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NOMINATION OF MARTHA N. JOHNSON

HEARING

BEFORE THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

OF THE

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

NOMINATION OF MARTHA N. JOHNSON TO BE ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION

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NOMINATION OF MARTHA N. JOHNSON

WEDNESDAY, JUNE 3, 2009

U.S. SENATE,
COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:18 a.m., in room SD–342, Dirksen Senate Office Building, Hon. Joseph I. Lieberman, Chairman of the Committee, presiding.

Present: Senators Lieberman, McCaskill, Tester, and Collins.

OPENING STATEMENT OF CHAIRMAN LIEBERMAN

Chairman LIEBERMAN. Good morning, and welcome to this hearing to consider the nomination of Martha Johnson to be Administrator of the General Services Administration (GSA). We welcome you, Ms. Johnson, particularly.

GSA is often called the Federal Government's "landlord" because it provides workspace and office services for almost every Federal office and agency—from courthouses to ports of entry, with a lot in between. Managing 8,600 buildings and $500 billion in assets makes GSA one of the world's largest property management organizations—maybe the largest.

But GSA is far more than just a landlord. Its 12,000 employees are dispersed across the country in 11 district headquarters from which they guide Federal spending on everything from basic office equipment to the Federal fleet of more than 200,000 vehicles.

GSA's purchasing decisions have broad implications for the rest of the economy since, as we have seen, as an early acquirer of new technologies, including alternative fuel cars, the agency can help move those technologies through its purchasing power from innovation to the marketplace.

GSA also has wide responsibilities for providing information technology and telecommunications services for Federal agencies. With its leadership, the agency can ensure that the Federal Government is using cutting-edge technology to lower costs, better engage with citizens, and detect and defend against cyber threats. These are very large and serious responsibilities which require strong leadership and great experience, and, Ms. Johnson, it looks to me like you bring that to this responsibility.

Let me just lay out a few of the challenges that I think GSA has, as experienced in the oversight work of this Committee. In the area of procurement first, the contracts negotiated by GSA should leverage the vast buying power of the Federal Government so that agencies get more value for the taxpayer's dollar.

Last year, Federal agencies bought approximately $37 billion of goods and services off GSA schedules, which cover everything from office supplies to human resource services to security equipment. Having GSA negotiate these procurement agreements lets its customer agencies stay focused on their core missions. But some agencies have lost confidence in the ability of GSA to provide the best products at the best prices and have begun to negotiate their own contracts that duplicate services offered by GSA. That defeats the purpose of GSA, which was created under President Truman in 1949 with the specific intent of streamlining the Federal Government purchasing process. Today this agency and interagency contracting, including use of GSA contracts, is on the Government Accountability Office's (GAO) high-risk list, and that is something that should not continue, and we hope you will be able to change that, if confirmed.

Similar problems exist in GSA's property management activities with some agencies questioning whether GSA meets their needs in the most cost-effective manner.

One problem of particular concern to our Committee is the amount of excess or underutilized property owned by the Federal Government. In the last Congress, the Office of Management and Budget reported to us that the Federal Government owns 21,000 buildings worth about $18 billion that are underused or no longer needed, and GAO has put management of Federal property also on its high-risk list since 2003. I want to point out and stress that not all of these properties are under GSA's control, but one of its jobs, I think, is to help and encourage and push other agencies, when necessary, to dispose of excess property, and we are going to need your leadership, Ms. Johnson, to resolve this problem. Another important role that GSA plays is as a promoter of green technologies, as I alluded to.

The American Recovery and Reinvestment Act, the stimulus bill, greatly added to the ability of GSA to "green the government" by providing $4.3 billion to make Federal buildings more energy efficient and $300 million more to buy additional fuel-efficient vehicles for the Federal fleet.

It is very important to us, and I know to all of Congress, that GSA carry out those responsibilities as quickly and effectively as possible. So these are big challenges for a big part of the Federal Government, but I personally believe that President Obama has made a very wise choice in nominating you, Ms. Johnson, to be the GSA Administrator. You bring a wealth of administrative and financial experience in the private, nonprofit, and government sectors to this job, if confirmed.

Ms. Johnson began her career at Cummins Engines Company and more recently served as Vice President at SRA-Touchstone Consulting and then at Computer Sciences Corporation. She has also worked in the nonprofit sector at the Council for Excellence in Government and is no stranger to GSA, having served as Chief of Staff there from 1996 to 2001.

So we welcome you before the Committee. We look forward to your testimony, to the question-and-answer period, and then to working with you, if confirmed. Thank you.

Senator Collins.

OPENING STATEMENT OF SENATOR COLLINS

Senator COLLINS. Thank you, Mr. Chairman.

As President Obama's nominee to lead the General Services Administration, Martha Johnson comes to this Committee with significant experience in both the private sector and the Federal Government.

The size and reach of GSA's operations make meeting today's challenges at the agency even more important than when Ms. Johnson last served there more than 8 years ago. GSA has more than 13,000 employees and an annual budget of approximately $16 billion. It is charged with managing nearly $500 billion in Federal assets, including more than 8,600 government-owned or leased buildings and a fleet of more than 200,000 vehicles. GSA's performance has a significant impact on the efficiency and effectiveness of government-wide operations, affecting almost $66 billion in financial transactions throughout the government.

As the Chairman has indicated, GSA is our Nation's landlord and the government's primary acquisition agency. As such, the agency must apply the lessons that this Committee has drawn from its investigations into mismanagement of the Federal Government's real property program and into numerous examples of waste, fraud, and abuse associated with Federal contracting practices. With total Federal purchases exceeding $500 billion a year, Federal procurement requires better stewardship of taxpayer dollars. Senator Lieberman and I have authored contracting reforms that are now law. In addition to helping to effectively implement those reforms, GSA must continue to press for additional improvements in the Federal procurement process.

Another area that I would encourage the nominee to focus on is the crisis facing the overextended and underappreciated Federal acquisition workforce. The Federal Government must invest significantly in its acquisition workforce. The government entered the 21st Century with 22 percent fewer Federal civilian acquisition personnel than it had at the start of the 1990s. Moreover, 50 percent of the entire Federal acquisition workforce will be eligible to retire as early as 2012. That means that as our contract spending has continued to increase dramatically, our contracting workforce continues to shrink. And this is not just a numbers game. In addition to having a sufficient number of personnel, the Federal Government must have the right mix of program managers, engineers, cost estimators, contracting officers, auditors, and technical experts.

GSA must press forward on other challenges as well, including the sorely needed consolidation of the Department of Homeland Security offices at the St. Elizabeths Hospital complex and the management of billions of dollars to renovate and construct other Federal buildings. As the Chairman has indicated, I am particularly interested in the green building initiative, and I know that the Federal building in Bangor, Maine, which is long overdue for renovations, has been selected for one of those green projects.

Of particular concern to border States like Maine is the role that GSA plays in enhancing our Nation's border security by managing the planning, design, and construction of ports of entry for Customs and Border Protection (CBP). It is now estimated that a port of

entry takes more than 7 years to progress from planning to ribbon cutting. That is too long.

In my home State of Maine, a new port of entry in Calais was seriously delayed by GSA's failure to award the construction contract on time and to account for the presence of significant ledge—a common occurrence in Maine construction projects. These delays have real impacts. Although the new international bridge that connects Calais, Maine, to St. Stephen, New Brunswick, was completed last year, and the Canadians have been completely ready on their side of the border, we have lagged on our side of the border. The U.S. port of entry will not be completed until this fall, and I would note that is an improvement over the original prediction of the end of the year.

These many and diverse issues attest to the great breadth and depth of responsibilities that the Administrator of GSA must handle, and I look forward to discussing these issues with Ms. Johnson this morning.

Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thank you very much, Senator Collins.

Martha Johnson has filed responses to a biographical and financial questionnaire, answered pre-hearing questions submitted by the Committee, and had her financial statements reviewed by the Office of Government Ethics. Without objection, this information will be made part of the hearing record, with the exception of the financial data, which are on file and available for public inspection in the Committee offices.

Ms. Johnson, as I am sure you know, our Committee rules require that all witnesses at nomination hearings give their testimony under oath, so I would ask you at this time to please stand and raise your right hand. Do you swear that the testimony you are about to give this Committee is the truth, the whole truth, and nothing but the truth, so help you, God?

Ms. JOHNSON. I do.

Chairman LIEBERMAN. Thank you very much. Please be seated. We would welcome now any opening statement you would like to make and, if you wish, introduction of family or friends who are here with you.

TESTIMONY OF MARTHA N. JOHNSON[1] TO BE ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION

Ms. JOHNSON. Thank you very much. I have a few brief comments.

Mr. Chairman, Madam Ranking Member, and distinguished Members of the Homeland Security Committee, I am honored to come before you as President Obama's nominee for the Administrator of the General Services Administration.

I am delighted to be joined this morning by my husband, Steve Johnson, who supplies me with unending trust and encouragement. I also want to acknowledge many dear friends, fellow church members, and former colleagues who are here with me today. I am a fortunate woman.

[1] The prepared statement of Ms. Johnson appears in the Appendix on page 21.

I am deeply thrilled to be considered for the position of Administrator of the General Services Administration. "Thrilled" is actually a code word of sorts for me and for the agency. To begin, it would be thrilling to return to GSA where I served as Chief of Staff in the 1990s. The agency is a special place and offers a fascinating range of challenges. Where else do the Executive, Judicial, and Legislative Branches converge but in the complex task of designing, funding, and constructing courthouses? Where else is one expected to champion historic preservation on the one hand and edge innovative technologies on the other?

But thrilling is not just about the importance, breadth, and intellectual challenge of GSA. It is also the concept that we used during the Clinton Administration when we spoke of our work with customers. GSA's goals were more than efficiency and timely invoices. We were not just about customer satisfaction, which in many ways is simply a baseline idea. GSA was aiming for a full circle of service which included three things which are now classic parlance in the industry. They are operational efficiency, customer intimacy, and innovative solutions. With all three in our sights, we could aim to thrill—not just satisfy—a customer.

And why would that be important? Isn't good enough for the government worker good enough?

No. Absolutely not. President Obama is challenging us to be a truly effective government, one that invites talent, performance, collaboration, energy, and innovation. One does not support such a workforce simply by "satisfying." I believe GSA must reach deep to be the true service agency that will further the President's agenda. I am seeking the opportunity to lead the people of GSA and shape its culture and performance to that end.

GSA, however, is not just about its government clients. Its circle is bigger than that and therein lies a powerful strategic opportunity for GSA. If you will allow me a metaphor, I see GSA as the concierge for the government. It is through our Federal building lobbies that civil servants and citizens enter the places of government activity. It is through the electronic portals that civil servants and citizens can reach the information about the government. And it is through the contract vehicles and procurement schedules that industry can offer its services and products to the government. GSA is the concierge, introducing, shaping, structuring, and facilitating ways for government to interact with itself, with citizens, and with industry.

If confirmed, I hope to be a steadfast and creative leader of this tremendous organization, deepening GSA's impact, confidence, and reputation. Thank you.

Chairman LIEBERMAN. Thank you very much for an excellent opening statement. Welcome to your family and friends who are here.

I am going to start the questioning with the standard three questions we ask of all nominees.

First, is there anything you are aware of in your background that might present a conflict of interest with the duties of the office to which you have been nominated?

Ms. JOHNSON. No.

Chairman LIEBERMAN. Do you know of anything, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

Ms. JOHNSON. No.

Chairman LIEBERMAN. And, finally, do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of Congress if you are confirmed?

Ms. JOHNSON. I agree to.

Chairman LIEBERMAN. Thank you very much. We will start with a first round of questions of 7 minutes each.

Let me ask you to focus a bit on this question of Federal property, the management of it, which has been on GAO's high-risk list since 2003. And I stress again that there are other agencies besides GSA that own most of the Federal property, but GSA has a significant ownership role and, of course, a facilitating role.

The major issues that GAO has identified are excess property and overreliance on costly leasing (as opposed to constructing), deteriorating facilities, and increased security needs. One major concern that I mentioned in my opening statement that has been a real focus for Senator Carper and Senator Coburn, Members of the Committee, has been the excess property held by the government. Again, not all the buildings are owned by GSA, but there is an important role for GSA to play here.

In the last Congress, with leadership from Senators Carper and Coburn, our Committee reported out a bill to allow agencies to keep a portion of the proceeds of the sale of excess property, obviously as a way to create a motivating factor to get rid of some of the stuff we do not need anymore. I wonder if you could give us your opinion on that type of financial incentive and whether you think it would encourage agencies to act in the public interest and what other measures you would contemplate taking to improve overall the Federal property management function of GSA.

Ms. JOHNSON. Thank you. I am quite delighted, since leaving GSA, to learn that GSA has been given the authority to retain earnings when it has disposed of excess property. I believe that is a tremendous incentive, and I believe that our improvement on our excess and vacant property listings is a direct result of that. It is quite helpful to have that money flow into the Federal building fund and be able to be available for those purposes.

And so I would be quite supportive and pleased to encourage any measures by which other agencies could retain profits, results, and funds from disposing of property. I think that incentive is very important, and I think it sends a strong signal to support agencies in that activity.

Overall, I believe the management of the Federal real property inventory is quite a challenge. Aside from the vacancies and excess property, there is some substantial need for attention to repairs and alterations and to improvement in moving properties out of the bottom and middle tier to the upper tier in terms of the portfolio and how we would like the portfolio to be highly productive on a number of criteria, including return on investment, satisfaction to

the customer health and safety and security. These new demands of security are also costly.

The American Recovery and Investment Act funds are going to be quite important in some respects on this. Investing in high-performance green buildings will be a long-term substantial help to the overall health of the inventory. So that funding will be critical.

I believe from what I can tell—and I am sitting outside of GSA right now kind of looking at it through a bit of cellophane, if you will—that GSA is doing a terrific job within the constraints and within the protocols and the policies that it has to work with. Overall, the investment in the inventory is going to be one of the most critical factors for ultimately moving the entire portfolio into a more healthy status.

Chairman LIEBERMAN. I am going to go on. Senator Collins mentioned the problem of the time it takes to construct infrastructure at ports of entry. I want to mention one specific matter and call it to your attention if it has not been. I know Senator Collins will probably have questions about the process overall.

In advance of your hearing, I have had some input from people in the vicinity of the San Ysidro port of entry, which apparently is the largest port of entry we have, and there is construction going on and it has been going on for a long time. Congressman Filner, who represents this area in the House, is very interested in this and is attempting to add language to an appropriations bill for GSA on this question.

Basically, the local community is apparently concerned about what it sees as GSA's disregard about the reconfiguration of this facility that is going on now and how it would affect local commerce. And they have said to me that in the last 3 months, in some sense between administrations, they believe there has been a change in what was an initially agreed upon decision last year.

So this is a complex issue. I do not pretend to understand it all, but I want you to know that there is a lot of concern about it, and I just wanted to draw it to your attention and say that I hope we can be in touch with it. I am sure Congressman Filner will be in touch with you as soon as you are confirmed.

I do not know if you know anything about this at this point.

Ms. JOHNSON. I do not know any details. I will say that the President has certainly extended the notion that we need to be quite collaborative and collegial with our community and our stakeholders in positioning and investing in communities for these kinds of structures. So that would be my intention and my set of values around it, and I would be delighted to learn more about it and to be in conversation about it with you.

Chairman LIEBERMAN. Excellent. Thank you.

Give me your response to what seems to be, as I mentioned in my opening statement, a kind of creeping away by various Federal agencies from using GSA particularly for contracting, which undercuts the basic purpose of the agency, and whether you observe the same and what, if anything, you hope to do about it.

Ms. JOHNSON. I have a rather broad view of that. As a result of the Clinger-Cohen Act and some of the changes that were made in the 1990s, GSA moved from being the mandated source for much of the supplies and services and is now in more of a one among

many non-mandated company store, if you will, as it was historically.

The first rounds of response to those new authorities and possibilities on the part of other agencies meant that they wanted to establish their own contracting capacities, and I think that was a wave of response to long years of GSA being basically one of the few organizations that did that.

I believe in that process, the acquisition workforce has now been dispersed much more broadly around the government, which is a very critical issue, and there is a lot of duplication, and there is a lot of overlapping and probably inefficiencies. I believe the competitive underscoring thinking behind this is appropriate. I do not believe having a sort of monolithic source for contracts is the exact right answer, but I am concerned about moving into a change in this because of the dispersion of the acquisition workforce.

I also do believe this is a bit of a market gesture, if you will, around the performance of GSA. We would like to earn our customers through performance rather than through mandate, and that would be my attitude going forward and where I would put my energy. So performance is certainly the proper response, I believe.

Chairman LIEBERMAN. Well, that is a good attitude to go forward with, and I think you are right, it is a market response. Obviously, we will count on you, as well as GAO, I suppose, to let us know if this dispersion is getting to a point where it is inefficient. I agree with you, there is something to be gained from the competition, but sometimes it can be a loss, too, and an inefficiency. Thank you.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman. Let me follow up on the two issues that you just raised.

As I indicated to you, Ms. Johnson, I, too, am concerned about the explosive growth in government-wide acquisition contracts and multi-agency contracts because I believe the prevalence of those vehicles for purchasing demonstrates a lack of confidence in GSA, and it indicates to me that GSA is not meeting the needs of the client agencies.

Do you have some specific recommendations in mind to try to deal with this explosive growth that cuts GSA out of the process and may lead to additional costs for the taxpayers?

Ms. JOHNSON. I would go at it from a number of different angles. On the first one, I would work closely with the Office of Federal Procurement Policy. I believe they need to be strong leaders in thinking through and understanding where efficiencies and inefficiencies need to be managed. So I would believe GSA should be a good partner, and I think that is historically true, and I would want to continue that.

Second, I believe that we do have a challenge around talent and the acquisition skills that are available, so in any kind of adjustments we are going to have to deal with the human-ware underneath all of this dilemma.

The third, I believe, is about performance, and I will say that has something to do with leadership. If I am confirmed, I will be the fifth Administrator of GSA in 14 months, and I think it is time for GSA to have leadership settled, established, and then we can, I

think, have a more aggressive stance around productivity and performance, and that is a very important thing to me.

I also believe we need to have some data around this, understanding really where the contracts are, what is going on, what is bumping into each other. I have not been able yet to get in under the hood and kick the tires and so on, and that will be something I need to understand and would be delighted and pleased to be sharing with all our stakeholders so we can gather the best answers, so it is a collaborative response as well.

Senator COLLINS. I also want to follow up on the Chairman's comments about community involvement when GSA is designing land ports of entry. GSA does a very good job of talking to the client agency, such as CBP or, in the case of a courthouse, the Administrative Office of the U.S. Courts for Federal courthouses. But it does not always do as much outreach to the community, and a lot of times that outreach can prevent problems down the road.

To give you an example, there is now discussion underway on a new port of entry in Madawaska, Maine, and it is a very unusual situation, perhaps a unique situation, because there is a paper mill that straddles the border. The pulp is produced on the Canadian side, and the paper on the American side, or vice versa. And that is a very complicated situation. There are a lot of trucks going back and forth, and the current port of entry does not have sufficient room.

I commend GSA for starting to involve the community in those discussions, but it is absolutely critical that it occurs in a way that does not create problems for the biggest employer of the area.

So I just want to associate myself with the comments made by the Chairman and ask for you to commit to instructing GSA when it is designing and planning new construction, regardless of what it is, to reach out to the community for input.

Ms. JOHNSON. I will do so. If confirmed, I would be quite pleased to. I believe thinking about the entire stakeholder map on any of these projects is important, and clearly the community is one of the critical ones. Having that healthy dialogue is important, and following up on it.

Senator COLLINS. The Chairman also mentioned that GSA's management of Federal real property is on the high-risk list, and several years ago, I chaired a hearing that looked at the deteriorating buildings that were owned by the Federal Government and the lost dollars and lost opportunities that are entailed by this mismanagement.

There has been progress, but there is a long way to go. And I am interested in what you are going to do specifically to focus on excess and underutilized property, unreliable real property data, and reliance on costly leasing, in some cases despite the fact that the government owns suitable buildings or buildings that could be made suitable.

Ms. JOHNSON. I would reference portfolio thinking, which I think is part of how the real property management work is done in the Public Buildings Service. I am keen to support that and to be sure that the decisions about any given situation are almost like a Russian doll. That decision has a number of stakeholders and concerns and criteria associated with it, but there is also the larger doll it

fits into, which is the overall portfolio, and this conversation is where GSA is the facilitator. They need to be thinking about and referencing the greater portfolio questions as well.

With respect to leasing, I also appreciate that the leasing portion of the inventory is now exceeding the constructed portion, if I have my facts right, and that is a trend that has been steadily increasing. I am going to have to get a lot smarter about this, but when an agency or an organization is considering workspace, there is the decision to stay put, there is the decision to lease and use some flexibilities involved in that, or the decision to construct. And often, I believe, the decision to lease is the best of those three alternatives in that situation, which incrementally has increased the size of the leased space. It is an expensive alternative. I understand you are paying for the flexibility to some extent, but it is often better than staying put.

So, relatively speaking, leasing has surfaced as an option, and I think that the issues around how to support the construction process and make it possible, make it streamlined, and fund it will be a way in which we can right-size.

Senator COLLINS. Thank you.

Chairman LIEBERMAN. Thanks very much, Senator Collins.

Senator Tester, good morning.

OPENING STATEMENT OF SENATOR TESTER

Senator TESTER. Good morning. Thank you, Mr. Chairman. I appreciate you being here, Martha Johnson. It is good to have you in front of the Committee, and I appreciate you putting yourself up for this job. I think it is a very important job, and I think you will do a good job—at least that is my hope.

I want to continue the conversation we had in my office about GSA becoming the administrator of land ports of entry, a modernization program. As you well know, Congress appropriated to CBP $420 million to rebuild the land ports of entry and to GSA about $300 million for the same purpose. It is my understanding that GSA and the Army Corps of Engineers will be the agencies in charge of overseeing this money and the contracts that have been given out for this work.

To state that I was disappointed to find out that these contracts went to a handful of large engineering firms who already had GSA schedule for large-scale work would be a huge understatement. There is no reason in the world why the work, and 100 percent of the work, could not be done by local contractors or at least given the opportunity to bid on it. I think it represents backwards, "business as usual" thinking to give the contracts away to the big boys, and I am one of those that do not think that bigger is better. I think that small business is critically important to this country, and we need to support them when the opportunity arises. I think this was an opportunity that we messed up on.

You are not the Administrator yet, although, as I said, I hope you will be soon, so I will not hold you responsible for that decision. But I do hope that as you take the job, you can direct the GSA away from this business as usual, which recently has been characterized by non-competitive big contracts for big businesses.

Small businesses are the backbone of the economy. They are the ones that we are going to be riding to get out of this recession. And we need to make sure we have more opportunities, not fewer. Let me give you an example.

Last week, a week ago tomorrow, I was in Havre, Montana, for a dedication of a Border Patrol new sector headquarters. Havre, Montana, is a town of 10,000, give or take a couple grand. That building was designed and built and even landscaped 100 percent by Montana companies. The architectural firm was a Montana firm. Every one of the companies that built that building was from that town of 10,000 people. That project was finished on budget, significantly ahead of schedule. These folks can compete, and they can do the work.

So, with that in mind, a couple questions. I understand that you cannot tell prime contractors who have the contracts now who to use as subcontractors. But will you commit to working with me to make certain that local small businesses have every opportunity to learn about and compete for some of this work that is going to be going on along the northern border to rebuild these border stations?

Ms. JOHNSON. I will work with you as closely as possible to support small businesses and their inclusion in this important business. The Recovery Act money, I understand, is—each of these projects is being assessed in part with respect to how much it is designating small business. So I am hoping to support that and continue with that, and as a small-town North Dakota girl, I understand how important small businesses are in these environments.

Senator TESTER. Now that the contracts are in the hands of out-of-State firms that are quite big—by Montana's standard, they are huge—do you think there are going to be opportunities for subcontractors along that northern border where they could use some employment to be able to participate?

Ms. JOHNSON. I am going to have to get back to you on that. I am not really sure I understand the process enough to go on record and say that now.

Senator TESTER. I would appreciate that.

Ms. JOHNSON. I would be happy to get back to you promptly.

Senator TESTER. I would appreciate that.

Would you be willing to come to Montana to host a workshop for interested small businesses to hear from GSA and CBP directly about how to pursue some of the work?

Ms. JOHNSON. I would be delighted to come to Montana. I will have to learn about whether my schedule would fit the workshops, which I understand are being organized and I want to support. So let me work on calendar confirmation and get back to you.

Senator TESTER. I appreciate that. This may not seem like a big deal to a lot of folks. But this is truly a big deal. And it not only applies to the ports, by the way. It applies to all the recovery money that is coming out, whether it is through the Forest Service or whatever. I do not want to cut any deals, I just want to make sure that there is an opportunity for these folks to compete because they will compete and they will get those bids, there is no doubt in my mind.

Finally, about rebuilding the ports—when I was in Havre, one of the gentlemen who is an economic developer up there gave me a letter that I passed along to the appropriate people, but it talked about the ports that are being rebuilt—we are talking about Montana ports now, with Alberta and Saskatchewan—that there is some concern that those ports, when they are rebuilt, will not be rebuilt with growth in mind, with opportunity to expand those ports potentially from an 8- to 10-hour to a 24-hour port. And I am not saying that is what is needed now, but if down the line there is a need for a 24-hour port where there is currently a port that is open 8 or 10 hours a day, I certainly do not want to be restricted by poor planning at this point in time.

It is tough for you because you are not in the position yet so you do not know, and so I am not going to ask you the question. I would just ask that once you get confirmed, could you do your level best to make sure that we are looking into the future for potential increased traffic, more economic growth, and the opportunity to expand those ports, if needed, so that we do not have to start all over again and rebuild the port again? These ports are 50 years old now. They do need to be rebuilt. Our border is only as strong as the weakest link. This is going to help firm that border up, so I think it is a step in the right direction.

But along the same lines, 10 years from now if we want to expand a port, for example, or a year from now if we want to expand a port, we need to keep those options open. And I would hope that as the planning process goes forth from this time forward that we keep our options open and do not limit ourselves by poor planning.

Ms. JOHNSON. I would be delighted to work with you on that, and I would trust that the planning takes into account future scenarios that would be fairly rational or logical to anticipate.

Senator TESTER. I would hope so, too, but sometimes logic is not necessarily the driving force in some of these decisions. I want to once again thank you for being here. I want to thank you for your willingness for a North Dakota girl to come out and really help small businesses. I think it is one of the things that we need to do across the line.

Just an editorial comment, if I might, Mr. Chairman.

Chairman LIEBERMAN. Sure.

Senator TESTER. We talk in other committees about banks being too big to fail. Well, if we continue to give advantages to the big guys, we are going to have a lot of businesses that are too big to fail. If we support the little guys, we will have good competition. The system we have of government will work better, and capitalism will work better, and the whole program will work better. Like I said, do not tilt the playing field. Let us just make sure it is level so people have opportunity. Thank you.

Ms. JOHNSON. Thank you, Senator.

Chairman LIEBERMAN. Thanks, Senator Tester. I agree with you. I cannot resist saying that the nominee is not only a North Dakota girl, but she is a North Dakota girl with a Yale education. [Laughter.]

Ms. JOHNSON. There you go.

Chairman LIEBERMAN. A little parochial——

Ms. JOHNSON. I was born in Connecticut. [Laughter.]

I will claim everything I can.

Chairman LIEBERMAN. You have got the best of all worlds. When President Kennedy got his honorary degree at Yale, because he had gone to Harvard, he said he now had the best of both worlds—a Harvard education and a Yale degree. [Laughter.]

Senator McCaskill.

OPENING STATEMENT OF SENATOR MCCASKILL

Senator MCCASKILL. I wanted to start by saying that, clearly, Senator Tester is serious about this—either that, or he is trying to cure you of any habits you learned at Yale—because I have not seen him invite very many people to Montana in this Committee. So the fact that he invited you, I do not know whether to congratulate you or warn you. [Laughter.]

I wanted to talk a little bit about post-award audits, and we visited about this briefly in my office when we talked. On the Subcommittee on Contracting Oversight, Brian Miller and I talked a lot about post-award audits. Prior to 1997, GSA did post-award audits, and more often than not, they found millions of dollars of cost savings. And, obviously, this is an audit where you look at the information in the bid to make sure it is accurate as it relates to comparables and so forth in the bid itself.

Recently, Network Appliance, Inc., a GSA contractor, agreed to pay $128 million for the fact that it failed to offer the government its best commercial pricing on information technology goods and services, and that was discovered through a private lawsuit.

I think that these post-award audits make sense. I think the fact that you are doing them—you do not have to do them on every one. But the power of audits is that everyone knows it might happen to them, and it brings about a remarkable change in behavior. And if you have a major government contractor that knows they could be selected for a post-award audit, I think you are going to see measurable taxpayer savings just with the announcement that you are going back to having post-award audits.

I would like your commitment, and on a timely basis, if possible, to let the Committee know, let me know, let my office know, let the Subcommittee on Contracting know whether or not you are willing to move back into a post-award audit position.

Ms. JOHNSON. I believe I am going to, if confirmed, be receiving some reports from some commissions with respect to this, and I would like to be sure to honor that process, and once I receive those and review and understand what those recommendations are, I would be delighted to commit to being close in communication with you and to take it very seriously.

It is a very important subject. I have the highest regard for Brian Miller and the Inspector General Office at GSA, and I am deeply interested in being sure that he is able to play his role in supporting us. A good IG allows an administrator to sleep at night, and I do not want to diminish that role in any way.

Senator MCCASKILL. I heard the earlier testimony about how we had spread acquisitions out over many places in the government, and as always, the goal was that we were going to get it cheaper. It has not really turned out that way. It is not cheaper. What really has happened is that there are agencies that advertise their ability

to get you stuff, and then they get a hit on it, they get a cut, which is in their best interest to do. And then there is also shopping that has to do with ease of how quickly you can get around regulations and bureaucracy. And I get that. I mean, if you need something in government, you want to be able to buy it without having to spend 16 months in some kind of bureaucratic bungling and the failure of getting anybody to make a decision and so forth. So I think we made it easier to buy stuff. I am just not sure that we paid enough attention to value in terms of the taxpayer getting the best value.

I think it is time for us to take a broad look—and hopefully we can do this on the Subcommittee—at the various goals here. The first and foremost goal is to get a good value for taxpayers. That is more important—I have a famous story that I told many times. I went to Iraq looking at contracting. I had a general say to me, "I did not care how much it cost. I wanted three kinds of ice cream in the mess yesterday." OK? Well, I get that. And I appreciate his candor. And, frankly, most people in government would not be that candid. But that is part of the problem. It is three kinds of ice cream in the mess yesterday as opposed to do we have systems in place that are making sure we are competitive, making sure we are getting the best bang for the buck. And you know and I know, and I think everybody in this room knows, that we got away from that by diminishing our acquisition personnel and completely decentralizing purchasing to the point that the right hand does not know what the left hand is doing.

So, I think that we will see a lot of your office as it relates to the contracting work we are going to try to do on the Ad Hoc Subcommittee on Contracting Oversight, and I would hope that you would help designate somebody on your staff to work with us on these issues of how we can get back to more accountability in contracting.

Ms. JOHNSON. I would be delighted to, if confirmed.

Senator MCCASKILL. Great. The last thing I really wanted to talk to you about was the issue of buildings that were under lease where bids had been let but, because of the credit market crisis, have stalled. And there is a silver lining to that dark cloud, and that is, if we have non-performing contractors that have received the bids because of the credit market that gives us an excuse to rebid. And right now construction costs are incredibly low. So there is no doubt whatever was bid 12 months ago, 18 months ago, if it was bid today, we would get a better value.

So we have not been able to get information about a building in St. Louis County that is very important. It is a records center for the military. The contractor has been unable to perform, and we understand now, but not directly, that the reason that everyone is holding off is he is saying, "I am going to be able to get to the table," but now we are hearing that the reason he is going to get to the table is he is going to the Missouri government for State financing on bonds to help him get there.

So what started out as a certain value for the taxpayers is now going to be augmented, potentially, by additional taxpayer help, and to me that does not seem like that is the right way to go about it.

So I would appreciate your attention because if this is going on in one place, I bet it is going on in other places, where people who made bids on projects are not able to meet their obligations because they cannot get the credit right now, which is too bad. But we ought to make sure we are taking full advantage of that in terms of value that we might be able to receive on behalf of the taxpayers.

Ms. JOHNSON. I completely agree with you about the silver lining, that we should be looking for the silver linings as the economy and the financial markets are shifting the terms on many of these projects and, indeed, both on the lease and the construct projects. I trust and I hope to understand that as well as we can and to take advantage of that for the government, yes.

Senator MCCASKILL. And your office has not been able to get back to me. I specifically want to make sure that I understand that if this person who won this bid, if he is able to perform only with the assistance of State government help, I think we need to take a hard look at it.

Ms. JOHNSON. If confirmed, I will commit to exploring that and understanding it and be in communication with you about it.

Senator MCCASKILL. Thank you very much. Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thank you very much, Senator McCaskill. Excellent questions.

I just have two more questions I want to ask you, Ms. Johnson. First is the general area of cyber security. This has engaged the attention of this Committee. The Department of Homeland Security particularly has unique responsibility for cyber security for non-defense government sites and for interacting with the private sector. Obviously, the President announced a new cyber security policy featuring a new cyber security coordinator in the White House.

As you well know—and we talked about this earlier—the Federal Government through its tremendous buying power can influence activities of the vendors, of the sellers. The last estimate I have seen says that we are spending $76 billion a year for information technology. And it seems to me that there is an opportunity here for GSA to acquire contractors in a way that may encourage the providers to keep in mind cyber security that may have broader implications than just for the Federal Government as a purchaser. And I wonder what you think of that, if you have thought about it, and what you have generally on the extent to which GSA can contribute to raising our cyber security. As you well know, we now know our sites and private sites are being attacked every day by the strange combination of hostile nations, non-state actors like terrorist groups, organized criminal groups, and just plain hackers.

Ms. JOHNSON. I am certain that, if confirmed, I will be in a position to learn a lot more about this very complicated subject. I think that cyber security is baffling to the buyer, if you will. How do you know what you can trust in terms of the products? And GSA, I would think, could provide some useful information, useful perspectives in helping people sort through that.

When you start thinking of anti-virus software and how do you have trusted access through the Internet and encryption, you start beginning to be swamped by this. And because of its complication,

we could, I think, be a much better concierge for people on making those decisions.

Clearly, the buying power and the amount that we will be regularly consuming should alert us to thinking about what kind of opportunities we could provide, and I am interested in learning about this. I cannot tell you much more specifically right now, but as I learn, I would be happy to communicate about that. And I think GSA does play a role.

Chairman LIEBERMAN. Good. Please do. I really just wanted to put that quite literally on your screen.

Ms. JOHNSON. Thank you.

Chairman LIEBERMAN. The last question is one that is local for the Committee, which is the construction of the new headquarters for the Department of Homeland Security at St. Elizabeths. The legislation creating the Department came out of this Committee. We are both very proud of it and we push it hard to be better every day. It is very hard for it to operate across the 22 agencies that it does, spread out as it is, so this is really important to homeland security.

I gather that construction of the Department of Homeland Security headquarters will be the largest construction project for the Federal Government in the Washington area since the building of the Pentagon. I do not know if anybody has briefed you on it yet, but large projects have a tendency of going awry and taking longer and costing more than they should. And I wanted to ask you to please give it your personal attention and make sure that it is being properly managed, and then also to ask that you keep us informed as to how it is going.

Ms. JOHNSON. I will commit to working very closely with you on it. Clearly, this is very important both for the Department and for the District of Columbia, and we need to be excellent stewards in that process.

Chairman LIEBERMAN. Thank you. Do you have anything else you would like to say in your defense?

Ms. JOHNSON. I am fine. Thank you. [Laughter.]

I appreciate the opportunity, but no, I am fine. Thank you.

Chairman LIEBERMAN. Your testimony has been very helpful. Without objection, we are going to keep the record of this hearing open until 12 noon tomorrow for submission of any additional questions or statements. My hope is that we can move your nomination through the Committee and through the Senate as quickly as possible because GSA, the President, and the government need you to be at your desk. Thank you very much.

Ms. JOHNSON. Thank you, Senator.

Chairman LIEBERMAN. The hearing is adjourned.

[Whereupon, at 11:14 a.m., the Committee was adjourned.]

APPENDIX

Prepared Statement of Chairman Joseph Lieberman

Nomination of Martha Johnson – GSA Administrator

Homeland Security and Governmental Affairs Committee
June 3, 2009

Good morning and welcome to this hearing to consider the nomination of Martha Johnson to be Administrator of the General Services Administration – or GSA. Welcome Ms. Johnson.

GSA is often called the federal government's "landlord" because it provides workspace and office services for almost every federal office and agency across the nation – from courthouses to ports of entry. Managing 8,600 buildings and $500 billion in assets, GSA is one of the largest property management organizations in the world.

But GSA is far more than just the federal landlord. Its 12,000 employees are spread across the country in 11 districts and help guide federal spending on everything from basic office equipment to a fleet of more than 200,000 vehicles owned or leased by the federal government.

GSA's purchasing decisions have broad implications for the rest of the economy since as an early acquirer of new technologies, like alternative-fuel vehicles, the agency can help move those technologies from innovation to the market place.

GSA also has wide responsibilities for providing information technology and telecommunications services for federal agencies. With its leadership, GSA can ensure that the federal government is using cutting-edge technology to lower costs, better engage with citizens, and detect and defend against cyber threats.

But the agency is in need of strong leadership. If confirmed, Ms. Johnson will face many challenges. Let me lay out just a few of the most important.

In the area of procurement, the contracts negotiated by GSA must leverage the vast buying power of the federal government so agencies get more value for the taxpayer's dollar.

Last year federal agencies bought approximately $37 billion of goods and services off GSA schedules, which offer everything from office supplies to human resource services to security equipment to energy management services.

Having GSA negotiate these procurement agreements lets its customer agencies stay focused on their core missions.

But some agencies have lost confidence in the ability of GSA to provide the best products at the best prices and have negotiated their own contracts or interagency contracts that duplicate services offered by GSA.

This defeats the purpose of GSA, which was created by President Truman in 1949 with the specific intent of streamlining the federal government purchasing process.

Today this agency and interagency contracting, including use of GSA contracts, is on the Government Accountability Office's "High Risk" for waste list.

Similar problems exist in GSA's property management activities with agencies sometimes questioning whether GSA meets their needs in the most cost effective manner.

One problem of particular concern to this Committee is the amount of excess or underutilized property owned by the federal government.

In the last Congress, the Office of Management and Budget reported to us that the federal government owns 21,000 buildings worth about $18 billion that are under used or no longer needed and GAO has had management of federal property on in its "High Risk" list since 2003.

Not all of these properties are under GSA's control, but one of its jobs is to help other agencies dispose of excess property and we need leadership to resolve this problem.

Another important role that GSA plays is as a promoter of green technologies. The American Recovery and Reinvestment Act greatly added to the ability of GSA to "green the government" by providing $4.3 billion to make federal buildings more energy efficient and $300 million to buy more fuel efficient vehicles for the federal fleet.

These are all big challenges but I believe President Obama has made a wise choice in nominating Ms. Johnson as GSA administrator. She would bring a wealth of administrative and finance experience in the private, non-profit and government sectors to her new job.

To begin with, Ms. Johnson has a deep firsthand knowledge of GSA, having served as Chief of Staff from 1996 to 2001.

Ms. Johnson began her career at Cummins Engines Company and more recently served recently as Vice President at SRA-Touchstone Consulting and then at Computer Sciences Corporation. She has also served in the non-profit sector at the Council for Excellence in Government.

Ms. Johnson, I welcome you before the Committee and I look forward to your statement on your goals and visions for leading GSA forward.

Prepared Statement of Senator Susan M. Collins

Nomi nation of Martha Johnson to be Administrator, General Services Administration

Committee on Homeland Security and Governmental Affairs
June 3, 2009

As President Obama's nominee to lead the General Services Administration, Martha Johnson comes to the Committee with significant experience in both the private sector and the federal government.

During her prior tenure as GSA's Chief of Staff, Ms. Johnson helped lead the agency at a time of substantial change, including implementation of the Clinger-Cohen Act.

The size and reach of GSA's operations make meeting today's challenges at the agency even more important than when Ms. Johnson last served there more than eight years ago. GSA has over 13,000 employees and an annual budget of approximately $16 billion. The agency is charged with managing nearly $500 billion in federal assets -- including more than 8,600 government-owned or leased buildings and a fleet of 208,000 vehicles. GSA's performance has a significant impact on the efficiency and effectiveness of government-wide operations, affecting almost $66 billion in financial transactions throughout the government.

As the federal government's primary acquisition agency and landlord, GSA must apply lessons that this Committee has drawn from its investigations into mismanagement of the federal government's real property and into numerous examples of waste, fraud, and abuse associated with federal contracting practices. With total federal purchases of goods and services exceeding $500 billion a year, federal procurement requires better stewardship of taxpayer dollars. Although important contracting reforms were included in legislation that Senator Lieberman and I authored last Congress, GSA must continue to press for reforms in the federal procurement process.

Another area that I encourage the nominee to address is the crisis facing the over-extended and under-appreciated acquisition workforce. The federal government must invest significantly in its acquisition workforce. The government entered the 21st Century with 22 percent fewer federal civilian acquisition personnel than it had at the start of the 1990s. Moreover, as early as 2012, 50 percent of the entire federal

acquisition workforce will be eligible to retire. This means that as our contract spending continues to increase dramatically, our contracting workforce continues to shrink. Needless to say, these factors have strained the federal government's acquisition workforce and greatly increased the risk of acquisition failures.

But this is not just a numbers game; the federal government must have the right mix of program managers, engineers, cost estimators, contracting officers, auditors, and technical experts. A thoughtful revitalization of our federal acquisition workforce is critical to preventing contracting waste, fraud, and abuse and ensuring that taxpayers receive best value.

GSA must press forward on other challenges as well, including the sorely needed consolidation of Department of Homeland Security offices at the St. Elizabeths Hospital complex and the management of billions of dollars to renovate and construct other federal buildings.

Of particular concern to Maine and many border states is the role GSA plays in enhancing our nation's border security by managing the planning, design, and construction of ports of entry for Customs and Border Protection. It is now estimated that a port of entry takes more than seven years to progress from planning to ribbon cutting - this is too long.

In my home state of Maine, a new port of entry in Calais has been seriously delayed by GSA's failure to award the construction contract on time and to account for the presence of significant ledge - a common occurrence in Maine. These delays have real effects. Although the new international bridge connecting Calais, Maine, and St. Stephen, New Brunswick, was completed last year, the U.S. side of the port of entry will not be completed this fall. That is, I would note, an improvement over the original prediction of the end of the year.

These issues attest to the great breadth and depth of concerns that the Administrator of GSA must handle. I look forward to hearing Ms. Johnson's views on these matters and her thoughts on how she proposes to manage the financial, planning, coordination, and other challenges presented.

Prepared Statement of
Martha N. Johnson
June 3, 2009

Mr. Chairman, Madam Ranking Member, and distinguished members of the Homeland Security Committee, I am honored to come before you as President Obama's nominee for the Administrator of the General Services Administration.

I am delighted to be joined this morning by my husband, Steve Johnson, who supplies me with unending trust and encouragement. I also want to acknowledge many dear friends, fellow church members, and former colleagues who are here with me today. I am a fortunate woman.

I am deeply thrilled to be considered for the position of Administrator of the General Services Administration. "Thrilled" is actually a code word of sorts for me and for the Agency. To begin, it would be thrilling to return to GSA where I served as Chief of Staff in the 1990's. The agency is a special place and offers a fascinating range of challenges. Where else do the executive, judicial, and legislative branches converge but in the complex task of designing, funding and constructing courthouses? Where else is one expected to champion historic preservation on the one hand and edge innovative technologies on the other?

But, thrilling is not just about the importance, breadth, and intellectual challenge of GSA. It is also the concept that we used during the Clinton Administration when we spoke of our work with customers. GSA's goals were more than efficiency and timely invoices. We were not just about customer satisfaction, which is in many ways a baseline idea. GSA was aiming for a full circle of service which included three things which are classic parlance in industry. They are operational efficiency, customer intimacy, and innovative solutions. With all three in our sites, we could aim to thrill – not just satisfy – a customer.

And why would that be important? Isn't good enough for the government worker good enough?

No. Absolutely not. President Obama is challenging us to be an effective government, one that invites talent, performance, collaboration, energy, and innovation. One does not support such a workforce simply by "satisfying". I believe GSA must reach deep to be the true service agency that will further the President's agenda. I am seeking the opportunity to lead the people of GSA and shape its culture and performance to that end.

GSA, however, is not just about its government clients. Its circle is bigger than that and therein lies a powerful strategic opportunity for GSA. If you will allow me a metaphor, I see GSA as the concierge for the government. It is through our federal building lobbies that civil servants and citizens enter the places of government activity. It is through the

electronic portals that civil servants and citizens can reach information about the government. And it is through the contract vehicles and procurement schedules that industry can offer its services and products to the government. GSA is the concierge, introducing, shaping, structuring, and facilitating ways for government to interact with itself, with citizens, and with industry.

If confirmed I hope to be a steadfast and creative leader of this tremendous organization, deepening GSA's impact, confidence, and reputation.

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

A. BIOGRAPHICAL INFORMATION

1. **Name:** (Include any former names used.) Martha Nace Johnson; Maiden name: Martha Louise Nace

2. **Position to which nominated:** Administrator, General Services Administration

3. **Date of nomination: May 4, 2009**

4. **Address:** (List current place of residence and office addresses.)

   Home: REDACTED
   Office: Computer Sciences Corp., 3170 Fair View Park, Falls Church, MD 22042

5. **Date and place of birth:** New Haven, Connecticut, July 1, 1952

6. **Marital status:** (Include maiden name of wife or husband's name.)

   Married, July 3, 1983; Steven Howard Johnson

7. **Names and ages of children:**

   Anna Liora Johnson 22 years old
   Lucas Will Johnson 20 years old

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.

   - Dickinson High School, Dickinson, North Dakota 58601, 1966-1968 (high school freshman and sophomore year) – No degree awarded
   - Northfield School for Girls, Northfield, MA 01360, 1968-1970 (high school degree) – Degree awarded 1970
   - Oberlin College, Oberlin, Ohio 44074, 1970 – 1974 BA with honors -- double major in economic and history – Degree awarded 1974
   - Middlebury Chinese Language Summer School, Middlebury, Vermont, 1974 – No degree awarded
   - Yale University School of Management, New Haven, Connecticut, 1977-1979, MBA – Degree awarded 1979

9. **Employment record:** List all jobs held since college, and any relevant or significant jobs held prior to that time, including the title or description of job, name of employer, location of work, and dates of employment. (Please use separate attachment, if necessary.)

- Sims Café, Dickinson, North Dakota, Waitress, Summers, 1967, 1968
- North Dakota Social Services Center, Dickinson, North Dakota, Typist, Summer, 1970
- Oberlin College Admissions Offices, Oberlin, Ohio, Admissions Counselor, 1973-74 and 1976-1977
- Tunghai University, Western Languages Department, Taichung, Taiwan, ROC, English Teacher, (I was appointed and funded by the Shansi Memorial Association Fellowship, Oberlin, Ohio) 1974-1976
- Cummins Engine Company, Manila, Philippines, Intern, Summer 1978
- Cummins Engine Company, Columbus, Indiana
  - Materials Availability Manager 1979-1981
  - Director, Management Development 1981-82
- Cummins Engine Company, Jamestown, New York
  - Team Advisor, Customer Services 1983
  - Manager, Assembly and Test 1984-85
- Ellenzweig, Moore and Associates, Architects, Boston, Massachusetts, Vice President – Administration and Finance 1985-87
- Isaacson, Miller, Gilvar & Boulware, Executive Search Firm, Boston, Massachusetts, Associate, 1987-1988
- Boulware and Associates, Executive Search Firm, based in Chicago Illinois although I worked out of my home in Annapolis, Maryland, Associate, 1988–90
- The Kaleel Jamison Consulting Group, Consultant and Director of Communications, based in Cincinnati, Ohio although I worked out of my home in Annapolis, Maryland, 1990-92
- Ben & Jerry's Homemade, Waterbury, Vermont, Executive Recruiting Consultant 1992
- The White House, Washington, DC, Search Manager, Office of Presidential Personnel 1993

- The U.S. Department of Commerce, Washington, DC, Assistant Deputy Secretary of Commerce, 1994-1995

- The U.S. General Services Administration, Washington, DC,
  - Chief of Staff, 1996 to 2001
  - Associate Administrator – Management Services and Human Resources 1996-97

- University of Maryland, School of Public Policy, College Park, Maryland, Lecturer, 1999.

- Martha Johnson, Inc., Annapolis, Maryland, Consultant, 2001

- The Council for Excellence in Government, Washington, DC, Vice President – Leadership and Performance 2002

- Touchstone Consulting Group, Washington, DC, Director, 2002-2004

- SRA-Touchstone Consulting Group, Fair Lakes, Virginia, (I worked in Washington, DC Office)
  - Director, 2004-2005
  - Vice President, 2005-2007

- CSC (Computer Sciences Corporation), Falls Church, Virginia, Vice President 2007-present

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with federal, State, or local governments, other than those listed above.
    - Clinton-Gore Transition, Washington, D.C. (pro-bono), Personnel Manager, 1992

    - Obama-Biden Transition Team, Co-Lead, General Services Administration Agency Review Team 2008

11. **Business relationships:** List all positions currently or formerly held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

    - First Presbyterian Church of Annapolis, Annapolis, Maryland
      - Member, Board of Trustees 1992-1994
      - Clerk of Session 1995-1997

- Martha Johnson, Inc., Annapolis, Maryland, Consultant, 2001
- Touchstone Consulting Group, Washington, DC, Director, 2002-2004
- SRA-Touchstone Consulting Group, Fair Lakes, Virginia, (I worked in Washington, DC Office)
  - Director, 2004-2005
  - Vice President, 2005-2007
- CSC (Computer Sciences Corporation), Falls Church, Virginia, Vice President 2007-present

12. **Memberships:** List all memberships, affiliations, or and offices currently or formerly held in professional, business, fraternal, scholarly, civic, public, charitable or other organizations.

    - American Civil Liberties Union, Member, 1973
    - American Production and Inventory Control Association 1980
    - Chautauqua Chamber Singers, Member (alto) 1983-85
    - Member, United Church of Christ, Dickinson, North Dakota, 1966-1977
    - Member, First Presbyterian Church, Columbus, Indiana 1980-1982
    - Member, First Presbyterian Church, Jamestown, New York 1983-1985
    - Member, Eliot Church, Newton, Massachusetts, 1986-1988
    - Member, First Presbyterian Church of Annapolis, Annapolis, Maryland 1988-present

13. **Political affiliations and activities:**

    (a) List all offices with a political party which you have held or any public office for which you have been a candidate.

    None

    (b) List all memberships and offices held in and services rendered to any political party or election committee during the last 10 years.

    None

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $50 or more during the past 5 years.

- Progressive Maryland ($36 in 2004; $50 in 2005)
- Jewish Peace Lobby ($50 in 2004; $100 in 2005)
- Sierra Club ($300 in 2004)
- John Kerry for President ($1500 in 2004)
- My husband, Steve Johnson, donated $2300 to the Obama presidential campaign
- My husband, Steve Johnson, donated $1060 to the Obama Democratic primaries campaign
- My son, Lucas Johnson, donated $192.15 to the Obama Presidential Campaign
- DNC Services Corporation ($500 in 2004)

14. **Honors and awards:** List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

- Presbyterian Women, Presbyterian Church (U.S.A.), Honorary Life Membership, Received January 2000
- Shansi Memorial Association Fellowship to cover salary and expenses to teach in Taiwan, ROC, 1974-1977

15. **Published writings:** Provide the Committee with two copies of any books, articles, reports, or other published materials which you have written.

- *Awesome Youth Sundays*, Bridge Resources, Louisville, Kentucky, 1997.
- *Honest Conversations at GSA: A Guide for Discussions on Race and our Workplace,* Adapted for the U.S. General Services Administration by Martha N. Johnson, Chief of Staff, July 2000.
- *Glover Commission Report, Accelerating the SME economic engine: through transparent, simple and strategic procurement,* HM Treasury, 2008.
  Note: Two copies will be provided but the report is also available online at: http://www.hm-treasury.gov.uk/glover_review_index.htm

16. **Speeches:**

(a) Provide the Committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated. Provide copies of any testimony to Congress, or to any other legislative or administrative body.

I testified on October 15, 1999 before the Senate Committee on Governmental Affairs, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, on the topic of "Quality Management at the Federal Level."

Attached is a copy of the hearing transcripts and a copy of a report issued by the subcommittee, titled:

> REPORT TO THE PRESIDENT: THE CRISIS IN HUMAN CAPITAL
> Report by Senator George V. Voinovich, Chairman
> Subcommittee on Oversight of Government Management,
> Restructuring and the District of Columbia
> Committee on Governmental Affairs
> United States Senate, 106th Congress

My testimony is on pages 8-10, and 12, and 18-23 of the hearing transcripts. My testimony is referenced on pages 16 and 17 of the subcommittee report.

(b) Provide a list of all speeches and testimony you have delivered in the past 10 years, except for those the text of which you are providing to the Committee. Please provide a short description of the speech or testimony, its date of delivery, and the audience to whom you delivered it.

As Vice President – Culture at CSC over the last two years, I have done a great deal of speaking all over the globe to groups within the CSC organization. The nature and content of the presentations have been an interactive dialogue about the need for and ideas for culture change within the working environment of CSC. Here is a listing of the presentations:

January 2009
- CSC's Business Consulting Services, United Kingdom, Conference Call

February 2009
- CSC's Office of General Counsel

January, 2008
- CSC's Leadership Development Group – America's Outsourcing
- CSC's Global Org Change Management Community
- CSC's Financial Services Change Agent kickoff
- CSC's Production Engineering Global Operations Town Meeting

February, 2008
- CSC's European Change Agent Team
- CSC's Let's Talk CSC program
- CSC's National Public Sector Change Agent Team
- Interbrand Team briefing (sub-contractors developing CSC's new branding)
- CSC's National Public Sector Army Programs

March, 2008
- CSC's Senior Leadership Forum
- CSC's Supply Change Management Team

April, 2008

- CSC's Women in Leadership
- CSC's World Sourcing and Services Team

May, 2008

- CSC's Global Security and Services Directors' Conference
- CSC's America's Outsourcing Human Resources Team
- CSC's Quality Assurance Team
- CSC's Senior Leadership Conference
- CSC's European Leadership Programme

June, 2008

- CSC's World Sourcing and services Senior Staff
- CSC's Human Resources Group
- CSC's Catalyst Organizational Change Group
- Collaboration Presentation with Naomi Stanford at Mercer Conference HR 2.0, Half Moon Bay, California
- CSC's Diversity Council

July, 2008

- CSC's Catalyst Organizational Change Group
- CSC's European Transformation Staff

August, 2008

- CSC's Aon Account Leadership Team
- CSC India Change Agents

September, 2008

- CSC's Human Resources Group - Nordic Region
- CSC's Management Group - Nordic Region

October, 2008

- CSC's Storytelling Learning Lab
- CSC's Six Sigma training class

November, 2008

- CSC's Federal Consulting Practice Strategy Group

December, 2008

- CSC's Chief Information Officers
- CSC's Senior Leaders Forum – Strategy Panel

November – December, 2007

- CSC's Senior Leadership Forum
- CSC's Knowledge Management Team
- CSC's Leadership Development Group – America's Outsourcing

In October 1999, as the Chief of Staff at US General Services Administration, I spoke at the invitation of the Central Computer and Telecommunications Agency, an Executive Agency of the Cabinet Office, UK Government, at their annual Procurement Conference for government procurement specialists. I do not have copies of that speech, which I delivered from handwritten notes. The bulk of the content was about the shift at the US General Services Administration to a non-mandatory procurement agency under Clinger-Cohen and the ensuing need for new skills, training, and motivation of procurement staff.

During my tenure as Chief of Staff at US General Services Administration (1996-2001), I spoke at various staff events (annual quality awards, retirement parties, internal conferences). I do not have notes of those remarks.

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

I believe I was selected to be nominated because of my five years of experience in a leadership position with the General Services Administration during the Clinton Administration; my career as a leader within large and complex organizations, especially those facing major reinvention challenges; and my understanding of contracting, real estate, and technology, which are three core aspects of GSA's work. In short, I believe I was chosen because of my experience, knowledge, and capacity for leading change.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

- I was Chief of Staff at GSA for five years when the organization was undergoing substantial change challenges as a result of the Clinger-Cohen Act.
- I have participated in at least three major organizational transformations:
  - Cummins Engine Company's reinvention into a "total quality" organization using a Toyota production model;
  - GSA's post-Clinger-Cohen's reinvention into a non-mandatory supplier of goods and services; and
  - CSC where I support the CEO who is leading a corporate-wide structural change regarding how CSC goes to market. I provide the parallel culture change to help the employees do their new jobs well.
- I have worked in a number of adjacent industries and learned firsthand a great deal about GSA's core business, including architecture, inventory creation and management, and systems integration and technology.
- I hold a degree in management from Yale University, and I have a deep and longstanding interest in how to help complex organizations thrive and succeed.
- I have worked for companies that advise a number of government agencies faced with strategic challenges and changes. I have coached their leadership, interviewed and documented their issues, and facilitated their planning and implementation of change.
- I have experience in managing "green" issues. Currently, at CSC, I have created a corporate-wide, virtual discussion to determine the

organization's green strategy. I now sit on the CSC Greenway Board, a group of four executives that directs the strategy into action.

- I have worked in human resources, executive search, diversity consulting, leadership education, and culture change. Therefore, I am particularly skilled at leading, motivating, and encouraging an organization to thrive.

B. EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate? **YES**

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain. **NO**

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization, or to start employment with any other entity? **NO**

4. Has anybody made a commitment to employ your services in any capacity after you leave government service? **NO**

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? **YES**

6. Have you ever been asked by an employer to leave a job or otherwise left a job on a non-voluntary basis? If so, please explain. **NO**

C. POTENTIAL CONFLICTS OF INTEREST

1. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the General Services Administration's designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the GSA's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

2. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration or execution of law or public policy, other than while in a federal government capacity. **None**

3. Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position? **YES**

D. LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details. **NO**

2. Have you ever been investigated, arrested, charged or convicted (including pleas of guilty or nolo contendere) by any federal, State, or other law enforcement authority for violation of any federal, State, county or municipal law, other than a minor traffic offense? If so, provide details. **NO**

3. Have you or any business of which you are or were an officer, director or owner ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details. **NO**

4. For responses to question 3, please identify and provide details for any proceedings or civil litigation that involve actions taken or omitted by you, or alleged to have been taken or omitted by you, while serving in your official capacity. **N/A**

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination. None

E. FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents. (This information will not be published in the record of the hearing on your nomination, but it will be retained in the Committee's files and will be available for public inspection.)

REDACTED

AFFIDAVIT

Martha N. Johnson being duly sworn, hereby states that ~~he~~/she has read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of ~~his~~/her knowledge, current, accurate, and complete.

Martha N. Johnson

Subscribed and sworn before me this 12th day of May, 2009

Berin M. Jones Weaver

Commission Expires: August 14, 2009

U.S. Senate Committee on Homeland Security and Governmental Affairs
Pre-hearing Questionnaire for the nomination of
Martha Johnson to be
Administrator, General Services Administration

I. Nomination Process and Conflicts of Interest

1. Why do you believe the President nominated you to serve as Administrator of the General Services Administration ("the administration" or "GSA")?

   I believe I was nominated because of my five years as Chief of Staff with the General Services Administration during the Clinton Administration; my career as a leader within large and complex organizations, especially those facing major reinvention challenges; and my understanding of contracting, real estate, and technology, which are three core aspects of GSA's work. In short, I believe I was chosen because of my experience, knowledge, and capacity for leading change.

2. Were any conditions, expressed or implied, attached to your nomination? If so, please explain.

   No.

3. What specific background and experience affirmatively qualifies you to be GSA Administrator?

   I was Chief of Staff at GSA for five years when the organization was undergoing substantial change challenges as a result of the Clinger-Cohen Act.

   I have participated in at least three major organizational transformations:

   a. Cummins Engine Company's reinvention into a Total Quality organization using a Toyota production model;
   b. GSA post Clinger-Cohen;
   c. CSC, where I am currently supporting the strategic re-direct from the CEO which has structurally changed how we go to market and in which I am providing the parallel culture change to help the employees do their new jobs well.

   I have worked in a number of adjacent industries and learned firsthand a great deal about GSA's core business, including architecture, inventory creation and management, and systems integration and technology.

   I hold a degree in management from Yale, and I have a deep, longstanding interest in how to help complex organizations thrive and succeed.

   I have been a consultant to a number of government agencies that have been faced with strategic challenges and changes. I have coached their leadership, interviewed and documented their issues, and facilitated their planning and implementation of change.

I have worked in human resources, executive search, diversity consulting, leadership education, and culture change. Therefore, I am particularly skilled at leading, motivating, and encouraging an organization to thrive.

4. How do your experiences shape your view of the role of Administrator and the needs of GSA?

GSA is tasked with important stewardship and management of government assets and channels for procurement, transparency, sustainability, and policy. Its leadership must be uncompromisingly ethical and untiring in steering the organization with creativity and clarity. The right results require the right challenges and proper application of resources, both money and talent.

I view the role of Administrator through the many lenses of my experience – including serving customers, applying technology to innovate, inviting talent, asking hard questions, re-engineering inefficient processes, and employing measures that teach and improve performance. But the deeper answer is that I would view my role as Administrator as shaping GSA so that it is year on year more effective. What GSA does is largely mandated; how it does that work is where I hope to have influence and bring to bear the valuable recent lessons from industry about continuous improvement, innovation, knowledge sharing and collaboration.

5. Have you made any commitments with respect to the policies and principles you will attempt to implement as Administrator? If so, what are they and to whom have the commitments been made?

No.

6. If confirmed, are there any issues from which you may have to recuse or disqualify yourself because of a conflict of interest or the appearance of a conflict of interest? If so, please explain what procedures you will use to carry out such a recusal or disqualification.

I have been employed by SRA, International, which is a federal government contractor, and I am currently employed by CSC, also a federal government contractor. Pursuant to the ethics agreement I signed, which has been provided to this committee, I will recuse myself from any matters involving either of those organizations. I will consult with GSA's designated agency ethics official with regard to the means by which I carry out that recusal.

II. Role and Responsibilities of the GSA Administrator

7. What is your view of the role of the GSA Administrator?

The role of the GSA Administrator is to lead the Agency so that it fulfills its mission and

mandates for serving the best interests of the taxpayer, the federal worker, and other concerned parties. Such leadership requires strong internal direction, clarity, and integrity and exceptional external communication.

8. In your view, what are the major internal and external challenges facing the General Services Administration? What do you plan to do, specifically, to address these challenges?

Internally, GSA faces challenges of change, innovation, performance (especially in light of the shifts in the economy and the need to stretch the dollar), talent and leadership development, as does any major organization in the world today. My plans for those internal challenges would include building a strong leadership team, setting a clear and sensible strategy, assuring the health of systems and processes, encouraging the use of technology and the most promising developments in organizational theory to introduce appropriate changes and innovation, and establishing regular and clear communications to the people of the organization.

Externally, GSA faces challenges of a changing "market" as the demand for its services and supplies from the Department of Defense ebbs and flows based on conflicts in Afghanistan and Iraq. The new demands for "greening" the federal buildings inventory through the Recovery Act require a creative, focused, and fast response. Additionally, the need of the federal workforce for supportive, healthy, safe, and versatile workplaces requires new solutions. In short, GSA faces a changing market and shifting demands to support its customers as they work to support their missions. My plans for those challenges include building strong communication and problem-solving channels with customers and other stakeholders, searching actively for the best of breed solutions, and conducting ongoing strategic "scanning" so that GSA can anticipate more than just the immediate and visible customer needs.

9. What are the highest priority items you intend to focus on if confirmed as GSA Administrator? What do you hope to accomplish during your tenure as Administrator?

My highest priority items would be:

a) Demand, model, and secure an uncompromising demonstration of ethical behavior and an organizational culture of values and trust;
b) Guarantee consistent, prompt and high value performance for our customers;
c) Attend to the demands of the Recovery Act;
d) Support the Obama Administrations promise of a more transparent government;
e) Build and nurture a strong leadership cadre.

I hope to build GSA so that I can leave the organization in an upward spiral of excellence in efficiently delivering value, a culture of leaders growing leaders, and a record for welcoming proper risk, experiment and innovation so that the government has a cutting edge advantage in workforce effectiveness.

10. What do you consider your most significant accomplishments when you served as Chief

of Staff at GSA?

I am very proud of the following accomplishments:

- the increased diversity and versatility of the leadership team;
- the teamwork with the Administrator in creating a strategy that was known, quoted and exemplified throughout the organization;
- the experimental tone and culture the Administrator and I established that in turn created new products, innovative rewards systems, and experimental and effective communications;
- the restructuring and streamlining of measurement systems and reporting which, while done in particular in the Public Building Service, was welcomed, touted, championed, and encouraged by the Administrator and me;
- the support I was able to give the organization in deploying the internet across the workforce (an early example in the federal government);
- my participation in engineering the creation of FirstGov.gov;
- the authorship of a workbook for small group dialogues on race which were held in regions across the country;
- the mentoring I was able to offer to employees.

III. Policy Questions

General Management

11. What is your approach to managing staff, and how has it developed in your previous management experiences?

    I manage staff with the philosophy that people come to work to do their best, seek work that is meaningful, and will thrive if trusted. I also strive to give immediate and honest feedback, give people a chance to learn but not the elasticity to drag down performance or their colleagues. I have supervised and led unionized automotives workers, engineers, consultants, staff, and executives, and I have developed my management skills in a variety of workplaces and with a variety of change demands.

12. What is your view of the relationship between the GSA Administrator and the GSA Inspector General (IG)?

    The Inspector General plays a critical and valuable role of oversight, investigation, analysis, and communication. I believe that the relationship between the GSA Administrator and GSA IG can be and needs to be respectful, regular, open, and productive.

13. GSA has significant responsibilities under the American Recovery and Reinvestment Act

(ARRA) (P.L. 111-16). ARRA provides GSA with an additional $5.5 billion in construction funds – an amount over four times GSA's typical construction budget for a year. GSA also will administer $300 million for the acquisition of energy efficient vehicles. Agencies also are likely to increase their use of the GSA schedules in carrying out their own ARRA responsibilities.

a. What measures will you take to ensure that ARRA funds are spent responsibly, and in compliance with ARRA's accountability and transparency requirements?

   My understanding is that GSA formed a nationally managed Program Management Organization (PMO) to execute Recovery program activities. This office will be staffed with experts and supported by high performing associates, as well as industry hires and appropriate contract/consultant resources to ensure successful program implementation. I believe that the PMO is managing an aggressive project schedule and is using streamlined business processes to deliver Recovery Act projects on time and on budget.

   If confirmed as Administrator, I would be happy to follow up with detailed and regular reports on this issue.

b. GSA intends to use contractor support to support the execution and management of ARRA projects. What will you do to ensure that GSA exercises proper oversight of these contractors?

   If confirmed as Administrator, I will ensure that all ARRA construction contracts are implemented subject to the FAR and undergo rigorous, full, and open competition to ensure transparency and cost effectiveness. In addition, I will be asking our Chief Human Capital Officer to brief me regularly about the skills and talent of the staff that is involved in the implementation of the AARA mandates, so that I can assure that we have sufficient leadership and staff dedicated to this important, new, and significant extension of work.

14. GSA uses contractors to perform a number of functions closely associated with inherently governmental work, including acquisition support. Do you believe additional controls to prevent conflicts of interest are needed?

    It is my understanding that GSA has not experienced significant problems with the use of contractors supporting the contracting or program management functions since June 2000. In part this is due to a clear understanding by both the government and the contractors of the role that contractors are to play and the effectiveness of the contractors in building the appropriate "Chinese Walls" to avoid organizational conflicts of interest.

    It is my understanding that GSA is concerned about the potential for personal conflicts of

interest of contractor employees and the issues presented by not having the same set of rules for individuals who work side by side in various GSA offices but who may be employed by the government with one set of personal conflict rules and by a contractor with another set of personal conflict rules. GSA has been working with the FAR Council to develop appropriate regulatory guidance to address this issue. GSA will also work with OMB in reviewing policies related to inherently governmental and critical functions.

Real Property

15. Since January 2003, federal real property has been on the Government Accountability Office's (GAO) list of programs at high-risk of waste and mismanagement. In its January 2009 update of the High-Risk List, GAO found that the administration and real property-holding agencies have made progress towards strategically managing federal real property and addressing long-standing problems, but underlying problems still exist, including excess and underutilized property, deteriorating facilities, unreliable real property data, overreliance on costly leasing, and security challenges.

    a. What is your opinion of the progress GSA has made in addressing the problems identified by GAO?

    It is my understanding that GSA has made significant progress in addressing the problems GAO identified as causing federal real property to be high-risk. GSA has promoted improved asset management for its own portfolio, and through the Federal Real Property Council, for the government-wide inventory of real property.

    As part of the last Administration's management agenda, GSA was recognized as the first federal agency to achieve "green" status on a government-wide initiative to improve real property asset management. GSA's portfolio management efforts have resulted in:

    - Reduced vacant space;
    - Improved reporting and management of underutilized assets
    - Supplemented the Federal Buildings Fund with sale proceeds of excess property;
    - Targeted increased investment to energy saving improvements.

    b. What objectives would you like to achieve during your tenure at GSA in the real property area? What specific steps do you anticipate taking to meet those objectives?

    If confirmed as Administrator, my primary objective in the real property area would be to ensure that GSA continues to be a leader in Federal Real Property management. Specifically I would aggressively promote strong asset management practices that will:

    - Convert GSA assets into high-performance green buildings by successful execution of American Reinvestment and Recovery Act funds;
    - Continue to right-size the PBS portfolio;

- Continue GSA's leadership in Green Building practices;
- Focus reinvestment on high-performing assets;
- Continue to improve the performance of the portfolio;
- Focus on reducing vacant and underutilized properties;
- Identify and develop technical standards and green practices for high-performance green buildings.

In order to meet my objectives I would:

- Promulgate real property policy and regulations that promote responsible asset management across government;
- Increase the sustainability and energy efficiency of the PBS portfolio;
- Ensure reinvestment in our assets to meet our customers' long-term needs;
- Seek cost effective alternatives to leases for long term customer requirements;
- Assist in coordinating high-performance Green Building information and activities within the government;
- Identify incentives to encourage high-performance green buildings and technologies.

c. What do you consider the major challenges facing GSA as it tries to gain better control over its stock of property and save taxpayer dollars through better management of its inventory?

GSA should continue its sound asset management practices of disposing of unneeded and underutilized assets, reinvesting strategically in core assets, constructing new inventory when appropriate, and operating efficiently to maximize the return to the Federal Buildings Fund to support capital investment activities. GSA should continue to investigate the use of new and existing authorities. However, based on my past experience in the agency, I believe this will provide only marginal relief. GSA will need direct appropriations to address some of these challenges.

The American Recovery and Reinvestment Act of 2009 (ARRA) provided GSA with $4.2 billion to convert a portion of its portfolio to be high-performance green buildings. Successful implementation of the ARRA projects will help to address a segment of the repair and maintenance requirements. My understanding is that ARRA funding will reduce the capital investment liabilities by only approximately $1 - $1.5 billion because the cost of cutting edge energy saving equipment is more than that of merely replacing worn infrastructure.

Reinvestment funding for aging facilities remains a major challenge for GSA. Lack of reinvestment leads to a spiral of facility deterioration and ultimately an inability for the agency to provide workplaces that meet the needs of the customers.

16. Since the late 1980s, GAO has reported that overreliance on costly, long-term operating

leases has cost taxpayers hundreds of millions of dollars and needs to be addressed. In January 2008, GAO reported that for four of seven GSA leases examined by GAO, leasing was more costly over time than construction. GSA has also reported that at the end of FY2008, it, for the first time, leased more space than it owns.

a. What specific strategy should GSA pursue to reduce the federal government's overreliance on costly, long-term operating leases?

   I believe that GSA should increase its request for appropriated funds for federal construction and building purchases to meet long-term government needs that the commercial real estate market can not readily supply at prevailing market rental rates. In the past, sufficient resources have not been available, on a consistent basis, for GSA to be able to pursue this strategy.

b. GAO points out that federal budget scorekeeping rules require the full cost of construction to be recorded up-front in the budget, whereas only the annual lease payment plus cancellation costs need to be recorded for operating leases, making them "look cheaper" in any given year even though they generally are more costly over time. Do you believe that changes to the budget scorekeeping rules are necessary for agencies to be able to make the most cost-effective choice?

   It is my understanding that operating lease procedures and GSA's Federal Buildings Fund rules allow GSA to enter into long-term lease agreements that are scored annually. Federal construction projects, in contrast, are scored fully in the years funds are appropriated. A 30-year, present value cost analysis of both procurement methods delivering the same project will often show federal construction to be more cost effective, as the GAO report concluded. Changing the scorekeeping rules to enhance ownership opportunities may help agencies make more cost-effective choices. However, if new resources are not created to meet long-term government needs, leasing is the only viable alternative.

17. Given diminishing in-house resources, the National Broker Service (NBS) contracts are critical to the success of GSA's overall leasing program. GSA expects to use the NBS contracts to accomplish 90% of its workload by 2010. Furthermore, over 55% of federal employees rely on GSA to provide workspace at a cost of about $3.6 billion annually. Given the magnitude of the program and its importance to GSA's entire leasing program, it will be critical to continually assess whether the changes GSA has implemented have improved its oversight of its brokers and its regions, as intended. To what extent do you believe NBS contracts have contributed to GSA's strategic goals of operating effectively and efficiently and providing best value for customer agencies and taxpayers?

    I understand that the National Broker Contract has contributed to GSA's strategic goals. When PBS leases are compared to the market, it is clear the National Broker Contract has helped PBS realize millions of dollars in annual cost savings. If confirmed as Administrator, I would be happy to follow up with a more specific factsheet on this issue.

18. Underutilized or excess federal property is a problem that puts the government at significant risk for lost dollars and missed opportunities. According to GAO, in May 2007, GSA reported 258 buildings, with 13.8 million rentable square feet, as excess property. In order to help other agencies better serve the public by meeting – at best value – their needs for real property such as federal buildings and to meet its goal of exemplary management of buildings, GSA should reduce its excess and underutilized property. If confirmed as GSA Administrator, what strategy would you implement to help the federal government reduce excess and underutilized property?

    If confirmed as Administrator, I would implement a strategy that views federal assets much in the same way that a prudent investor would examine a portfolio. GSA is a key member of the Federal Real Property Council, and in this capacity works with other landholding agencies to assess and evaluate performance of assets and share strategies.

    If confirmed, I intend to work with the Office of Management and Budget to implement a financial strategy that addresses GAO's concerns. Clearly, assets that are financially performing would be retained when there is a long term federal need, and assets that are found to be underperforming would be repositioned.

19. Restoration, repair, and maintenance backlogs in federal facilities are significant, and GSA has struggled to meet the repair and maintenance requirements indentified at its buildings. In October 2008, GAO reported that GSA has estimated its repair and maintenance needs at $7 billion over the next 10 years. Given that one of GSA's goals is leading agencies in economical and efficient management of federal assets through management of its buildings, addressing the backlog challenge is vital. In your view, what strategies should GSA implement to reduce the existing maintenance backlog?

    GSA should continue its sound asset management practices of disposing of unneeded and underutilized assets, reinvesting strategically in core assets, constructing new inventory when appropriate, and operating efficiently to maximize the return to the Federal Buildings Fund to support capital investment activities. It should continue to investigate the use of new and existing authorities. However, based on my past experience in the agency, this will only provide marginal relief; GSA needs direct appropriations or authority to borrow funds to finance capital investment.

    The American Recovery and Reinvestment Act of 2009 (ARRA) provided GSA with $4.2 billion to convert a portion of its portfolio to be high-performance green buildings. Successful implementation of the ARRA projects will help to address a segment of the repair and maintenance requirements. My understanding is that ARRA funding will reduce the capital investment liabilities by only approximately $1 - $1.5 billion because the cost of cutting edge energy saving equipment is more than that of merely replacing worn infrastructure.

    Reinvestment funding for aging facilities remains a major challenge for GSA. Lack of reinvestment leads to facility deterioration and ultimately an inability for the agency to provide well- functioning workplaces that meet the needs of the customers.

20. Consolidating the headquarters of the Department of Homeland Security (DHS) at the St. Elizabeth's campus is integral to addressing the integration and management challenges faced by DHS. Successful and timely completion of this project will require close cooperation between DHS and GSA.

    a. What steps will you take to ensure that FY2009 appropriations and ARRA funds for St. Elizabeth's are effectively executed, considering the need to expedite GSA and DHS ARRA obligations while also ensuring transparency and cost effectiveness through competition?

    It is my understanding that GSA will expedite the construction of the Department of Homeland Security headquarters at St. Elizabeth's through the use of the Design/Build process. I understand that GSA has used the Design/Build process successfully on other large scale projects. This time-saving approach involves use of an architect to prepare the preliminary design for a building and a design/build team to complete the design and begin construction.

    Additionally, GSA's design and construction contracts are implemented subject to the FAR and go through a rigorous full and open competition to ensure transparency and cost effectiveness.

    b. When do you anticipate obligating the FY2009 appropriations?

    My understanding is that GSA is on schedule to complete this project on time. If confirmed as Administrator, I would be happy to provide you with a factsheet with this information.

    c. GSA intends to use a "design-build" approach to construction at St. Elizabeth's. What will you do to ensure that design-build contracts are effectively managed and that GSA and DHS have a process in place to prevent cost overruns?

    It is my understanding that GSA regularly uses the design/build process. I also believe that GSA will use a Construction Management firm (CM) to support GSA in keeping the project on schedule and prevent cost overruns. If confirmed as Administrator, I intend to receive regular updates and full briefings, if necessary, on the progress of the St. Elizabeth's project.

    d. Will you promptly inform the Committee of any delays or difficulties that will affect cost, schedule, or performance of contracts for St. Elizabeth's?

    If confirmed as Administrator, I am committed to working with the committee to assure full and healthy communications and address any project delays.

21. ARRA provided Customs and Border Protection (CBP) with $420 million for modernizing port of entry (POE) infrastructure and GSA with $300 million. Despite this

increase in infrastructure funding, CBP projects that over $5 billion will be needed to fully modernize all existing POE. The FY2010 request for GSA only includes funding for 3 POE projects, totaling roughly $150 million – far short of the $500 million per year that CBP has projected the nation's POE need.

a. If confirmed, what steps would you take to ensure that our POE infrastructure is adequately funded each year?

   If confirmed as Administrator, I will insist that GSA continue to work closely with CBP in reviewing their infrastructure needs at land ports of entry on both the Canadian and Mexican borders, which includes review of their five year plan. We will continue to explore ways of improving on GSA's delivery time and procurement methods. I will also work closely with our authorizing and appropriations committees to ensure adequate funding for these priorities.

b. Will you commit to working closely with CBP to ensure that the projects that are identified as homeland security priorities are funded in a timely manner?

   I recognize that the work of CBP is important to our national security. I believe in fostering strong relationships with customers and delivering on our commitments in a timely fashion. If confirmed as Administrator, I will support CPB and its priorities to the best of my abilities.

22. CBP has complained that the current process they must go through to make improvements or to modernize POEs is cumbersome, takes 7-10 years from start to finish, and that many facilities are outdated from the moment they are finished as a result of this extended timeline.

a. What specific steps must be followed by CBP and GSA to construct or renovate a POE?

   Given my understanding of GSA's capital prospectus process, CBP and GSA must first agree on CBP priorities. GSA then begins necessary studies - such as site, market and viable alternatives for replacing or renovating an existing POE. GSA, in consultation with CBP, must pursue congressional authority and appropriations, assuming the project is over the prospectus limitation. Once funds are committed, GSA would begin design of the facility to meet CBP program requirements. Once the design is approved and funding is appropriated, GSA would begin construction or renovation. During the construction period, GSA and CBP will have multiple meetings to ensure that CBP requirements are being adequately met.

b. Do you believe that there are ways in which this process could be streamlined or otherwise made more efficient?

   In my experience, completing thorough front-end project planning and addressing all program requirements and changes prior to construction is the most efficient and

streamlined process to achieve a successful project. If confirmed, I am committed to ensuring that GSA has the most efficient process in place to accomplish CBP priority projects.

c. What kind of planning is currently being undertaken to ensure that facilities will be viable over an extended period of time regardless of increases in traffic volume or security measures?

Given my understanding of POE's, I would conjecture that GSA is taking steps to ensure inspection plaza areas are designed to accommodate future lane expansion for increased traffic volume. In addition, GSA should take steps to ensure that advanced technology will be easily incorporated into facilities to accommodate increased security measures and technological advances. If you would like additional information, I would be happy to follow up on this issue if confirmed as Administrator.

23. POEs must compete with other federal buildings for funding each year in the GSA's federal buildings fund. There has been concern within the Committee that this competition has resulted in less funding being allocated for POE construction and renovations than is needed to ensure that the nation's POE are modern, secure, and adequately facilitate trade.

a. What factors do you believe that GSA should consider when undertaking decisions about what projects will receive funding?

I understand the nation's interest in constructing POEs that are modern, secure, and adequately facilitate trade. Given my understanding of GSA's capital prospectus process, GSA considers several factors when choosing projects for funding. Such factors include project need, life safety, stakeholder priority, and return on taxpayer dollars. GSA should also consider the scope, social and/or economic impacts to communities and businesses, readiness to award in a particular fiscal year, as well as overall project cost.

b. Some have suggested that the federal buildings fund should be reorganized to ensure that projects that are vital to homeland security or other national priorities receive adequate funding. What is your assessment of this view?

I believe that GSA is committed to ensuring that vital homeland security and national priority projects receive adequate funding. However, funds for investment in such projects available to GSA, via the Federal Buildings Funds, historically are not adequate to meet the ever increasing enhanced security requirements and rapid growth within DHS. If confirmed, I would be open to discussions and analysis of GSA's procedures to evaluate funding alternatives for POEs.

24. In the past, the federal judiciary has challenged rent charged by GSA for court-related purposes on the grounds that GSA was, in some cases, charging rent for space not

occupied by the judiciary and in some cases charging rents that exceeded commercial charges or comparable space. Recently, GSA and the judiciary have worked cooperatively to help contain the judiciary's rental costs and have signed a Memorandum of Agreement to change the way rent is calculated for all federally-owned courthouses delivered in the future. This new cooperative approach has yielded significant savings for the judiciary. In FY2005 the U.S. Judicial Conference projected its GSA rent bill would be $1.2 billion in FY2010; it now projects the rent estimate to be approximately $200 million less. Will you continue to work closely with the Director of the Administrative Office of the U.S. Courts to help address the judiciary's increasing needs for courthouse space in a cost-effective manner?

Yes.

My understanding is that the Judiciary is GSA's largest federal tenant and GSA took steps to develop a positive working relationship with them over the past few years. I also understand that GSA has taken steps to reform business practices that will correct items such as rent bill and space assignment errors. If confirmed, I will continue to foster our relationship with the Judiciary, while also ensuring the health and viability of the Federal Buildings Fund.

25. While the Federal Protective Services (FPS) is no longer part of GSA, ensuring that federal employees have a secure work environment and that building assets are adequately safeguarded must remain one concern of GSA. GAO recently found that FPS faces several operational and funding challenges that hamper its ability to protect the one million employees and member of the public that work in and visit GSA's 9,000 facilities each year. Consequently, this has contributed to diminished security and increased the risk of crime or terrorist attacks at many GSA facilities. While FPS has taken some action to address these challenges, the actions do not fully resolve them.

    a. If confirmed, what steps will GSA take to ensure that federal employees have a secure work environment and that GSA buildings are adequately safeguarded?

    I understand the importance for GSA to provide secure facilities for our client agencies, their customers, and the visiting public. GSA must manage a delicate balance between tenant security and openness to the public. Federal space needs to be inviting to the citizens of this country, but also secure.

    It is my understating that GSA receives law enforcement and protection services from FPS. If confirmed, I would monitor FPS' service delivery to ensure that our facilities are secure and safe. I would also work with GAO in regard to the protection of federal facilities.

    b. How would you, if confirmed as GSA Administrator, ensure coordination between GSA and FPS?

    I believe it is essential for GSA to collaborate with FPS on critical security issues. If

confirmed, I will stress the importance of partnerships between our two organizations, attempt to establish clear lines of responsibility, promote regular and meaningful communications, and continuously monitor our relationship

Procurement

26. What steps will you take to ensure that GSA provides effective and efficient procurement services to customer agencies which will help them successfully accomplish their mission goals? What steps will you take to be responsive to the diverse needs of customer agencies?

    It is my understanding that GSA has a number of initiatives in place, managed by the Office of the Chief Acquisition Officer and the respective Services, to oversee its procurement services. These initiatives appear to be effective. If confirmed, I will ask the Chief Acquisition Officer, consistent with the President's March 4 memo on acquisition, to review GSA's practices and identify improvements, if any, which are necessary.

27. What changes, if any, would you make to the GSA's procurement processes?

    There are a number of reviews and reports concerning GSA's operations that are either just completed or will be completed in the near term. I plan to review those reports and work with my Office of the Chief Acquisition Officer to identify what processes, if any, require improvement.

28. In March 2009, President Obama directed the Director of the Office of Management and Budget (OMB), in consultation with the Administrator of GSA, the Director of the Office of Personnel Management, and the heads of other major contracting agencies, to develop new guidelines to assist agencies in identifying contracts that are wasteful, inefficient, or otherwise not meeting agency needs. The President further directed a review to develop new policies to ensure use of appropriate contract vehicles, assess the capabilities of the acquisition workforce, and clarify when outsourcing is and is not appropriate.

    a. What do you anticipate your role will be in this government-wide review of contracting practices?

       GSA's Acting Chief Acquisition Officer is currently working with OMB to develop guidance and processes for the government-wide review of contracting practices. I intend to work with the Acting Chief Acquisition Officer and subsequently the Chief Acquisition Officer in providing support to OMB.

    b. What do you believe are the most critical changes that need to be made on a government-wide basis to improve the efficiency of federal contracting?

    I understand that GSA has articulated the philosophy that Acquisition, not just contracting, is a horizontal function of government and that GSA has a crucial role in

facilitating Acquisition across the Federal government, and where authorized, State and Local governments. If confirmed, I will work with the Administrator of the Office of Federal Procurement Policy, the Secretary of Defense and the Administrator of NASA to ensure that we continue to make progress in improving the administration of acquisition government-wide. I will also work on improving GSA's offerings to its customers to ensure that GSA fully realizes its role.

29. As you state in your biographical questionnaire, you were Chief of Staff at GSA "when the organization was undergoing substantial change challenges as a result of the Clinger-Cohen Act" which led to a "reinvention into a non-mandatory supplier of goods and services."

    a. What do you see as the specific challenges that faced GSA at this time as a result of Clinger-Cohen and how did you address them as Chief of Staff?

       The Clinger-Cohen Act shifted the fundamental nature of GSA from a mandatory supplier of goods and services to a "supplier of choice." No longer were our customers required to buy from GSA; instead, they could choose to buy from other entities. Therefore, GSA was obliged to perform so that customers would bring the agency their business. At the time, this required different planning, leadership skills, research, training, and materials for which I supplied ideas, direction, review, feedback, and, in cases, design.

    b. What impact do you believe that the Clinger-Cohen Act reforms had overall on GSA and do you believe it led to more effective procurement of goods and services agency-wide?

       Clinger-Cohen facilitated the explosion in the acquisition of IT goods, services and solutions. It also challenged the leadership of GSA to reshape their strategic thinking and direction to staff so as to be more customer focused. The mandate of Clinger-Cohen that has yet to be realized, modular procurement, is a challenge that, if confirmed, I will take on as GSA Administrator making sure that GSA's customers understand how to use GSA's vehicles to achieve Clinger-Cohen's modular procurement mandate and yield better value for the taxpayer.

30. In 2006, Congress enacted legislation to combine GSA's Federal Technology Service and its Federal Supply Service to create the Federal Acquisition Service (FAS).

    a. In your view, what steps remain to improve the ability of FAS to serve its federal customers?

       I understand that GSA had several goals in creating the Federal Acquisition Service. One goal was to enhance efficiency and consistency and improve our relationships with customers and industry. Another was to decrease the duplication of effort across the enterprise. And finally, FAS was designed so that customers found it easier to navigate and more intuitive to understand. The intention was to provide better

services through total solutions, which were achieved by grouping similar business offerings into business portfolios.

I understand that several benefits have been obtained. Portfolios of grouped similar business lines reduced internal-FAS competition for business. More consistent, effective and efficient solutions and offerings are available for our customers. The FAS design makes it easier for customers to find contract solutions they need. Through streamlined business delivery, FAS helps customers remain focused upon their missions. GSA customers are better served because FAS employees remain focused on their needs.

For example, The FAS Integrated Technology Services Portfolio groups all FAS IT solutions into one business operation. The ITS Portfolio gives GSA customers easier access to the extensive IT and communication services and products on a variety of GSA contracts including Multiple Award Schedules (MAS) and Government Wide Acquisition Contracts (GWAC). Customers can go to one FAS Portfolio for the contracting solution that best fits their needs.

I understand that despite the progress of the last two years, further service improvements may be needed.

It is my understanding that FAS continues to identify methods to streamline the procurement process. Along with routine check-ins, FAS conducts annual customer satisfaction surveys to evaluate customer expectations, perceived quality, and perceived value. This feedback guides the improvement agenda.

I understand that FAS also seek improvements to its business processes. FAS is fostering a continuous process improvement culture by adopting Lean Six Sigma methodologies. FAS measures and analyzes customer satisfaction and the effectiveness of its business processes, surface opportunities for improvement, implements those enhancements, validates progress and repeats the cycle. These improvement projects span across the organization, involving business line offerings and enterprise-wide endeavors. Forming FAS has allowed GSA to streamline legacy business systems (from contract award, to order processing, to inventory management).

b. In what ways do you think FAS could improve its relationship with the vendor community?

As I understand it, FAS views vendors as vital partners and focuses on communication and outreach initiatives to strengthen the partnership:

- The GSA Expo and annual program-specific conferences include awareness sessions structured around industry needs.

- FAS interacts with coalitions and councils representing broad industry segments.
- Individual business lines and programs conduct periodic industry-government partnership councils.
- FAS conducts contractor assistance visits for major programs such as Schedules.
- FAS reaches out specifically to small companies and to firms owned by socially and economically disadvantaged individuals.
- Communications channels such as internet resources, publications, awareness sessions, online chats and webinars support vendor partnerships.

31. According to the Acquisition Advisory Panel, about $142 billion or 40% of the government's contract spending in FY04 was done under interagency contracts. Much of this is attributed to the explosive growth of the GSA Schedules Program, Government-Wide Acquisition Contracts (GWAC), and Multi-Agency Contracts (MAC), as well as the use of assisted acquisition services under the franchise funds authority. GAO designated the management of interagency contracting as a "High Risk" area in 2005, due to the need for stronger internal controls, clear definitions of roles and responsibilities, and training to ensure proper use of this contracting method.

    a. What is your view on the overall trend in the government's dependency on interagency acquisition, both in direct acquisition and assisted acquisition setting, and how do you plan to position GSA within this context?

    Interagency acquisition is a move in the right direction towards effective and efficient procurement of products and services. The growth in the GSA Schedules Program, Government-wide Acquisition Contracts (GWAC), Multi-Agency Contract (MAC), and assisted acquisition services demonstrates their usefulness in expediting the purchasing of critical products and services for government agencies. Agencies can use of the GSA contract vehicles or choose to focus their resources on their mission and rely on GSA's contracting expertise, including assisted acquisition services for acquisition solutions and project management.

    It is my understanding, however, that the issue of the government's dependency on interagency acquisition is driven by the size and competency of our acquisition workforce. Until we solve that issue, many agencies have no choice but to use inter-agency contracts extensively. The lack of a government-wide acquisition system denies government managers the opportunity to manage their spending in any meaningful way. With an adequate acquisition workforce and sufficiently transparent system we could better employ inter-agency contracts.

    On a final note, GSA's OCAO leads the government-wide team on the management the High Risk issue.

    b. What is your view of the new OMB interagency acquisitions guidelines issued in June 2008 as they pertain to interagency contracting practices? What other actions should be taken to improve management of interagency contracts?

As I understand them, the instructions were generally necessary, and communicate the importance of a clear set of roles and responsibilities and a well drafted interagency agreement. They were developed based upon work done by GSA and DoD in their MOU of 2006. However, the thresholds for application of the requirements of that letter are low and if confirmed I will work with the Administrator of OFPP to adjust the thresholds so that they make sense government-wide.

32. The Acquisition Advisory Panel recommended that MACs and certain large-dollar single agency Indefinite Delivery, Indefinite Quantity Contracts, referred to as "enterprise-wide contracts" be centrally coordinated by the Office of Federal Procurement Policy to avoid unnecessary duplication. The Panel also observed that while proliferation of contract vehicles dampens the potential benefits of interagency contracts, some competition among interagency contract vehicles is desirable and even fundamental to maintaining the health of government contracting.

    a. In your view, does the existence of numerous interagency contracting vehicles reduce the government's buying power, complicate management and oversight efforts, or increase the cost to the contractors who bid on such contracts?

    I believe that the proper amount of competition within the Federal market space makes sense and creates a healthy environment, yet, uncontrolled competition does not. I understand that GSA recognizes the need for agencies to assure access to sources of supply and services sufficient to meet their requirements. However, too many duplicative contracts burden agency resources, diminish the Government's ability to leverage buying power, and place a higher demand on industry bid and proposal efforts which drive up prices. If confirmed, I will work with the Administrator of OFPP to support a sensible balance, improve transparency, and find ways that the Federal market space has the flexible and valued vehicles needed.

    b. How will GSA address the proliferation of large, complex and potentially redundant MAC or enterprise-wide contract vehicles across the federal government? What approach would you recommend in addressing such issues?

    As I understand the situation, GSA has no authority on its own to manage this issue. If confirmed I will work with the Administrator of OFPP to support thoughtful, appropriate, transparent terms to encourage flexibility and prevent unneeded duplication.

33. GSA's largest interagency contract program – the Multiple Award Schedules program – has grown tremendously with sales increasing from about $5.6 billion in FY1997 to about $36.9 billion in FY2008. While the Multiple Award Schedules program enables federal buyers to acquire goods and services quickly and efficiently, concerns have emerged that

schedule prices are higher than the volume-discounted prices available to other large-scale buyers in the marketplace. What steps will you take as Administrator to ensure that agencies buying goods and services through GSA can be assured that they are receiving best value for their purchasing dollar?

It is my understanding that the Multiple Award Schedules (MAS) Program is a popular and valuable tool available to Government Contracting Officers. Oversight is provided by various stakeholder communities, and GSA continues to seek to improve the MAS Program and educate both the contractor and agency communities on best practices for using these vehicles. The GSA IG, GAO, various industry associations, Congress, the MAS Blue Ribbon Panel, customer agencies, individual contractors, and GSA staff provide feedback on the MAS Program. I understand that GSA strives to award optimum pricing. However, many factors impact a contractor's pricing strategy, which is not exercised until a requirement is defined. It is only at the order level that the contractor makes a final decision, based on the current circumstances and business environment, on pricing a proposal. Orders through MAS contracts require specific protocols: articulate requirements, establish a legitimate competitive environment, and evaluate proposals consistent with the Request for Quote.

FAS recently established the Multiple Award Schedules Program Office within the FAS Office of Acquisition Management to support best practices, develop and promulgate guidance to foster operational consistency across FAS, and interact with our various with our stakeholders communities on MAS issues.

34. Congress has authorized state and local governments to purchase goods and services off the GSA schedules in limited circumstances. The E-Government Act of 2002 (P.L. 107-347) authorized state and local governments to purchase information technology equipment from GSA schedules. Congress again granted similar purchasing authority, known as "cooperative purchasing," in 2007 by authorizing state and local governments to use the GSA schedules for purchases related to recovery from disasters, acts of terrorism, or nuclear, biological, chemical or radiological attack. Last year, Congress enacted the Local Preparedness Acquisition Act (110-248) authorizing state and local purchasing under GSA Schedule 84, which covers products and services related to law enforcement and security. Congress is currently considering expanding cooperative purchasing to purchases made by state and local governments with ARRA funds. Do you believe that cooperative purchasing is a concept that should be further expanded? In your view, does cooperative purchasing create any risks, either for GSA or for state and local governments?

I believe that GSA has traditionally taken the position that it would neither solicit nor oppose the expansion of use of its contracts by State or Local governments. I would observe that there could be significant benefits for taxpayers in expanding access to GSA contracts.

35. As you are aware, over the past several years GSA has faced a number of challenges, including mismanagement of customer agency's funds, inadequate contract competition and management, and the misuse of the Multiple Award Schedules program. These problems resulted in a subsequent loss of revenue as agencies began to more carefully assess their use of interagency acquisition and, in many regards, resulted in a general loss of confidence in the leadership at GSA. Please describe specific steps you would take, if confirmed, to re-instill confidence in GSA's leadership.

As an outsider viewing GSA's performance over the last eight years, I believe GSA experienced some rough waters and has rightfully made focused and earnest efforts to restore confidence and fix its problems. In strategic terms, GSA must balance among the demands of customers, industry partners, oversight, and stakeholders. There is a sense that GSA has been overly focused on internal operations and industry partners. If confirmed, I will be seeking a healthy and broader balance among all parties.

An example of the model I would hope to encourage is the cross-agency team that focused on DoD, improving relationships and GSA's understanding of their needs.

If confirmed, I will also put time and attention on sharing the story of GSA's efforts to perform with rigor and adequate and to earn a reputation for leadership and performance

For example:

- Financial systems have been enhanced to better identify and track customer funding;
- Quarterly project reviews are conducted within the programs to improve GSA's financial management of customer agency funding;
- GSA's Office of the Chief Acquisition Officer conducts annual Procurement Management Reviews throughout GSA's 11 Regional Offices;
- A repository of DoD directives, guidance and policy has been established on the gsa.gov home page with direct links to DoD internet sites;
- GSA leadership worked with Office of Federal Procurement Policy (OFPP) to issue a model Interagency Agreement and we are taking steps to promulgate that guidance;
- FAS established a Multiple Award Schedules (MAS) Program Office to promote:
    - Consistent, positive customer and industry experience;
    - Guidance in the application of MAS acquisition policy and guidelines;
    - Strategic requirements, development and implementation for key shared applications supporting the MAS Program; and
    - A central point for coordinating with key government stakeholders on issues impacting MAS Program.

36. One of the issues that have contributed to the misuse of interagency contracts was the fee-for-service environment, in which GSA at times has attempted to meet customer demands at the expense of good stewardship and accountability. What specific steps will you take to ensure that there is a proper balance between meeting customers' needs and

GSA's stewardship responsibilities?

I believe that GSA is sound financially. If confirmed, I will assume responsibility for GSA's fiscal discipline and financial performance. Presently, gross revenues are up compared to FY08 in both services. Business with GSA's largest customer is back on track.

This financial performance will allow GSA to invest in systems for greater management control (Pegasys and CHRIS) and better systems for connection with customers (GSA Advantage, E-Buy, and eSmart).

I believe that GSA needs to continue to provide for customer needs. Reputation and sound financial success and performance will come by serving the customers. For the past two years FAS has replaced many service offerings, including Smartcard, Citipairs, Networx, SATCOM II, E-travel, VETS, Alliant, Alliant Small Business, and Smartbuy. If confirmed, I will work to assure that we keep close to our customers and respond to their needs.

I understand that GSA continues to provide strong management control and oversight to its programs to assure success.

GSA has received an unqualified audit opinion since 2006. Over the last several years GSA's Chief Financial Officer has instituted a range of controls including a semi-annual review of Unfilled Customer Orders. Also, GSA conducts an annual assurance process in compliance with the Financial Manager's Financial Integrity Act (FMFIA).

GSA's Inspector General provides general oversight and accountability from an objective perspective. The Office of the Chief Acquisition Officer completes annual Procurement Management Reviews the results of which are incorporated into training and internal controls. TGSA's annual assurance review conducted in compliance with the FMFIA assures the organization has adequate management controls. Additionally, if confirmed, I will continue a regimen of reviews, oversight and communication on matters of performance and integrity.

37. Do you believe that the Industrial Funding Fee (IFF) should be the primary means for GSA to support the schedules program? Are there any disadvantages to having GSA rely on sales volume to cover operating expenses?

I believe that the Industrial Funding Fee (IFF) is the appropriate means for GSA to support the schedules program, as the fee generates resources to support the program without relying on annual appropriations from Congress. Relying on sales volume to cover operating expenses is consistent with GSA's overall fee for service model. The model is advantageous as it limits spending on operating expenses to the amount that can be recovered, promotes efficient operations, and ensures a program's size reflects the size of the market.

38. The Acquisition Advisory Panel recommended that GSA establish a new information technology schedule that would eliminate price reduction provisions, focusing instead on ensuring competition for orders to establish fair prices. What is your view of this proposal?

    I have been informed that the GSA's Office of Chief Acquisition Officer and the Federal Acquisition Service have reviewed this specific recommendation and have concluded that the recommendation cannot be executed. The Multiple Award Schedule Panel should soon be submitting its recommendation to the Administrator for review. If confirmed, I will have an opportunity to address how to price IT services in connection with the report.

39. The Alliant contract, a critical GWAC that provides technology products and services was recently awarded. It is a multiple award Indefinite Delivery/Indefinite Quantity (IDIQ) contract with a ceiling of $50 billion for a 5 year base period and one, five-year option period. Individual Task Orders can range as high as $1 billion. Alliant offers a range of task order types, including fixed-price, cost reimbursement, and labor-hour or time and material. There have been some difficulties with Alliant; it was originally awarded in 2007 but was delayed after eight contractors that were not selected filed for review of the award process. Last year the U.S. Court of Federal Claims found that GSA did not consistently apply its award criteria. It wasn't until March this year that GSA was able to resolve this and make the final award. GSA ended up awarding Alliant to 59 offerors out of a total of 66. Four offerors did not pass the acceptability review and three offerors were merged or acquired by other companies. Therefore, out of the remaining eligible offerors, all 59 were awarded Alliant contract.

    a. If confirmed what steps will you take to ensure that award criteria are consistently applied to prevent these delays in the future?

       I have been informed that GSA accepted the findings of the Court of Federal Claims and incorporated changes in response to those findings in the Alliant award process. Changes included a robust Quality Assurance process for all deliverables and an integrated Legal Review. GSA has awarded the Alliant and Alliant Small Business contracts and they are in operation and being used by government Agencies.

       With the re-evaluation and award of Alliant complete, it is my understanding that GSA will conduct a review of the entire acquisition process to capture and share across the acquisition community best practices which will mitigate risks in future procurements of this size and scope.

    b. The GSA IG recently recommended that changes should be made to the Alliant ordering guide to include more scope-related information to mitigate the risk of task orders being awarded outside of the scope of the contract. This has been a problem for GSA in the past. If confirmed what steps will you take to make sure future

ordering guides have sufficient guidance in this area?

I understand that the GSA IG reviewed the draft ordering guide for Alliant at the request of the Alliant Program Office. The IG made various recommendations for the Ordering Guide, some of which had already been independently implemented by the Alliant Team. All GSA IG recommendations were incorporated in the latest version of the Ordering Guide which has been posted on the Alliant website.

The decision to consult the IG for recommendations prior to issuance of the final Ordering Guide is an example of GSA's proactive approach to this issue and commitment to providing appropriate guidance to customers.

40. The contracts for GSA's current telecommunications program, FTS2001, will expire by June 2010. Right now, agencies face the difficult task of transitioning their services to a successor program, known as Networx. In a recent report (GAO-08-759), GAO found that although selected agencies are generally following sound transition planning practices, other key practices are not being fully implemented at certain agencies, such as the Department of Homeland Security.

    a. As GSA Administrator, what can you do to ensure that agencies address gaps in their planning and avoid delays and unnecessary costs in the transition to Networx?

    First, I would like to emphasize the importance of completing the Networx Transition before the current contracts expire. In addition to the savings Agencies will realize by transitioning to the new contracts, the security and interoperability benefits make it extremely important that this transition be completed as rapidly as possible.

    I believe that a large transition such as transitioning FTS2001 services to Networx involves a partnership between GSA and the Agencies. If confirmed, I will work closely with Agencies to determine what planning and implementation gaps prevent transition progress. I will ensure that GSA has provided the plans, processes, support systems, guidelines and procedures necessary to facilitate Agencies' transition and will work closely with senior Agency executives so that GSA can be helpful in completing their transition on schedule. I intend to offer technical and acquisition resources to Agencies that need them, and will do all I can to provide assistance to agencies in conducting their fair opportunity process, in ensuring Statements of Work are complete and ready for release to contractors, in writing orders, implementing transition and in removing any issues that might delay the transition process.

    b. What do you believe the status is of the Networx transition and what are your views on its overall implementation?

    I believe that the Networx transition is moving too slowly and at the current rate, the Government may not complete the transition to the Networx contract before the current contracts expire.

Only 24 months remain to complete transition within the FTS2001 Bridge contracts' base, plus continuity of service, period ending in June 2011. Agencies have disconnected only 15.6% of the FTS2001 services which translates to $15.2 Million per month across Government in lost savings.

Failure to complete the transition in the timeframe available will cause GSA to incur greater costs associated with renewing the Bridge contracts and will prolong the time necessary to manage both FTS2001 Bridge and Networx contracts.

c. Given GSA's responsibility as facilitator for the Networx transition, what will you do to ensure that GSA is proactive in identifying and resolving common transition challenges, completing actions planned to resolve already identified challenges, and monitoring transition progress?

I will raise the level of dialogue on the Networx Transition, so that senior Agency officials and newly appointed Agency Heads are aware of the importance of completing the transition in the timeframe available.

If confirmed, I will be committed to a more active role by GSA in working with our Agencies through the Interagency Management Council (IMC). I will strongly support GSA's newly revised IMC Charter that designates the Assistant Commissioner for Information Technology Services as the IMC Chairman, calls for more senior agency representatives, and encourages a closer link to the CIO Council. I will provide direct transition assistance to Agencies in the areas of technical and operational support. GSA will sponsor monthly Agency Transition Working Group meetings to focus on measuring, resolving issues and reporting transition progress. I will make transparent all measures of transition progress and ensure GSA is doing whatever is necessary to assist each Agency in transitioning their services to a Networx contract. I will assure that unresolved issues significantly impacting Agency wide transition progress are escalated within GSA to proper management authority for quick resolution.

41. Networx has raised management concerns regarding the ability of GSA to be a solutions provider for the entire federal government in such a large arena as telecommunications services and goods. What management improvements do you intend to implement to ensure that such large, complex acquisitions are completed on a timely basis?

Most, if not all, concerns raised regarding GSA's ability to be a Government-wide telecommunications provider relate to the transition challenges addressed in the prior question. Networx is the third in a highly successful series of telecommunications acquisition programs that have leveraged the volume of the Government to provide best value services to the Government. It was awarded on schedule and offers the lowest prices available in the government marketplace that are 10 to 40 percent lower than prices offered on FTS2001.

The key to completing large complex acquisitions such as Networx on schedule is having an adequate staff of highly skilled technical experts with deep program management experience in sufficient quantity to do the job.

GSA's approach is to assign highly qualified government personnel augmented by highly skilled and qualified contractors. This formula was highly successful on the Networx Program evaluation and is the key to transition. GSA is committed to hiring the best and most qualified network services professionals in industry. Nothing less will do in meeting the challenge you indicate.

If confirmed I will commit to meeting future challenges in awarding such broad reaching contracts, by assuring that GSA will do the following:

- Continuous monitoring of technology, pricing, and service delivery trends in the market place and agency buying trends to minimize the time to establish an effective timely acquisition strategy;
- Maintaining highly qualified acquisition technical expertise in the GSA leadership team; and
- Timely leveraging of state-of-the art automated acquisition and evaluation support tools

42. GSA has promoted several programs and initiatives to increase awareness of environmentally-friendly products. If confirmed, how would you improve GSA's environmental efforts?

I know that GSA has been, and I believe GSA will continue to be, a committed steward of the environment. An important part of the FAS mission is to provide product and service solutions that facilitate compliance with a variety of acquisition requirements including existing environmental laws, regulations, and executive order mandates.

FAS strives to be the premier provider of environmental products and services for the Government. Through Global Supply, Schedules, Government wide Acquisition Contracts (GWACs), Telecom contracts, Fleet, travel and purchase card programs, assisted acquisitions, and industry partnerships, FAS has the ability to make substantial contributions to greening efforts across the federal government. The implementation of the FAS Environmental Management System (EMS) will position FAS in achieving this goal.

Last year FAS launched an effort to implement an EMS as required by Executive Order 13423. The FAS EMS will provide a standardized, controlled approach to identify systematically and continuously improve the management of its organization's significant environmental aspects. It will bring environmental considerations into the day-to-day decision-making operations. It will also establish a system for tracking, evaluating and

communicating environmental performance. The FAS organization will have a fully implemented EMS at the headquarters level in FY2010, then rolling out implementation efforts to the regions.

I believe that FAS has done great work over the years supporting a host of environmental acquisition requirements. FAS offers more than 10,000 green products and services that help promote eco-friendly policies aimed at safeguarding our nation's precious natural resources. To help customers select environmentally friendly products for their agencies, searches in the GSA Advantage!® and GSA Global Supply online purchasing systems can be customized to search by specific environmental attributes such as products made from recycled materials.

The FAS Office of Integrated Technology Services (ITS) will complete the development of a prototype web-based management tool to track greenhouse gas (GHG) emissions, energy and fuel use, and other operations at its facilities. This tool will provide a quantitative understanding of an organization's "carbon footprint" and serves as the foundation to make cost-effective energy use and GHG emissions management decisions. I understand that FAS plans to make this web-based management tool available to other GSA activities and federal agencies.

The FAS Fleet program leases over 80,000 Alternative Fuel Vehicles (AFVs) to its customers. AFVs make up over one-third of the 213,000 vehicle fleet. The FAS Fleet's current cost per mile is 45 cents which is 57% less than the Federal government's FY 08 average of 78 cents per mile. Also, FAS Fleet has partnered with the Army to provide 4,000 Low Speed Electric Vehicles for use on Army installations in the United States. FAS Fleet will lease these vehicles to Army which will provide an estimated petroleum reduction of 480 gallons* per vehicle per year as compared to a compact sedan. This amounts to a total petroleum reduction of almost 2 million gallons per year.

> *Note: Assuming 12,000 miles driven annually and a compact sedan combined MPG rating of 25.

FAS recognizes that as one of the largest federal supplier of goods and services it is positioned to help the federal government reduce negative impacts on the environment. FAS' commitment as a good steward of the environment is to do as follows:

- Continue to assure that environmental considerations are a priority in the planning for all direct order, assisted services, and leasing programs, in addition to work processes and procurements.
- Continue to foster strategic partnerships with its customers, regulatory agencies, and industry partners to enhance the value of contract vehicles and increase the acquisition of environmental products and services.
- Work to improve partnerships with FAS customers through nationwide proactive training initiatives that targets acquisition personnel.

Identify and develop untapped opportunities that perpetuate environmental mandate compliance and business potential.

43. This Committee recently heard testimony from Alan Paller, Director of Research for the SANS Institute, that "[t]here is strong evidence that federal cyber security can be radically improved through strategic use of federal buying power."

    a. Do you believe that GSA currently does enough to ensure that proper security considerations are being taken with the technology services and solutions that it offers?

    In view of the increasing complexity of and the growing threats to our Federal information systems, I believe there will always be more for GSA to do in addressing the evolving security needs for technology services and solutions. GSA's unique and pivotal roles, both in Federal Governmentwide policy and technology strategy and in information technology acquisition, place a special burden on GSA to serve as a leader in securing the Federal government's information technology assets.

    I have been informed that GSA is in discussions with leading cyber security experts, including Mr. Paller, to examine ways in which our services can be used to close vulnerabilities in federal cyber security.

    GSA currently has several programs that combine to improve federal cyber security through strategic acquisition, from the desktop through the Enterprise. For example, SmartBuy is a Strategic Sourcing initiative that leverages federal buying power in purchasing COTS software products and services. Thus GSA is able to acquire important information security products at good prices. SmartBuy offerings include the first FIPS201-compliant Antivirus software for government users, Data-At-Rest Encryption to protect today's mobile workforce, and Network Management, and Certification and Accreditation tools.

    GSA is working now with DHS to acquire Situational Awareness and Incident Response (SAIR) capabilities as an additional SmartBuy offering.

    GSA currently supports the HSPD-12 identity management initiative through both placement of compliant products and supporting services on the Approved Products List under Schedule 70 and through the HSPD-12 managed "shared services" offering for economical implementation of that requirement.

    GSA also developed and offers Managed Trusted Internet Protocol Service (MTIPS) for the Networx program to allow agencies to physically and logically connect to the Internet in full compliance with the Office of Management and Budget's trusted Internet connections (TIC) initiative.

    Finally, GSA provides solutions that are Federal Desktop Core Configuration (FDCC) compliant. As additional standards and initiatives arise, and as requirements

are identified by cross-agency groups like the Information System Security Line of Business, we will continue to look for opportunities to bring our technology acquisition expertise to bear to -- as Mr. Paller suggests-- strategically use our buying power to strengthen market demand for secure IT products and services and thereby improve the cyber security posture of the U.S.

GSA's technology services and solutions continue to evolve with contract vehicles such as Blanket Purchase Agreements for security products (e.g. data at rest encryption) and Networx which provides for security services.

b. If confirmed, what steps would you take to help federal agencies better mitigate against cyber threats and vulnerabilities?

If confirmed, I would provide leadership so that GSA would continue to both lead and participate in Governmentwide efforts to mitigate cyber threats and vulnerabilities, including collaborating with the National Institutes of Standards and Technology (NIST) in the development of security standards and with OMB and the Department of Homeland Security (DHS) that has the lead on Federal cyber security.

GSA would actively continue to work with the various security and incident management forums where security solutions and policies are developed. GSA would promote increased use of Managed Security Services available through GSA's offerings that help ensure that agencies are better prepared to deal with cyber threats and vulnerabilities. Through the use of state-of-the-art software, expertise, and services, agencies can increase situational awareness of their systems and environments to take corrective measures to prevent vulnerabilities from becoming active threats.

I would continue GSA's leadership in online identity management and statistical testing of governmentwide implementations of security policies, to ensure that policies are put into practice correctly. An example is the Federal Desktop Core Configuration (FDCC) that ensures that a desktop or laptop computer has all of the settings in the most secure mode possible. GSA's Office of Governmentwide Policy worked with agencies to statistically sample computers and electronically test them to ensure that new security settings were employed correctly.

GSA would also help guide the technology industry through our acquisition processes, towards standardized minimum security requirements for all products and services that are purchased by the Federal government.

GSA will continue to work with federal agencies to provide them contract vehicles that enable them to procure the most cost effective security products and solutions. By combining agencies' buying power and agreeing on a common set of security requirements, the federal government can greatly improve the security of vendors' products.

c. Mr. Paller also testified that there should be a minimum set of requirements in every procurement and task order to specify specific security elements. Do you agree with this recommendation?

I concur with Mr. Paller's recommendation that there be a minimum set of security requirements in every procurement and task order, to assure all Federal agencies purchasing through a GSA vehicle the product they are purchasing has met Federal security requirements. GSA can add these requirements to their procurements with guidance and direction from OMB and NIST on a standard set of requirements.

I understand that GSA has used its contract management and leadership role to standardize anti-virus software among various vendors. GSA's leadership led to industry adoption of the FIPS-201 requirements. GSA is positioned to do the same for the other opportunities presented in the areas of Identity Management where the logical and physical access controls can be standardized. GSA will continue to work with recognized authorities and Agencies in developing service offerings that specifically address the needs for access credentials, security management, provisioning and monitoring. GSA will continue to offer approved and compliant products, services and solutions that address both agency needs and compliance enforcement.

44. The analytical perspectives of the FY2010 budget states: "The Federal Government will transform its Information Technology Infrastructure by virtualizing data centers, consolidating data centers and operations, and ultimately adopting a cloud-computing business model." What role do you believe GSA should play in this transformation?

I believe that GSA is a leader in demonstrating the effectiveness of consolidating operations, streamlining of data centers through physical consolidation and virtualization. Under the GSA Infrastructure Technology Global Operations (GITGO) contract, we consolidated 39 service contracts and 15 separate help desks into one and have consolidated our regional local area networks with a common operating platform and support processes. GSA will continue its role in identifying and evaluating solutions to achieve efficiencies and improve efficiency through data center consolidation. As a result of this consolidation, GSA has realized significant cost savings (in excess of than 15%) and greatly improved effectiveness and information security.

GSA is currently analyzing alternatives to consolidate our internal data center operations within PBS, FAS, CIO, and CFO. Our goal is to improve our IT resiliency, standardize our operating environments, and increase overall energy efficiencies. As part of our consolidation and virtualization efforts, we will continue to collect and disseminate lessons learned on data center consolidations with other federal agencies and industry as well as exploring the formation of partnerships as practicable.

Under the Information Technology Infrastructure Line of Business, GSA has been charged by the OMB to provide capabilities for agencies to procure cloud computing

services they require to succeed in their initiatives to improve efficiency and effectiveness. GSA is identifying examples and sources of cloud computing both within and outside the Federal government. To that end, GSA has promulgated a Request for Information on Infrastructure as a Service (IaaS) and has issued a data call to agencies for information on their use of virtualization and cloud technology. GSA is also planning to procure cloud services through a Blanket Purchase Agreement that will address security, operations, and pricing for all agencies to use.

E-Government

45. On January 21, 2009, President Obama signed a memorandum directing the Chief Technology Officer, in coordination with the OMB Director and GSA Administrator, to develop an Open Government Directive that would instruct department and agencies to take specific actions to implement the principles that government should be transparent, participatory, and collaborative.

    a. What do you see as GSA's role in helping the government become more transparent, participatory, and collaborative?

    My understanding is that in accordance with the President's memorandum on "Transparency and Open Government", GSA will continue to play a key role in the effort to increase the government's transparency to participation. GSA will actively leverage collaboration tools and methods to engage Americans in the work of their Government. By setting a high standard for these three principles, we are sending a clear message that the public should expect more from their government and that openness in government is the standard.

    GSA has worked with OMB to improve transparency under the Federal Financial Accountability Transparency Act (FFATA) by establishing the USA Spending web site (www.USAspending.gov), the Recovery Act (www.Recovery.Gov) and the latest place to find download databases from the government at www.Data.Gov.

    GSA also develops policy and regulations for managing and operating Federal advisory committees - a major source for obtaining public insight and dialog on Federal decisions and programs. This model GSA program already meets the goals and principles of the Memorandum, and is now considering options to make more advisory committee meetings accessible to Americans across the U.S. using webcasting and video recordings.

    GSA has the opportunity and responsibility to ensure that we apply transparency principles to our efforts whenever possible, and to encourage the same standards in our client agencies.

    b. If confirmed as Administrator, what actions would you take to help President Obama reach the goals of this memorandum?

I believe that GSA will continue to be a partner with the White House to help develop and implement the processes and tools that implement the President's transparency, open government and innovation goals. GSA will also continue to apply these principles to the policy and regulatory development efforts that implement the Federal Advisory Committee Act, a major tool in ensuring meaningful public participation. Within its strategic framework, GSA will also continue to advance the capabilities and use of the Web 2.0 technologies to encourage increased public participation and collaboration.

c. Do you believe that GSA may need to make changes to IT and telecommunication contracts as a result of these or other related open government related-efforts?

As I see it, the rapid pace that the public and private industry adopt new technologies requires the Federal government to ensure its IT and telecommunications contracts are periodically reviewed. The maturity of new technologies, including "cloud computing," "virtualization," and "green" initiatives, necessitates periodic reviews to ensure these contracts enable the taxpayer to benefit from technological advancement. Firms that do not upgrade their offerings will not be in demand in the future.

46. GSA's FY2010 request includes $33 million for the E-Government fund, most of which will go to the IT Infrastructure Line of Business of which GSA is the service provider. This would represent a major increase for this fund, which despite large authorizations, has never been funded for more than $5 million. These funds will go to "major new initiatives in cloud-computing, investments in collaborative technology and electronic meeting capabilities … and other initiatives advancing open Government and using technology to enable greater participation in Government by citizens, such as Data.Gov."

a. If confirmed, how do you see your relationship with the Federal Chief Information Officer/E-Government Administrator Vivek Kundra in administrating these funds and implementing other E-Government initiatives?

"Adoption champions" at all levels of Agencies drive successful change in government. If confirmed, I will welcome the opportunity to build a network of people across government who are engaged in a productive dialogue and partnership to foster and manage change.

Historically, GSA and OMB have had a strong relationship in fostering interagency collaboration, surfacing best practices, and developing cross-agency solutions. If confirmed, I expect my relationship with OMB and with Mr. Kundra in particular to continue in that partnership tradition.

Under my leadership, if confirmed, GSA and OMB would continue to work together to manage the E-Gov funds. That fund has been a very important source of support for interagency efforts to develop government-wide solutions that advance transparency and the efficiency and effectiveness of Government. GSA will continue to work to ensure that there is adequate oversight of E-Government initiatives that

receive these funds and that the funding is targeted towards the President's technology transformation priorities

Importantly, if confirmed, I will also be keen to assure that the administration of e-government funds will be done with full transparency.

In addition, I understand that GSA has productive, established relationships with Agencies and works with CIOs, CFOs, CTOs, CAO's, program managers and policy components at virtually all Agencies across both the civilian and defense sectors of government. I expect to rally the full range of GSA's capabilities to support the Federal CIO and eGov Administrator in their engagements with various levels of the customer and industry provider communities.

b. What role do you see for the Office of Governmentwide Policy and other GSA offices in implementing E-government solutions?

My understanding is that the GSA Office of Governmentwide Policy (OGP), in collaboration with other GSA organizations, works with Federal agencies to support and implement interagency E-government programs and solutions. OGP develops and issues governmentwide policies and develops strategic approaches for program implementation.

GSA's Federal Acquisition Service will ensure that its technology products, services, and solutions support the government's requirements and service capabilities defined by OGP, GSA's CIO, and OMB.

GSA, and its offices engaged in day-to-day operations, like the Office of the Chief Information Officer, are the proving ground for the next idea that will spark transformation across the federal community. GSA, with its mission to serve the Federal Government, is uniquely situated to promote and facilitate cross-agency and transformational e-government solutions.

c. If confirmed, what will you do to assist GSA's role in helping agencies use Web 2.0 technologies, including cloud computing?

Emerging technologies such as Web 2.0 and cloud computing provide a suite of benefits, including improved service delivery and enhanced access to social networking tools that contribute to public engagement. Strategic adoption of these emerging technologies will be based on government and industry best practices, including security and privacy. I understand that GSA is working with OMB and others, including the National Institutes of Standards and Technology, to help provide the policy framework to permit wider and more rapid adoption of these technologies within Federal agencies.

Under my leadership, if confirmed, GSA will continue in its role as a leader in using

and promoting web 2.0 technologies. From the award-winning usa.gov website to brokering government-wide relationships with household name social media outlets, there is a strong foundation from which GSA can further the cause of innovation and the strategic use of IT. GSA is pursuing the establishment of innovative contract arrangements to ensure quick, but competitively-awarded access to these technologies. Contracting never should be an impediment to quickly adopting new technology. On other fronts, GSA supports initiatives to ensure transparency in government such as data.gov and providing more complete and accurate contract information in the Integrated Acquisition Environment.

GSA currently provides a broad range of products, services and solutions that include Web 2.0 and cloud computing offerings. Those offerings incorporate information sharing, interoperability, collaboration, hosted services, managed security services, and communication technologies.

With this solid technical foundation, GSA is able to augment its flexible service management capabilities by providing solutions that incorporate security practices, bidirectional open communication, visibility through social communities and agency forums, and hosted services.

What barriers, if any, do you believe exist today that prevent Agencies from moving to these technologies?

I believe that GSA will continue to work, as it has, with other agencies and industry to address the barriers, including addressing both the policy and technical requirements surrounding privacy and security.

Examples of barriers that I believe could block agencies from using technology:

1) Recognizing the need for change. Some of these newer technologies represent a new way of doing things. Information sharing, collaboration, and the transparent "democratization" of data in an open government represent a very different model for government operations. If primary stakeholders within agencies are not ready for change, and management does not support embracing these new models and the underlying enabling technologies, then that would be one barrier.

2) Limitations on the skills and resources within agencies today. The availability of skills and resources are important in two ways: first, in best applying these technologies to meet government needs, and second, in acquiring these technologies.

I believe GSA can help with these barriers in several ways:

- GSA offers a rich portfolio of IT acquisition vehicles through which virtually "anything IT" can be procured today. From requirements analysis to design through

implementation, GSA has the products, services, and suppliers – large and small – that Agencies can use to meet their IT needs. This includes the planning and application of these new technologies.

- GSA has the technical and acquisition skills that can work with agencies, listen to their needs, understand their requirements, and help them acquire any of the technologies they need to efficiently and securely meet their mission needs.

GSA will continue in its role as a leader in using and promoting web 2.0 technologies. From the award-winning usa.gov website to brokering government-wide relationships with household name social media outlets, there is a strong foundation from which GSA can further the cause of innovation and the strategic use of IT. GSA is pursuing the establishment of innovative contract arrangements to ensure quick, but competitively-awarded access to these technologies. Contracting never should be an impediment to quickly adopting new technology. On other fronts, GSA supports initiatives to ensure transparency in government such as data.gov and providing more complete and accurate contract information in the Integrated Acquisition Environment. These, and many other efforts, provide American citizens with greater access and traceability on how the government operates on their behalf.

Human Capital Management

47. The adequacy of the government's acquisition workforce, both in size and skill mix, has frequently been cited as a serious problem in government procurement. What is your view on this issue and do you believe GSA has an adequate acquisition workforce? As Administrator, what steps would you take to ensure that GSA's workforce is capable of meeting the government's future acquisition needs and challenges?

The Federal acquisition workforce plays a vital role in helping agencies accomplish their work. Today's acquisition professionals have to be able to do more than follow a strict set of guidelines. They must be able to satisfy customer requirements while balancing these requirements against appropriate regulations. In meeting the high demands placed on them, acquisition professionals must be agile, adaptive and creative.

GSA's acquisition workforce is critical to the agency's ability to deliver the products and services Federal customers need to accomplish their jobs.

GSA has a large and diverse acquisition workforce -- contracting and realty specialists, program managers, and project managers. GSA's acquisition workforce has experienced a steady increase over the last several years. In 2002 GSA's acquisition workforce included approximately 2,500 employees, while today it is has surpassed 2,900. Although the acquisition workforce at GSA has increased, GSA, like other agencies, has to be mindful to assure that we have a strong and robust pipeline of skilled acquisition professionals. A large percentage of GSA's acquisition workforce will be eligible to retire within the next 5 years and roughly 40% will be eligible to retire within the next 7

years. In addition to this potential loss of talent to retirement, GSA continues to lose staff to other agencies.

To help address these issues, the Chief Human Capital Officer is working with the Chief Acquisition Officer, the Federal Acquisition Service and the Public Buildings Service to ensure that we are able to hire and retain a highly skilled acquisition workforce at GSA. In light of new requirements of the American Recovery and Reinvestment Act and competition for a limited pool of acquisition professionals across government, I am committed, if confirmed, to reviewing work already underway and making adjustments, as needed, to ensure that GSA has the talent it needs to accomplish our mission.

48. What do you believe the role of the Federal Acquisition Institute (FAI) within GSA, and how does that role relate to GSA's mission?

FAI is an important institution and its role in government has been suboptimized. If confirmed, I will work with the Administrator of OFPP to fully optimize FAI and to achieve its mission of providing training, education and research for federal procurement.

49. We understand that FAI has a total budget of around $8 million. Civilian acquisitions are approximately 1/3 of the total $532 billion federal procurement budget. By contrast, Defense Acquisition University has a budget in excess of $100 million and handles approximately 2/3's of federal acquisitions. Do you think that FAI has adequate budget and resources? What should the budget of FAI be?

FAI's budget has always been a sore point. Given its mission it is clearly under budgeted. If confirmed I will work with OMB to develop a budget for FAI that supports its mission.

50. Recently, there has been discussion regarding telework for federal employees. What role do you believe GSA should play in administering a government-wide telework program? Do you believe that GSA should be primarily responsible for providing policy guidance regarding telework?

Telework has many benefits including reducing traffic congestion and pollution, providing a mechanism for agencies to continue essential functions in emergency situations, and helping agencies to recruit and retain top talent.

Telework is part of the culture of GSA and GSA has been viewed as a leader in government on telework for many years. If confirmed, I will continue to support that culture.

It is my understanding that GSA significantly increased the number of employees teleworking in the last couple of years. In fact, I have been informed that GSA's telework program has been notified they are to receive a Tele-Vision award for Excellence in Telework Leadership from the Telework Exchange on June 2nd o f this year..

GSA, in cooperation with the Office of Personnel Management (OPM), is committed to providing telework as an available choice to Federal employees. Together, GSA and OPM share responsibility for the telework program and I'd like to see those collaborative efforts continue. I look forward to working with John Berry, the Director of OPM, to provide leadership, guidance, tools, program support, recommended practices, technical assistance, and other assistance needed to establish successful and fully implemented telework programs in Federal agencies. If confirmed as Administrator, I will continue to support the network of telework centers that have been created to support Federal teleworking.

IV. Relations with Congress

51. Do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of the Congress if you are confirmed?

    Yes

52. Do you agree, without reservation, to reply to any reasonable request for information from any duly constituted committee of the Congress if you are confirmed?

    Yes

V. Assistance

53. Are these answers your own? Have you consulted with the General Services Administration or any interested parties? If so, please indicate which entities.

    Yes, these answers are my own. I have consulted with and received support from staff within GSA, particularly the Federal Acquisition Service, the Public Buildings Service, the Office of the CIO, and the office of the Chief Acquisition Officer.

AFFIDAVIT

I, Martha N. Johnson, being duly sworn, hereby state that that I have read the foregoing Pre-Hearing Questionnaire and that the information provided in the answers therein are, to the best of my knowledge, current, accurate, and complete.

Martha N. Johnson

Subscribed and sworn before me this 29 day of May, 2009.

Janette Jerman Arts
Notary Public
My Commission Expires: Feb. 14, 2012

United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

May 6, 2009

The Honorable Joseph I. Lieberman
Chairman
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, DC 20510-6250

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Martha N. Johnson, who has been nominated by President Obama for the position of Administrator, General Services Administration.

We have reviewed the report and have also obtained advice from the agency concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is an ethics agreement outlining the actions that the nominee will undertake to avoid conflicts of interest. Unless a date for compliance is indicated in the ethics agreement, the nominee must fully comply within three months of confirmation with any action specified in the ethics agreement.

Based thereon, we believe that this nominee is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Robert I. Cusick
Director

Enclosures - REDACTED

Senator Joseph I. Lieberman
Additional Questions for the Record
Nomination Hearing of Martha Johnson
June 3, 2009

Question 1: The Committee has heard from union representatives that management-labor relations within GSA often have been tumultuous over the last several years. Agencies perform their missions better when they are not distracted by tensions between management and the rank and file. From your previous experience at GSA, have you developed views on how you will approach and improve labor relations?

> ***Answer 1:*** I am very familiar with how a good labor management program supports the business of the agency. I was actively involved in labor matters in my previous role at GSA. If confirmed as Administrator, I will approach the Labor relations program in the spirit of collaboration, seeking to work with the Union officials to create a relationship that is characterized by open communication and effective dialogue on workforce and workplace issues affecting the conditions of employment. I will insure that managers at GSA understand the Federal Labor Statue and also abide by the negotiated agreements with the unions that represent GSA employees. Increasing collaborative communication with GSA's union representative will allow GSA to effectively accomplish the mission of the agency.

Question 2: GSA, like many agencies, has increased its reliance on contractors over the last several years. Contractors even help with the acquisition process itself. What steps will you take to make sure that GSA employees perform inherently governmental work, and that GSA has enough federal employees to perform its core functions?

> ***Answer 2:*** At GSA and other agencies, Federal employees must perform inherently governmental work. Agencies conduct a FAIR Act Inventory to determine which work is inherently governmental. At GSA, I will continue to ensure this work is performed by federal employees and that GSA adheres to the existing guidance both in law and regulation on the issue of contracting for services that are inherently governmental.

Question 3: Another complaint we have heard from within GSA is that GSA lacks a robust upward mobility program. Given your interest in leadership issues, do you have specific plans for training programs and upward mobility programs?

> ***Answer 3:*** I plan to thoroughly review the workforce statistics and succession plans to ensure GSA has a clear path for developing the talent needed to accomplish its mission and ensure that the developmental programs needed to attain and retain that talent are in place and effective.

Question 4: It is my understanding that GSA's negotiations with union representatives on telework are stalled. What are your views on telework, and will you commit to looking at this issue to see if you can revive these discussions?

> ***Answer 4:*** The GSA Telework program is an award winning program and a model for other agencies. One of the reasons that GSA was again ranked as a Top 10 Best Place to Work in the Federal Government is because of our flexible and generous work life policies, including telework. I support telework as an effective means of achieving a work/life balance for employees, of building performance, of having a positive effect on the environment and of enhancing the agency's ability to respond to emergency situations. I will look into this issue and ensure GSA meets its labor obligations relative to telework.

Question 5: GSA is responsible for the Networx contracts, which will replace existing telecommunication contracts at over 135 agencies. Networx is estimated to be worth at least $68 billion in the course of its 10-year lifetime. In your responses to pre-hearing questions you stated that you believed that Networx was moving too slowly. GSA had estimated that 50% of agencies would have transitioned by this point, instead we are only at around 16%.

Beyond the considerable cost savings, if done correctly, new services available through Networx will allow agencies to take advantage of newest technologies as well as better protecting themselves from cyber vulnerabilities. There has been some concern that agencies will not fully take advantage of these services and will instead use the same services from their existing contracts. What do you see as GSA's role in ensuring that agencies are taking full advantages of their options in Networx and, more broadly, in the future with similar IT contracts?

> ***Answer 5:***
>
> If confirmed as Administrator, I will pursue the use of Networx by federal agencies. I know that it is behind schedule and I will make this one of my highest priorities, by working with GSA's customer community, industry providers, and stakeholders. GSA enjoys a strong and continuous relationship with agency IT managers and senior executives. I will meet with agencies' leadership to help them understand the potential of GSA contracts and realize the potential of enabling technologies and cost savings now and in the future.

Senator Tom Carper
On behalf of Senator Frank Lautenberg
Additional Questions for the Record
Nomination Hearing of Martha Johnson
June 3, 2009

Question 1: Some GSA Global Supply distribution facilities were closed in the late 1990s, and there are currently two distribution facilities in the United States in Burlington, New Jersey and Stockton, California. Do you agree that the Burlington facility is an important part of GSA's Global Supply program, and will you commit to keeping this facility open in New Jersey?

Answer 1: GSA's two distribution centers are important parts of GSA's Global Supply program. In fact, GSA is in the midst of negotiation with commercial entities to extend the existing lease, or enter into a new lease, for the Eastern Distribution Center (EDC) in Burlington, New Jersey for many years to come. The EDC will either remain in its current Burlington location or within the designated area identified in the Congressionally-approved prospectus which is the surrounding New Jersey counties. The location is ideal for a major distribution operation such as the EDC. It is, and will continue to be, within miles of major interstate trucking routes, as well as centrally located in the mid-Atlantic region in which about 80% of its continental United States business is located. Moreover, ready access to major port facilities (for example the Port of Elizabeth, NJ) as well as the largest Department of Defense Distribution Center in Southeastern Pennsylvania add to the location's attractiveness for shipments abroad in support of the DoD.

Question 2: The GSA is now considering a new program, the Direct Vendor Delivery (DVD) program, whereby federal agencies would purchase office supplies directly from private vendors, instead of utilizing GSA distribution facilities. If confirmed, will you examine this proposal, particularly its costs and benefits to taxpayers, small businesses and GSA employees?

Answer 2: If confirmed I will take a close look at GSA programs across the board, including the DVD program which has already undergone extensive research and analysis. The positive aspects of the DVD program are that GSA Global Supply will be able to offer commercially, readily-available office products to Federal customers with faster delivery at more competitive prices. We need to be sure that we examine this with a close view of the best benefit to taxpayers, and with maximum opportunity for small business.

Question 3: The GAO released a study on February 6, 2009 regarding the impact GSA's proposed move to the DVD program would have on small businesses. The report concluded that, "GSA's proposed DVD program would likely decrease the number of small businesses selling office supplies to global supply, but GSA has taken some steps to address small businesses' concerns." Have you had the opportunity to examine this GAO report? Do you believe small businesses should be a priority for the GSA?

Answer 3: I have not had the opportunity to examine the GAO report. If and when I'm confirmed, I will review the report and assess the imact on small business. I do believe small business is a priority, both for GSA and this Administration.

Question 4: The GAO report also recommended that GSA report to Congress on the level of small business participation in the DVD program. In response, on February 4th, 2009, Paul Prouty, Acting Administrator of GSA wrote GAO and committed to monitoring and providing reports to Congress annually on the level of actual small business participation in the DVD program for each of the first full three fiscal years of the program. Will you provide these reports to Congress?

Answer 4: If confirmed, I will commit to provide this information to Congress.

Question 5: Under executive order, Federal agencies are required to set a goal of at least three percent for participation by Service-Disabled Veteran Owned Businesses (SDVOB) in federal contracting and must encourage agency contractors to subcontract with SDVOBs and actively monitor and evaluate agency contractors' efforts to do so. If confirmed, will you examine and report to us on GSA's contracting with SDVOBs?

Answer 5: I take the participation by Service-Disabled Veteran Owned Businesses (SDVOB), very seriously and, if confirmed, will examine and report to Congress on the GSA's efforts in this area. The three percent participation goal for Service-Disabled Veteran Owned Businesses, as with all agency socioeconomic goals, refers to the overall numbers of contract actions performed by the agency rather than as a percent of each solicitation. If confirmed, I will commit to taking action in support of all of GSA's socioeconomic goals.

Question 6: In 2008, GSA proposed moving to a "Core Carrier" program which would have awarded a contract to one recipient to distribute and administer the delivery of GSA products. This proposal was cancelled in November 2008. GSA staff has indicated that the Core Carrier program is "gone" and will not be resurrected. Have you spoken to GSA staff about this issue? If confirmed, would you have any intention of establishing a Core Carrier or similar program within Global Supply?

Answer 6: If confirmed, I will determine the status of this proposal but I currently do not intend to establish the Core Carrier program.

Senator Susan M. Collins
Additional Questions for the Record
Nomination Hearing of Martha N. Johnson
June 3, 2009

Question 1: In your responses to Senator Lieberman and in your responses to pre-hearing questions, you indicated your willingness to respond to requests for information from the Committee. I would be remiss in my duties as Ranking Member, however, if I did not ask that you treat requests from the Chairman and from me equally. Do you agree to treat requests from the Chairman and from me equally?

Answer 1: Yes

Question 2: In its January 2007 report, the Acquisition Advisory Panel stated that "the significant increase in the use of [Government-wide acquisition contracts (GWACs) and Multiple Acquisition Contracts (MACs)] by agencies...has raised a number of complex policy issues and has been the subject of extensive oversight. This attention has highlighted significant benefits in award efficiencies these vehicles provide to the federal government and the taxpayer. It has also uncovered past deficiencies in their creation, administration and continuing risks associated with their use."

This statement illustrates the challenge of the proliferation of GWACs and MACs. On the one hand, they give federal agencies a greater variety of contracting vehicles to choose from that will best fit their needs; on the other hand, too many choices can drain staffing resources, increase costs because of bid preparation by industry, and create duplicative and overlapping procurement vehicles for the same goods and services.

A holistic approach on the growth and number of GWACs and MACs should be considered. I am not necessarily concerned with the ability of agencies to choose whether to use existing interagency contracting vehicles or to award their own. I am, however, concerned that the failure to consider "hidden" administrative costs involved in agencies' setting and managing their own single-agency enterprise-wide contracts can lead to contracting decisions that don't reflect a best value proposition for taxpayers. I am also concerned about the overall impact on the government when economies of scale associated with more coordinated purchasing vehicles are not taken into account.

Should agencies be required to examine existing available contracting vehicles and consider the administrative costs of managing their own interagency contracts before setting up new Multi-agency Contracts (MAC) or single-agency enterprise-wide contracts?

Answer 2: I believe agencies should examine existing available contracting vehicles and consider the administrative costs of managing their own interagency contracts before setting up new Multi-agency Contracts (MAC) or single-agency enterprise-wide contracts. I agree with the observations of the 1423 Panel and with the work the committee undertook

during its drafting of S.680 under your leadership, that the proliferation of IDIQ contracts across government is inefficient and ineffective. If confirmed, I intend to work actively with OMB in considering how to review existing contract vehicles and how to establish a process for review and approval of new IDIQ contract vehicles, both within GSA and across the government as a whole.

Question 3: The Recovery Act provides GSA with $5.5 billion for the Federal Buildings Fund, which includes money for the DHS Headquarter project at St. Elizabeth's. Additionally, the Recovery Act specifies that GSA is to use $4.5 billion of these funds for conversion of existing GSA properties to "green buildings."

The Government Accountability Office reported in January that GSA has problems in managing and overseeing contracts of federal real property, including backlogs of needed repairs and maintenance, overreliance on leasing, and excess property. GSA will likely continue to face these challenges, especially in light of the large increase in construction contracts as a result of Recovery Act funding. Given the significant increase in contracts that will bid for large construction and renovation projects, there is also a potential for fraud, such as bid-rigging.

What mechanisms will GSA put in place to ensure that the $5.5 billion in Recovery Act funds for federal buildings will be spent wisely?

Answer 3:
It is my understanding that GSA has established a National Recovery Program Management Organization (PMO) that centralizes the management and oversight of Recovery activities. The PMO is a focused cohesive PBS national office staffed with high performing project managers and subject matter experts (SMEs) who are supported by contract/consultant resources. The PMO will:

- Assure that cost, schedule and scope commitments are met
- Manage Stimulus tracking and reporting efforts
- Provide support to regional offices on contracts, SMEs, legal expertise, audit functions, workload/staff modeling, tools, and troubleshooting of program/project challenges
- Interface with stakeholders, including OMB, Congress, and client agencies
- Identify and manage resources to accommodate changing program requirements

The PMO is using existing management controls and oversight mechanisms to assure execution of Recovery activities, These mechanisms were developed using OMB Circular A-123, Management's Responsibility for Internal Control; the Federal Managers' Financial Integrity Act (FMFIA); OMB Circular A-127 Financial Management Systems; and the Federal Financial Management Improvement Act (FFMIA). GSA's internal control reviews are conducted for Agency program components to assure that all significant risks are identified, tested, evaluated, and mitigated in a timely and effective manner.

Question 4: In addition to its many functions, GSA is the single largest tenant of office and warehouse use space in the United States, in fact it is estimated that GSA leases 177 million square feet nationwide. When a GSA lease expires, but the federal government remains in the space it is referred to as "holdover" status, which can create uncertainty that may place building owners in precarious situations with their lenders, and could place the building owner in a difficult financial situation.

Please explain how GSA will work to avoid holdover lease status.

Answer 4: For the past several years, GSA has been focusing on addressing expiring leases to try and reduce the number of leases that go into holdover status or are extended without a good business reason. If confirmed, I will work with agencies to assure that we reduce holdovers and short-term lease extensions. In September 2008, the PBS Office of Real Estate Acquisition issued a business plan for reducing holdovers, which includes the following techniques for such reductions:

- Begin the lease procurement action at least 18 months before lease expiration;
- Use succeeding lease procedures where appropriate;
- Negotiate longer lease terms to lock in better rates and break the cycle of annual extensions;
- Use marketing data strategically to concentrate resources in areas where we have the greatest exposure;
- Work programmatically with major customers for whom we have the highest percentage of short-term extensions and the most difficulty obtaining requirements; and
- Task our brokers with accomplishing lease extensions and then follow-on leases as appropriate.

Question 5: Large information technology project failures have cost U.S. taxpayers billions of dollars in wasted expenditures. GAO reported in April that the federal government will spend approximately $71 billion in fiscal year 2009 on IT projects. According to the Office of Management and Budget, federal agencies have identified approximately 451 IT projects, totaling more than $26 billion for fiscal year 2009, as being poorly planned, poorly performing, or both.

Senator Carper and I reintroduced a bill this Congress that would improve agency performance and Congressional oversight of major federal IT projects. Specifically, the legislation, which was reported out of the Committee last month, would reduce the risk that important federal IT projects will drag on far beyond deadlines, fail to deliver intended capabilities, or waste taxpayers' money by improving agency and Congressional oversight of large federal IT projects.

GSA has a unique role to play in information technology acquisition in the federal government. In your view, how can GSA help agencies properly enter into and oversee contracts for major federal IT investments?

Answer 5: GSA is uniquely positioned to be a dynamic partner with federal agencies, helping them successfully enter into and oversee contracts for major federal IT investments. I am firmly committed to working with agencies to ensure that IT investments are contracted for and manage within budget and on schedule to assure the best use of taxpayers money. I am committed to working with OMB on policy to identify changes to the FAR and to initiate FAR cases to improve the way the government buys IT. Within GSA, I will work with the FAS Commissioner to assure we assist agencies in supporting and improving investment of large complex IT systems as well as providing fully competed contract solutions to federal agencies for the procurement of large complex IT systems. I will also work to assure FAS assists agencies in training and ordering guidelines, performs scope reviews, maintains a repository of best practices and information sharing around critical acquisition areas such as collecting and using past performance information for decision making.

Question 6: Recently, Senator Lieberman and I introduced legislation S. 1064 which is a bill to amend the American Recovery and Reinvestment Act of 2009 to provide for enhanced State and local oversight of activities conducted under the law and to enable state and local governments to access the GSA schedules if using Stimulus funds. This legislation is similar to a bill that was passed in 2007 which opened up the GSA schedules to state and local governments to be used for the purchase of products and services that would facilitate recovery from major disasters, terrorism, or nuclear, biological, chemical, or radiological attacks.

Do you support opening the schedules to state and local government use more broadly?

Answer 6: While GSA has traditionally been agnostic on the matter of opening schedules to state and local government, if confirmed, I will be supportive of expanding that authority. There are many factors to consider but the overall concept of considering how we can leverage the Federal Supply Schedules – whether for use of ARRA funds, for grant monies, or otherwise – seems a sensible avenue to explore during this time of economic pressure and in general in terms of the best interest of the taxpayer.

Question 7: There are currently a substantial number of vacancies in the ranks of GSA contracting officers. This is part of a particular troubling trend that I highlighted in my opening statement. The federal government, on whole, is facing a critical staffing shortage of qualified contracting officers and contracting technical representatives and other contracting support

staff. Between 2001 and 2008, total spending on government contracts increased by 140 percent, from $222 billion to $532 billion. Over 7.6 million new contracts or modifications were awarded last year alone.

At the same time, we are facing a crisis in our federal contracting workforce. The federal government has entered the 21st century with 22 percent fewer federal civilian acquisition personnel than it had at the start of the 1990s. The Department of Defense, the center of our acquisition budget, saw its acquisition workforce shrink by more than 50 percent between 1994 and 2005.

To help address this issue, Senator Lieberman and I mandated the development of a strategic plan to revitalize our federal acquisition workforce in the FY 2009 Defense Authorization Act. The legislation required an analysis of what resources would be necessary to attain a 25 percent increase in the acquisition workforce over the next five years.

Question 7a: What are your plans to ensure that GSA has adequate staffing to meet its core contracting mission?

> **Answer 7a:** GSA has a large and diverse acquisition workforce -- contracting and realty specialists, program managers, and project managers – and I believe it is important to address this matter as much more than just contract officers. Although the acquisition workforce at GSA has increased, GSA, like other agencies, has to assure a robust pipeline of skilled acquisition professionals to meet GSA's core contracting mission. Recognizing that a large percentage of GSA's acquisition workforce will be eligible to retire soon and that GSA competes with other agencies for such staff, , I will expect focused collaboration on this matter by the Chief Human Capital Officer, the Chief Acquisition Officer, the Federal Acquisition Service, and the Public Buildings Service so that GSA can hire and retain a highly skilled acquisition workforce. GSA needs a clear talent strategy, an explicit succession plan for its workforce, including its acquisition workforce, and year on year execution of that plan. I am committed to that work.

Question 7b: What role should GSA take in ensuring that the overall federal acquisition workforce is properly staffed and adequately trained?

> ***Answer 7b:*** I have a record on and am quite serious about talent strategy. In this case, GSA and the government are vulnerable with respect to the acquisition workforce, and, if confirmed, I will consider this issue a top priority: A) I look forward to the opportunity to create a strong partnership with the Office of Personnel Management on this issue and take action accordingly. B) I will partner with the office of Federal Procurement Policy to assess the acquisition workforce, support the development of appropriate policy, and leverage training programs. C) I will assess current programs, including the Federal Acquisition Institute, to understand strategies, priorities, plans, and performance. D) I will strive to position GSA as a leader and source of innovation and best practice with other agencies. E)

I will shape all these efforts under the concept that Acquisition is a horizontal function of government that requires professionalism, attention, and integration.

Question 8: As you may be aware, the FY 08 defense authorization act created a government-wide Contingency Contracting Corps that would be available for deployment in responding to disasters, natural and man-made, and contingency contracting both within and outside the United States. The Office of Federal Procurement Policy (OFPP) is charged with 1) establishing and administering the Corps, 2) establishing and paying for educational and training requirements, 3) clothing and equipping members, and 4) submitting an annual report to Congress regarding the progress and mission of the Corps.

To date, we have received nothing from OFPP on the Corps establishment. Can you please tell me where the establishment of the Corps falls on your list of priorities?

Answer 8: GSA has been working with the other federal agencies to launch the Contingency Contracting Corps by first establishing a Concept of Operations, second, identifying members of the CCC and third identifying and acquiring the tools the CCC will require when deployed. We expect to meet Congress' requirement for a report on or before 30 Sep 09.

Question 9: Under Federal Property and Administrative Act of 1949, GSA has government-wide acquisition policy responsibilities. GSA is therefore the lead federal agency in advising and supporting other federal agencies in their acquisitions. This is most recently seen in GSA's prominent role with the Office of Federal Procurement Policy in issuing guidelines to federal agencies for Stimulus spending.

Can you please discuss the roles the GSA Chief Acquisition Officer, Chief Information Officer, Chief Financial Officer and Chief Human Capital Officer play in the unique GSA mission?

Answer 9: GSA's "chiefs" support the GSA mission of and have policy and operational responsibilities for their individual functions in support of the GSA operational services. GSA's chiefs serve on government-wide councils, and influence government-wide policy by driving performance change within and outside the agency.

Office of the Chief Acquisition Officer (OCAO): GSA's OCAO reports to the Administrator of GSA and exercises the Administrator's authority in the area of procurement policy serving as the FAR signatory and chairing the Civilian Agency Acquisition Council. OCAO also exercises the Administrator's authority in administering the FAI, the Integrated Acquisition Environment and the Catalogue for Domestic Assistance and in developing policy for acquisition in GSA and oversight of the myriad of GSA acquisition activities.

Office of the Chief Information Officer (OCIO): The Office of the Chief Information Officer (OCIO) is responsible for a number of important enterprise-wide activities that enable GSA's mission achievement. OCIO's infrastructure is the backbone of GSA's business and management applications. The IT Security Program protects our systems and facilitates our

telework program. The help desk and on-site support are the point of contact for most of the IT services provided, from Blackberry and laptops, to security, voice and video capabilities. OCIO establishes the policies and procedures that govern the use of IT at GSA and is responsible for monitoring and reporting on our compliance with laws, regulations, orders, and directives. OCIO provides the agency's enterprise architecture as a framework to manage IT resources and offers advice and expertise to the Administrator and GSA executives on leveraging IT services to support GSA business and service objectives. In accordance with the Clinger Cohen Act, the CIO reports directly to the Administrator.

Office of the Chief Financial Officer (OCFO): GSA's OCFO reports to the Administrator of GSA under the Chief Financial Officer's Act of 1990 and is responsible for the executive leadership and direction in administering the GSA's Performance Management Process including the agency-wide strategic planning, performance budgeting, financial management, and financial management system. The Chief Financial Officer (CFO) serves as principal advisor to the GSA Administrator on federal financial management, ensuring compliance with financial policies governing the $17 billion in financial activity for federal buildings, acquisition management, citizen services and government-wide policy and actively serves on the CFO Council. The CFO operates a financial shared service line of business including financial services, payroll and travel services for GSA and 50 plus federal clients.

Office of the Chief Human Capital Officer (OCHCO): The CHCO provides human capital management strategies, policies, advice, information, services, and solutions consistent with merit system principles to the agency's 12,000 employees. As part of GSA's Human Capital Strategic Plan, the CHCO works to assure strategic and organizational alignment; assure continuity and quality of executive leadership; compete for and retain a workforce that is talented and effectively deployed; promote a diverse workforce; create a culture that motivates employees for high performance; promote a culture and climate of knowledge sharing and continuous learning, and improvement; and provide a working environment where employees can be most productive.

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