



June 29, 2017

Mr. Anthony Costa
Acting Deputy Administrator
U.S. General Services Administration
1800 F St NW
Washington, DC 20006

Subject: The Reorganization of the General Services Administration

Dear Mr. Costa,

The Coalition for Government Procurement (“Coalition”) appreciates the opportunity to submit comments regarding the reorganization and modernization efforts at the General Services Administration (“GSA”).

The Coalition is a non-profit association of firms selling commercial services and products to the Federal Government. Our members collectively account for a significant percentage of the sales generated through GSA contracts, including the Multiple Award Schedules (“MAS”) and GWAC programs. Coalition members also are responsible for billions of dollars in commercial item solutions purchased annually by the Federal Government. Coalition members include small, medium, and large business concerns. The Coalition is proud to have worked with Government officials for more than 35 years towards the mutual goal of common sense acquisition.

The Coalition’s public comments are in response to the “Executive Order on a Comprehensive Plan for Reorganizing the Executive Branch,” directing agencies to enhance efficiency, effectiveness, and accountability by reorganizing and eliminating unnecessary agencies, components, and programs. The Coalition sincerely appreciates the opportunity to provide input regarding opportunities to increase efficiencies in GSA’s acquisition functions. If there are any questions I may be reached at (202) 331-0975 or rwaldron@thecgp.org.

Sincerely,

Roger Waldron
President

Reorganization of GSA

In Fiscal Year 2016, GSA's Federal Acquisition Service ("FAS") managed more than \$40 billion in procurements. The Coalition has submitted numerous reports, analyses, and letters detailing several aspects GSA's acquisition policies and programs to enhance value for customer agencies and taxpayers. In response to EO 13781, the Coalition submits the following five recommendations that would enhance the efficiency, effectiveness, and accountability of GSA's organizational structure:

1. Evaluate Organizational Structure
2. Ensure the Organizational Structure is "Fully Resourced"
3. Create Centers for Efficiency, Effectiveness, and Accountability
4. Lower Delegations of Authority
5. Capitalize on the GSA Office of Inspector General

Evaluate Organizational Structure

- It is important that the unique roles of GSA's National Services (*i.e.* the Public Buildings Service ("PBS") and FAS) be clear to the public, especially in light of the recent decision to move the Technology Transformation Service ("TTS") under the purview of FAS. The responsibilities of the National Services and how TTS should operate within the FAS organization will need clarification for customer agencies, industry, as well as TTS staff who have been operating as an individual National Service with a separate identity and culture.
- *Recommendation:* GSA should evaluate and define the roles of PBS, FAS, and the former TTS. In particular, they should clearly define the responsibilities of each service, and how these functions interact. Further, GSA should identify and eliminate any duplicative programs, roles, and responsibilities within the services. The Coalition also recommends training for TTS on the FAS organization, acquisition policy, and other contracting matters during the transition to FAS. Lastly, we suggest that GSA review operations within the regional offices to assess whether additional efficiencies can be obtained through a realignment of certain functions.

Ensure the Organizational Structure is "Fully Resourced"

- Recent policy initiatives, such as the Transactional Data Reporting ("TDR") final rule, appear to attempt to offset lost capabilities within GSA's organizational structure, by shifting the responsibility for those capabilities to contractors. In the case of TDR, investment in Federal systems that aggregates data that the government already has in its possession would provide the desired transactional data. Because the cost burden has shifted to industry, these costs will inevitably be passed on to customer agencies in the

form of higher prices. The Coalition has provided numerous recommendations, through Congressional testimony, public comments in response to regulatory notices, and other correspondence detailing how initiatives like TDR add unnecessary costs to the procurement process without additional value for customer agencies. IT investment will also be necessary to implement subcontracting plan reporting requirements in the near term as required by the SBA. It is unclear whether GSA's systems will be equipped to support agencies and contractors in a timely manner.

- *Recommendation:* Regardless of the size of GSA's organizational structure following the reorganization effort, it is critical that GSA ensure that it is "fully resourced," *i.e.* that it possesses requisite levels of budgeting, staffing, and investment in IT systems. GSA should assure that it is allocating the resources necessary for programs to achieve their end missions and goals.

Create Centers for Efficiency, Effectiveness, and Accountability

- Coalition members believe that GSA could leverage this opportunity to enhance its processes related to marketing, process streamlining and innovation, and policy coordination so that they are more efficient and effective.
- *Recommendation:* The Coalition recommends the creation of the following office, or offices, for ensuring efficiency, effectiveness, and accountability:
 - Marketing Office – To ensure that information related to the value of GSA's programs is consistently communicated internally within GSA, as well as externally to Federal customers and the vendor community. This office would report directly to the FAS Commissioner.
 - GSA Office of American Innovation – To ensure the continual streamlining and improvement of GSA's contracting programs, this office would identify and advise the GSA Administrator of ongoing opportunities to improve acquisition processes, systems, and policies. In addition, it would advise the Administrator of opportunities to streamline GSA's organizational structure in order to maximize efficiency. In the alternative, establish a joint public/private group with a limited term (e.g., one year) under FACA to identify actionable acquisition improvements.
 - MAS Program Office – To ensure the alignment of GSA and VA MAS policies, increase productivity, and reduce acquisition cycle times, this office would identify and advise the FAS Commissioner of opportunities to coordinate policy implementation and eliminate unnecessary requirements. The office would also work to ensure consistent application and interpretation of policies and requirements by contracting officers within the GSA and VA Schedule programs.

Lower Delegations of Authority

- Currently, GSA personnel are not delegated the same authority to make decisions as their business counterparts. This asymmetry creates an environment where program personnel may have to seek approval from multiple authorities above them relative to typical commercial practices. Further, as a result of the 2013 Inspector General report, *Improper Management Intervention in Multiple Award Schedule Contracts*, appropriate management oversight at GSA has been reduced, as the report's recommendations created several disincentives for Federal managers to involve themselves when their expertise and attention is needed most. These inefficiencies unnecessarily delay the procurement process and increase costs for contractors and the end customer.
- *Recommendation:* In order to ensure the efficiency and effectiveness of the GSA Schedules program, GSA should empower its program personnel, at all levels, with the authority necessary to perform their duties.

Function of the GSA Office of Inspector General

- The GSA Office of Inspector General (“OIG”) plays a crucial role in detecting waste, fraud, and abuse within GSA, and it is essential to protecting the interests of Federal customers and the American taxpayer. The OIG’s role in contracting, however, is expansive, and its utility somewhat diffused, contributing to significant delays in the acquisition process. It also introduces the potential for conflicts of interest, as it is possible for the OIG to conduct a program audit on an internal activity which, had previously disagreed with its contract audit findings.
- *Recommendation:* Remove the OIG’s audit function for the GSA Schedules program. This function is inefficient, ineffective, and duplicative, as contracting officers can complete administrative and pricing review functions. Instead, empower the GSA OIG to investigate cases of suspected fraud, which may increase the value of the audit function because it would eliminate potential conflicts associated with auditing an activity that it may have previously audited and signed-off-on prior to award.