

a. **Broad Recovery Goals:**

The American Reinvestment and Recovery Act of 2009 (“Recovery Act”) provided GSA with \$5.857 billion for investments in Federal buildings, procurement of energy-efficient motor vehicles, and additional funding for the GSA Inspector General, to provide oversight over the GSA programs and projects funded by the Recovery Act.

GSA has carefully planned our Recovery Act investments to deliver two key goals:

- Stimulate the American economy by spending money quickly; and
- Improve the environmental performance of Federal assets, particularly reducing our dependence on carbon-based fuels.

Public Benefits: GSA expects the following public benefits from our investments:

- **Job Creation.** GSA’s Expenditure Plan for the Recovery Funds provided for Federal buildings identifies construction projects in all 50 States, the District of Columbia, and two U.S. Territories. GSA’s Recovery Act investments will create or preserve jobs across the country for: construction workers, electricians, plumbers, air conditioning mechanics, carpenters, architects, and engineers.

GSA anticipates that increased demand for building materials will stimulate additional job growth in those industries, such as the steel industry. GSA hopes that the demand for green building materials that results from our Recovery projects will help to stimulate the domestic market for these products.

- **Environmental Benefits.** GSA Recovery Act projects will reduce water and energy consumption and increase use of renewable energy in over 240 Federal Buildings across the United States. These investments in Federal buildings will reduce carbon emissions of Federal buildings and will accelerate our transition to reduced reliance on carbon-based fuels.

Funds provided for energy-efficient motor vehicle procurement have allowed Federal agencies across the Government to replace 17,246 motor vehicles with new, more fuel-efficient alternatives. This procurement will reduce fuel consumption of the replaced vehicles by at least 46.8%, and could reduce Federal carbon emissions by as much as 381 million pounds per year.

b. Recovery Programs:

Funds provided to GSA in the Recovery Act support four separate programs:

1. \$5.546 billion was appropriated to the **Federal Buildings Fund**, to be used for construction and renovation of Federal buildings and U.S. Courthouses [\$750 million] and Land Ports of Entry [\$300 Million], and for measures necessary to convert GSA facilities to High-Performance Green Buildings as defined in the Energy Independence and Security Act of 2007 (EISA 2007, Public Law 110-140) [\$4.5 billion].
2. \$300 million was appropriated for **Energy-Efficient Federal Motor Vehicle Fleet Procurement**, to procure energy-efficient motor vehicles, to replace less efficient vehicles across the Federal fleet;
3. \$7 million was appropriated to the **Office of Inspector General**, to provide oversight over the GSA programs and projects funded by the Recovery Act; and
4. \$4 million was provided for the salaries and expenses of the **Office of Federal High-Performance Green Buildings**.

c. Competition on Contracts:

GSA has a history of maximizing competition in contracts, and has consistent and detailed acquisition procedures that promote the use of competition. Federal Procurement Data System (FPDS-NG) data reports that 81% of the GSA contract dollars available for competition were awarded competitively in FY 2008.

GSA's goal is to award 99% of Recovery Act dollars through competitively-awarded contracts.

- 100% of GSA's Recovery Act motor vehicle procurements used competitively-awarded contracts. Nearly all vehicles were acquired using existing, competitively-awarded master contracts for motor vehicle acquisition. Five compressed natural gas buses were acquired using a new contract, which was also fully competed.
- 95% of GSA's Federal Buildings Fund Recovery Act contract dollars obligated to date have been obligated against competitively-awarded contracts. An additional 3% of contract dollars obligated were awarded through other-than fully competitive means to small, small-disadvantaged, woman-owned, HUB-zone, and woman-owned businesses. Only 2% of contract dollars obligated to date have been awarded through other-than fully competitive means and did not

benefit socio-economic businesses; all of these awards have documented justifications or determinations and findings on file.

GSA has taken the following additional steps to ensure maximum competition for Recovery Act contract awards:

- GSA will maximize the use of existing, competitively-awarded contracts, including GSA Federal Supply Schedules, where Recovery activities may be added within the scope of work, award ceiling, and terms of the agreement.
- GSA has developed several new Blanket Purchase Agreements (BPAs) under GSA Federal Supply Schedules specifically for use under the Recovery Act. These contracting vehicles satisfy the competition requirements of the Federal Acquisition Regulations (FAR).
- Pre-solicitation notices were posted by GSA to the Federal Business Opportunities web site, www.FBO.gov, to notify potential vendors of all GSA Recovery Act contract award opportunities.

d. Contract Type:

GSA maximizes the use of fixed-price contracts as a matter of practice. Our acquisition procedures promote the use of fixed-price contracts to lower overall costs to the Government and more appropriately allocate risks between the Government and vendors. Federal Procurement Data System (FPDS-NG) data indicates that 83% of GSA contract dollars where “contract type” was recorded were awarded against fixed price contracts in FY 2008.

GSA’s goal is to award 100% of Recovery Act dollars through fixed-price contracts.

- 100% of GSA’s Recovery Act motor vehicle procurements used fixed-price contracts.
- 97% of GSA’s Recovery Act Federal building project contract dollars that have been awarded to date went to fixed price contracts. 96% were firm fixed-price, while the remaining 1% were fixed price, plus an incentive, fee, or economic price adjustment.

GSA has taken the following additional steps to ensure maximum competition for Recovery Act contract awards:

- On April 9, 2009, the Acting GSA Chief Acquisition Officer (CAO) issued a CAO Policy Memorandum restating the requirements and intent of Recovery Act contracting provisions, and directing all GSA contracting activities to award Recovery Act contracts as fixed price contracts, using competitive procedures.
- The same CAO Policy Memorandum established additional acquisition planning requirements, above ordinary procedures, for Recovery Act acquisitions. Among other provisions, the memorandum lowers the minimum dollar thresholds for approvals of acquisition plans prepared for Recovery Act acquisitions. This ensures an increased level of review for planned Recovery Act contract actions.
- Since issuance, GSA contracting activities receiving Recovery Act funds have issued detailed procedural guidance to ensure all Recovery Act contract awards are competitive and fixed price, to the maximum practical extent. Those contracting activities include the Federal Acquisition Service's Assisted Acquisition Services and the Office of Acquisition Management in the Public Buildings Service.

e. Agency Accountability Mechanisms:

GSA has established a comprehensive program to review performance results; identify, mitigate, and manage risk; and maintaining accountability for achieving the objectives of the Recovery Act.

Governance. GSA has named the Senior Counselor to the Administrator as the Senior Accountable Official for Recovery Act implementation. He monitors performance of GSA Recovery Act programs and ensures appropriate coordination across all GSA organizations.

Each GSA organization receiving Recovery Act appropriations has established a governance process that is appropriate for the purpose and amounts of funds provided under the Act:

- The Public Buildings Service (PBS) has established the National Recovery Program Management Office (PMO) to oversee and ensure successful implementation of the Recovery Act Federal buildings projects. The PMO is headed by the Recovery Executive, who is directly accountable to the Commissioner of PBS and is ultimately accountable to the Administrator of General Services. The Recovery Executive is supported by Zone Recovery

Executives, who are accountable for monitoring and reviewing performance of Recovery Act projects and managing risks.

- The Federal Acquisition Service (FAS) assigned responsibility for the Energy-Efficient Federal Motor Vehicle Fleet Procurement to the senior executive responsible for motor vehicle acquisitions. That individual worked collaboratively with the Office of Governmentwide Policy's Office of Motor Vehicle Policy, and the Motor Vehicle Executive Council, a standing committee of all Federal agencies' senior motor vehicle fleet managers, to identify, mitigate, and manage risks associated with the Recovery Act procurement.

Accountability and Risk Management. GSA has established a Recovery Act Risk Management Plan to manage risks associated with meeting the accountability objectives of the Recovery Act. The Plan leverages the enterprise risk management framework of the Commission of Sponsoring Organizations of the Treadway Commission (COSO), as well as the Federal Managers Financial Integrity Act (FMFIA) and Office of Management and Budget (OMB) Circular A-123, "Management's Responsibility for Internal Control", to define a process for identifying, mitigating, and managing the potential threats to a successful Recovery Act implementation. COSO provides guidance on critical aspects of organizational governance, business ethics, internal control, enterprise risk management, fraud, and financial reporting.

GSA's Management Control Oversight Council (MCOC) will govern the risk management process, which will be conducted through the Senior Assessment Team (SAT). The MCOC and the SAT are existing bodies within GSA who manage internal controls consistent with OMB A-123. Reviews of Recovery Act programs will be incorporated into the existing OMB A-123 management review process for assessing internal controls.

Additional Measures. GSA will maintain a close working relationship with the Inspector General, who is a key resource in helping to identify and eliminate waste, fraud, and abuse throughout project execution.

GSA will continue to provide weekly, monthly, and ad-hoc reports to the Administration on Recovery Act programs and projects. GSA will also continue to report frequently to various Committees of the House and the Senate on Recovery Act plans, progress, and accomplishments.