performance Contracts (ESPC) National Deep Energy Retrofit program bundles short and long term payback projects using blended Energy Conservation Measure calculations. Both the ESPC and BA55 programs have successfully funded technologies by finding the optimum modernization of mechanical systems in the most rewarding utility cost market conditions that allows for sufficient returns on investments. This strategy mitigates diminishing returns on investments as we continue to improve energy efficiency throughout our building portfolio.

For new construction and major alterations, GSA selects projects based on wide-ranging criteria, including agency mission requirements, facility condition, reducing the Government's environmental footprint, return on investment, the extent to which each building needs improved energy performance, fire/life safety concerns, occupant well-being, lease cost avoidance and historic significance. Investments to increase energy efficiency do not always include payback as a performance criteria but even when they do, it is not the only consideration. Performance is a larger area of emphasis and includes reductions in fossil fuel use and greenhouse gas emissions, among other results that are tracked against design targets. GSA selects and delivers projects that balance cost-effectiveness against future energy and water reduction targets. Some investments combine different types of work to yield sound long-term value, and GSA recognizes that energy savings are just one type of return.

### **Implementing GSA's Mobile Workforce Strategy**

**ISSUE:** GSA's implementation of its mobile workforce strategy faces multiple challenges.

**RESPONSE:** GSA's model workplace initiative is designed to improve its ability to manage an increasingly mobile workforce by creating activity-based workplaces that leverage the latest technologies, support collaboration and focus work, and improve employee well-being and performance. GSA's initiative to improve its internal workplace through the creation of equitable, sustainable and highly utilized workplaces has resulted in significant reductions in both office and warehouse space since the establishment of the FY 2012 Freeze the Footprint baseline. GSA went beyond maintaining the baseline, and actually reducing its footprint in each following fiscal year.

Reductions through FY14 equate to a 15 percent decrease in USF from the 2012 baseline, which equals GSA's original 3-year Freeze the Footprint goal. The rightsizing of GSA workspace has led to a substantially improved allocation rate across GSA's internal portfolio. For the FY 2016 Reduce the Footprint plan, the Office of Administrative Services has partnered with the PBS to develop a portfolio-based approach to space reduction projects, ensuring that portfolio strategies such as backfill risk and projected return on investment are taken into account when identifying model workplace projects.

GSA continues to leverage mobile workplace strategies such as telework, hoteling, and desk sharing to support model workplace projects which support new ways of working. To better understand the costs and benefits of telework, GSA has implemented a tracking tool to accurately identify and track virtual (full-time telework) agreements. This tool allows a "real time" count of these agreements. GSA has verified and corrected, as appropriate, official worksite/duty station designations and corresponding locality pay for virtual and satellite workers. Telework and other mobile work approaches. GSA will continue to assess the effectiveness of the model workplace strategy and to strengthen the controls that monitor the program.