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NOMINATION OF JAMES A. WILLIAMS

HEARING

BEFORE THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

ON THE

NOMINATION OF JAMES A. WILLIAMS TO BE ADMINISTRATOR, U.S. GENERAL SERVICES ADMINISTRATION

JULY 25, 2008

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NOMINATION OF JAMES A. WILLIAMS

FRIDAY, JULY 25, 2008

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

The Committee met, pursuant to notice, at 12:06 p.m., in room SD–342, Dirksen Senate Office Building, Hon. Joseph I. Lieberman, Chairman of the Committee, presiding.

Present: Senators Lieberman, Collins, and Warner.

OPENING STATEMENT OF CHAIRMAN LIEBERMAN

Chairman LIEBERMAN. Good afternoon and welcome to this confirmation hearing on the President's recommended appointment of James A. Williams to be Administrator of the U.S. General Services Administration (GSA).

I want to apologize both to Mr. Williams and Governor Ridge who were here yesterday. I got held up in an Armed Services Committee classified briefing that I could not leave, and I really apologize that I could not be here. I really appreciate that you are back, and it shows, obviously, the commitment of both Governor Ridge and the Squire of Virginia, who has just entered the room wearing what we call in Connecticut a "Litchfield County suit." [Laughter.]

It is that white pin-stripe which he wears with great elegance. As an expression of our mea culpa, a kind of act of repentance, Senator Collins and I are going to hold our opening statements until we hear from Governor Ridge and Senator Warner, and we will go to that in just a minute.

Senator Warner, with your permission, Governor Ridge has to head out.

Senator WARNER. Yes, please. I would be delighted to accommodate my good friend.

Chairman LIEBERMAN. Good. Governor Ridge, it is great to welcome back the first Secretary of the Department of Homeland Security with whom we worked very closely and who served so ably and with such a great effect for the people of our country. Thank you for taking the time to come here, and we welcome any statement you want to make now.

TESTIMONY OF HON. THOMAS J. RIDGE, FORMER SECRETARY OF HOMELAND SECURITY

Mr. RIDGE. Chairman Lieberman, thank you, and Ranking Member Collins. It is good to join you and Senator Warner.

First of all, no mea culpa is necessary. We understand how this place operates, and when you have a special meeting like that, both Mr. Williams and I understand. That is where you need to be. So we are grateful that this has been rescheduled so promptly.

Senator WARNER. Mr. Chairman, if he understands how this place operates, I think we need him up here for other reasons. [Laughter.]

Mr. RIDGE. But the fact is I understand that there is no rhyme or reason to it. [Laughter.]

It just does.

Chairman LIEBERMAN. Now you get it. When I was in the Connecticut State Senate a long time ago, somebody once said to me, "At a moment like this, if you are not confused, you do not understand the situation." [Laughter.]

Mr. RIDGE. I think that is it.

Well, I thank you all today for the opportunity to join you and for the personal privilege of spending a little time talking about my friend, Jim Williams.

When the Department of Homeland Security was formed, one of the first actions undertaken, I think at the direction of Congress in the enabling legislation, was a commitment to built the Nation's first entry-exit system. The Department doors opened in March 2003. I think in May I announced that we would complete this goal by the end of the same year, about 7 months. I wish you could have all seen the expression on my staff's faces when I said that we would get it done by then.

It was an immense challenge. The system had to be implemented at all U.S. airports and seaports, and it absolutely required the use of biometrics to be effective. It had to be implemented in a way that did not discourage or harm our travel and trade industry, but it also needed to protect the privacy of our visitors as well.

In fact, we chose the name US–VISIT to reflect that the United States was, is, and will always be a welcoming Nation, and the system would uphold that philosophy. This new system would represent a major change in how we enforced our immigration laws. We knew this would require extensive collaboration within the government, with our stakeholders, many stakeholders outside the government in the private sector, as well as other countries. After all, such an aggressive effort had never been done before or even attempted, frankly, anywhere in the world.

Asa Hutchinson, my very able Under Secretary for Border, Transportation, and Security, was put in charge, and one of his first actions was to take a look around and find the best person to implement the program, and he found Mr. Williams. Mr. Williams quickly assembled a very talented and dedicated team of people, many of whom I think are here with us, who over those 7 months—think about this, 7 months—successfully completed a job most people said could not be done.

Mr. Williams made sure it was done superbly and on time, with the integrated biometrics as an integral piece of that. He and his team delivered what was needed and required to ensure that foreign travelers entering America were screened with biometrics in a matter of seconds, thus satisfying our security requirements, and

yet still allowing visitors to our country to see in essence the welcome mat that has long rested at the doorstep of our country.

Those with questionable intentions were stopped from entering the country at the State Department consulates and at our borders. It was a successful beginning for the US–VISIT program and, I think, a historic achievement for the Department.

Also because we engage with our stakeholders and leaders worldwide, the transition to this significantly new system was smoother than anyone predicted. His sustained leadership within his team, positive outreach and communication to all stakeholders—and I mean he motivated his team, but spent a great deal of time on the road talking to counterparts in the private sector and elsewhere around the world to explain the system. His positive outreach and communication to all stakeholders was critical to its success.

Indeed, other countries have since adopted the identical entry-exit system, and in some cases they have called on Mr. Williams and part of his team to get counsel in order to figure out how to do it well, to do it right, and to do it on time.

Earlier this year, Secretary Chertoff and I celebrated, along with the President and current and former DHS employees, our 5-year anniversary. US–VISIT was one of the finest and most notable DHS successes. That brought great pride and spoke volumes about Mr. Williams, the man who did more than anyone to make the program such a success.

And more good things are to come for the US–VISIT system, but I am here today to salute the leader, Mr. Williams, who gave the system its beginning, its foundation, and who did what others said was too difficult to do: make US–VISIT possible.

Mr. Williams would agree it was hard work, but he has also given the credit to his team more than to himself. And while this was very much a team effort, I want to tell you that it was his leadership, the leadership of a dedicated patriot and public servant, that helped us ensure an important security achievement that increased the security for all of us.

I will tell you that Mr. Williams is one of the most talented, results-driven, self-effacing, capable public servants with whom I have ever had the pleasure and privilege to work. Mr. Williams is a man of strong and unimpeachable character, great integrity, great personal grace, and a work ethic that is absolutely second to none.

Teddy Roosevelt once said, "Far and away the best prize in life is the chance to work hard at work worth doing." Mr. Williams views his public service career through that prism. It is a unique perspective that I share today because far and away the best prize for me at this moment is to once again very publicly thank Mr. Williams and his team for their great work, to thank him for his service and his friendship, and to recommend, with great pride and without hesitation, Mr. Williams as the best person to lead GSA through this transition period between Administrations and beyond.

I thank my colleagues and former colleagues for the courtesy that you have extended to me, for giving me the opportunity to introduce him to you.

Chairman LIEBERMAN. Thank you very much, Governor Ridge. That was a very eloquent and, I must say, powerful statement. It says a lot about Mr. Williams, and frankly, the fact that you came here to say it says a lot about you. So I appreciate it very much.

Senator Collins, would you like to say anything?

Senator COLLINS. I was just going to echo exactly what the Chairman said, that those words are certainly words of high praise, but also, Secretary Ridge, for you to take the time out of your extremely busy schedule not only speaks well of Mr. Williams, but it is a real tribute to how much you care about the people who have worked with you and served our country.

So I thank you for your continued commitment. You have a terrific record of public service, and I wanted to just second the comments of my Chairman in saying how much this Committee enjoyed working with you during your tenure. So thank you.

Mr. RIDGE. It is mutual. Thank you, Senator.

Chairman LIEBERMAN. Thanks, Senator Collins.

Governor Ridge, I know you have a long trip ahead of you, so you can depart whenever you want or stay as long as you want.

Mr. RIDGE. Why, thank you. I thought I would stay and listen to my colleague from Virginia sing the praises of my friend and then leave before he gives his introductory statement.

Senator WARNER. That is very thoughtful.

Chairman LIEBERMAN. Very good. Senator Warner, thank you for being here.

TESTIMONY OF SENATOR WARNER

Senator WARNER. Delighted. I will be very brief, but I must say I have been here 30 years now, and that was about as fine an endorsement that I have heard in these many years. And it just shows the enormous leadership of Governor Ridge, and he feels duty-bound to help make this government work so it can serve its people. And, Governor Ridge, it is a privilege to be with you again.

Mr. RIDGE. Thanks, Senator.

Senator WARNER. But I would like to say at this moment you are free to go. [Laughter.]

Mr. RIDGE. I do not know if that is a suggestion or an order.

Chairman LIEBERMAN. It does come from the former Secretary of the Navy.

Senator WARNER. But I was sitting here throughout that, and I was figuring out, hmm, I wonder if I need an endorsement someday. [Laughter.]

I will get him to endorse me.

Chairman LIEBERMAN. Well, we have been trying to convince Senator Warner to run again.

Senator WARNER. No, that is not an option. I have enjoyed my wonderful career here and enjoyed working with you when you were a member of the Cabinet.

Mr. RIDGE. I have, too, Senator.

Senator WARNER. Mr. Chairman and Senator Collins and all present, I have had the opportunity through many years and many positions to work with the GSA, and I just think it plays such a vital role in making our government function. And it does a lot of those things that other people would just as soon not have the re-

sponsibility to do. And as I have come to know James Anthony Williams, he is unquestionably, as Governor Ridge said, very able, very well qualified, and I take the perspective that we are fortunate as citizens to have him step up and take on this responsibility.

I am partial, of course, to him because of his long association with the Commonwealth of Virginia, but when we have the opportunity to visit with our nominees before we come speak to the Senate, he shared with me the pride he had in his father, and that really endeared me to him. His father was a graduate of the University of Virginia, in the ROTC program, and then went on to make a career in the U.S. Navy and served with great distinction. That touched my heart.

So I will simply summarize that he is able, he is ready, he is going to have my strongest support, and indeed I hope he gains the support of the Chairman and the Ranking Member and Members of this Committee. His background is eminently suited. He earned his bachelor's degree from the Virginia Commonwealth University and then his MBA from George Washington University. He has dedicated most of his professional career to the Executive Branch of our government. And I will just put the balance of my statement in the record, wish him well, and, again, on behalf of the citizens of this country, we thank you for taking this service on, and your family sharing that responsibility.

Chairman LIEBERMAN. Thank you, Senator Warner, again for your eloquent statement in support of Mr. Williams.

You are off to a good start here this morning, Mr. Williams. [Laughter.]

Thanks to both of you.

Senator WARNER. Thank you very much.

Mr. RIDGE. Thank you.

Senator COLLINS. Thank you.

Chairman LIEBERMAN. I wish you a good weekend.

We will proceed. Let me just start by welcoming you, Mr. Williams.

The General Services Administration (GSA) plays a very important role in helping the rest of the Federal Government run more efficiently and effectively.

GSA is often called the Federal Government's "landlord" because it provides the workspace and office services for almost every Federal office and agency across the Nation.

But, of course, GSA, as you know very well, Mr. Williams, is a lot more than just the government's landlord. Its 12,000 employees are spread across the country in 11 districts and help guide the spending of approximately one-half trillion dollars for purchases of everything from basic office equipment to alternative fuel vehicles.

If GSA were a private entity, it would be in the Fortune 100. Its decisions have broad implications not only for the government, but for our economy.

Given these stakes, it is important that GSA have not only top-flight leadership but good, steady leadership as well.

If confirmed, Mr. Williams would be the fifth GSA administrator in less than 8 years following the tenure—which was, unfortunately, troubled—of Lurita Doan.

Ms. Doan resigned after sparking Congressional and other investigations over allegations that she used her office to promote partisan politics, tried to reduce the crucial oversight role of the agency's Inspector General, and improperly interfered in the contracting process.

Mr. Williams, if you are confirmed, you know you would have only 5 months left in the Administration, but in that 5 months would, I think, have a very important opportunity to provide the leadership to GSA needed to restore public and Congressional confidence in it, keep the agency on an even course in carrying out its duty to spend American taxpayers' money wisely, and help ease the transition to the next Administration.

It is worth noting that, if confirmed, Mr. Williams would be the first career civil servant appointed to head GSA, and that is significant. Mr. Williams brings very unique qualifications to this job. Presently the Commissioner of GSA's Federal Acquisition Service, Mr. Williams was previously part of the Clinton Administration's original "Partnership for Reinventing Government" team and has been a leader on procurement and technology issues for the Internal Revenue Service (IRS), the Department of Homeland Security, as Governor Ridge indicated, and the Office of the U.S. Trade Representative for Negotiations with the Government of Japan.

Overall, Mr. Williams has been in public service for 28 years, with 17 years as a senior executive, and beyond anything else, I think we owe you a debt of gratitude for both choosing a career in service to your Nation and conducting yourself as admirably and efficiently as you have.

The only controversy of which I am aware involving your nomination, Mr. Williams—and I want to discuss it with you in the question-and-answer period—is what role you may have played in contracts involving Sun Microsystems, which are also controversial. Specifically, as you know, GSA leadership is alleged to have improperly pressured a contracting officer to renew a contract with Sun Microsystems for computer products and services.

That disputed contract negotiation occurred at a time when Sun Microsystems was under investigation by the agency's IG and the Justice Department for potential fraud in connection with its previous contracting practices with GSA. And that case, of course, was one of the main reasons why Congress lost confidence in your predecessor. So it will be important for the Committee to understand your role in this and what lessons may have been learned as a result of it.

I also want you to know that I would like to review the status of the Department of Homeland Security headquarters project, which appears to be delayed and is of real importance to this Committee.

Mr. Williams, bottom line, you have a distinguished record of service to your country. GSA is in dire need of exactly the kind of strong and competent leadership that I believe you have the ability to provide. I certainly hope that you will be able to satisfy this Committee in its questions today and ultimately the Congress that, if confirmed, you will always, as you have, keep in mind first and foremost the interests of the citizens and taxpayers that we are privileged to serve.

Senator Collins.

OPENING STATEMENT OF SENATOR COLLINS

Senator COLLINS. Thank you, Mr. Chairman.

Mr. Williams comes to this Committee with two decades of experience in Federal service. As we have learned, he has worked at the Department of Commerce, Homeland Security, IRS, and GSA. And I mention that because that breadth of experience is very important given the responsibilities of the GSA.

That public service, which has included work on modernizing IRS business systems, helping to negotiate a supercomputer agreement with the Government of Japan, and leading a contracting effort for installing weather reconnaissance gear on Air Force transports, is very useful experience for the major challenges that GSA faces today and will encounter in the years ahead.

The size and reach of GSA's operations make meeting those challenges vital. 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 208,000 vehicles. And the Chairman and I are particularly interested in that vehicle fleet. With the size of that vehicle fleet, the GSA should be leading the way in reducing the use of gasoline-fueled cars and instead pursuing hybrid cars and other ways to decrease our energy use as the Federal Government. GSA's performance has a significant impact on the efficiency and effectiveness of government-wide operations. It affects almost $66 billion in financial transactions throughout the government. And as we know, GSA is also the Federal Government's primary acquisition agency and landlord.

This Committee has done a lot of work in the area of Federal contracting. We have done investigations in the failings of Federal contracting, and we have incorporated those lessons into legislation the Chairman and I have introduced, a bill that would reform Federal acquisition practices and that has passed the Senate but now is stalled in the House.

An immediate demand on the attention of the new GSA Administrator will also be the presidential transition, and I think it is critical that we have a new leader in place as we look forward to the work that will need to be done to establish offices and provide technology and support services immediately after Election Day.

The Chairman mentioned another challenge facing GSA, and that is the sorely needed consolidation of Department of Homeland Security offices at the St. Elizabeths Hospital complex.

Of particular concern to Maine and other border States is the critical 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. It is now estimated that a port of entry takes more than 7 years between the beginning of the planning phase and the completion. That is simply too long. And I know that Mr. Williams has indicated his willingness to identify ways to shorten this time period.

In my home State of Maine, there is a new port of entry in Calais that is under construction. It has been seriously delayed by GSA's failure to award the construction contract on time and to ade-

quately account for the presence of significant ledge at the construction site. Ledge is a very common occurrence in the State of Maine, so this should not have come as a surprise.

These delays are having real effects. Although the new international bridge connecting Calais, Maine, with St. Stephen, New Brunswick, will be completed this year, the American side of the port of entry is now delayed so that the completion will not occur until the end of next year.

So imagine, Mr. Chairman, here we have this new international bridge. The Canadians are all set with their new port of entry on their side of the border, and because of contract delays on our side of the border, we will not be ready to open up the American side of the new port of entry until the end of next year, almost a year delay. That, frankly, is an international embarrassment, and it has an impact on the economy of Washington County. So this is an issue I have already talked to Mr. Williams about, but it is going to take some reprogramming of funds and a real commitment to try to make this gap in the opening of the ports of entry on each side of the border as short a gap as possible. I look forward to talking with Mr. Williams about these and other border issues today.

I want to second the Chairman's concerns about the Sun Microsystems contract issue. I have had the opportunity to discuss that issue with Mr. Williams, and I am personally satisfied with the role he played in his responses, but I do think it is important that for the record we get those responses before the public.

Finally, Mr. Chairman, I would like to have entered into the record a letter that Congressman Tom Davis, the Ranking Member of the House Committee on Oversight and Government Reform, has sent to both of us in support of Mr. Williams' nomination.

Chairman LIEBERMAN. Thanks, Senator Collins. Without objection, Congressman Davis' letter will be entered into the record.[1]

Let me proceed with the formal beginning. James A. Williams has filed responses to a biographical and financial questionnaire, answered pre-hearing questions submitted by the Committee, and had his 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.

Our Committee rules require that all witnesses at nomination hearings give their testimony under oath. So, Mr. Williams, I would ask you now to please stand and raise your right hand, if you would. Do you swear that the testimony you are about to give the Committee will be the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. WILLIAMS. I do.

Chairman LIEBERMAN. Thank you very much. Please be seated.

Mr. Williams, I understand that various members of your family are here today. We welcome them, and I would ask you now to proceed with your opening statement, and, of course, we would be happy to also have you introduce the members of your family.

[1] The letter submitted for the record by Senator Collins appears in the Appendix on page 31.

STATEMENT OF JAMES A. WILLIAMS TO BE ADMINISTRATOR, U.S. GENERAL SERVICES ADMINISTRATION

Mr. WILLIAMS. Thank you. Chairman Lieberman, Ranking Member Collins, it is my honor to appear before you today. I would like to thank you in advance for your support of GSA, and I would like to thank the people who have helped make this wonderful opportunity possible.

Thank you to my good friend and former boss at the Department of Homeland Security, Governor Tom Ridge, and also to Senator Warner for their kind introductions of me to the Committee. And I would also like to thank Congressman Tom Davis.

I would like to also recognize my family and friends, but especially my wife, Nancy; my daughter, Anne, and my son, Jimmy; and my other family members who are also here. My wife, my daughter, and my son are very dear to me, and I appreciate them being here today as well as my other family and friends.

During a career in Federal service that has spanned nearly three decades at the IRS, Commerce, DHS, and now GSA, I have been afforded the chance to work closely with fine and dedicated people. I feel lucky. I am here because of this great fortune, and while I cannot possibly thank all of these individuals, some of the key leaders I have worked under and greatly admire include Charles Rossotti, Asa Hutchinson, Admiral Jim Loy, Gordon England, and Governor Ridge. I am also especially proud of the current team of leaders I work with at GSA. And, last, though they are not present, I would like to acknowledge my father, a career naval officer, and my mother, a former Navy nurse and mother of seven. My parents will be an inspiration to me always.

Just as we are here today to ensure an orderly transition from one Administrator to the next, GSA plays a strategic role in ensuring the orderly transfer of power from one President to the next. GSA helps preserve our history in other ways as well, maintaining our legacy buildings that help define our Nation and our ideals. GSA also works to preserve our precious natural resources and make all of us better environmental stewards.

Additionally, GSA will continue to be a leader in government-wide policies to provide for better management and stewardship of key assets. We have assumed these responsibilities without wavering from GSA's original commitment to provide goods, services, and work space at best value. GSA does provide critical support to the warfighter, the firefighter, and Federal, State, and local employees. GSA's presence can be seen in nearly every major city in the United States at Federal courthouses and land ports of entry and also in over 100 countries around the world.

At GSA, we also recently completed the largest reorganization in our history by establishing the Federal Acquisition Service with the help of Congress, and I am very proud to have been a part of that successful effort.

Chairman Lieberman and Ranking Member Collins, I want you to know that, if confirmed, I would work to maintain GSA's status as one of the top places to work in the Federal Government, to maintain and improve the excellent financial record we have achieved, and continue to focus on attracting and retaining bright,

energetic, and committed public servants, particularly in the acquisition field.

Before I conclude, I would like to thank you, Mr. Chairman and Ranking Member Collins, and your dedicated staff for all the work that has been done in preparation for this hearing. Also, I appreciate greatly our Regional Administrator, Emily Baker, and our head of Congressional Affairs, Kevin Messner, and members of my immediate staff—my assistant, Bobbi Conde and others—for getting me ready and leading me through this process. If confirmed, I pledge to work hard and collaborate with the current and incoming Administration, the Congress, our oversight entities, private sector partners, and all GSA employees to achieve these goals.

I am proud to have served our great country throughout my career. I would also be proud to represent the diverse men and women of GSA who work so hard to meet the needs of our client agencies and the American people. I am honored to work among them today and would be honored to lead our team as the GSA Administrator.

Again, thank you, and I would be glad to respond to your questions. And if you do not mind, I did not know if my other family members are here because I could not see them.

Chairman LIEBERMAN. Go right ahead, yes.

Mr. WILLIAMS. My sister Martha, and her husband, John; my sister Susan; my twin brother, John, is also here. And I believe that is it.

Chairman LIEBERMAN. Thank you, and welcome to all of you. I am going to start my questioning with the standard questions we ask of all nominees.

Mr. Williams, 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?

Mr. WILLIAMS. No, Mr. Chairman. I am currently a member of four boards of directors, and I have agreed to resign as a member of the board of directors of all of those.

Chairman LIEBERMAN. Fine. Second, 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?

Mr. WILLIAMS. No, sir.

Chairman LIEBERMAN. Thank you. And, third, 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?

Mr. WILLIAMS. Yes, sir.

Chairman LIEBERMAN. Thank you very much. Let me suggest that we do an 8-minute round since it is just the two of us, and I will begin. Let me get right to the Sun Microsystems question because I do want to try to clarify it.

As you know, there is at least one colleague of ours—Senator Grassley—who has some very strong feelings about this. Just for the record as background, an audit performed by the GSA Office of Inspector General in 2004 found that under a 1999 contract between Sun Microsystems and GSA, Sun Microsystems had billed the government millions more for computer software and technical

support than it charged its regular commercial customers. The report also included allegations of fraud by Sun Microsystems which were subsequently referred to the Department of Justice in April 2006.

When you arrived at GSA in June 2006, negotiations on a new contract were ongoing. A critical report by Senator Grassley alleged that Ms. Doan and you—Ms. Doan, then GSA Administrator—pressured and even harassed the contract officer to sign the Sun Microsystems contract against his better judgment. I am repeating the allegations in the Grassley report. So let me go to the questions.

I want you to take a moment to describe your involvement in the Sun Microsystems contract and respond to the specific allegation that you inappropriately pressured the aforementioned contract officer.

Mr. WILLIAMS. I would be happy to, Mr. Chairman. First, I would like to say that the ultimate contract that was signed with Sun Microsystems by the GSA contracting officer, I believe, was a good deal for the taxpayers, and the contract proposal——

Chairman LIEBERMAN. This is the second one, as it were, the one we are talking about.

Mr. WILLIAMS. The second one.

Chairman LIEBERMAN. Right.

Mr. WILLIAMS. The contract proposal that was talked about in the impasse briefing that was rejected by the contracting officer was never signed, and only after Sun Microsystems made concessions after that impasse was reached, when they made concessions then the contract that was negotiated after that, that is the one that was signed. The contracting officer believes that was a good deal for the government and so do I.

Let me talk about my role. When I came to GSA, I was focused on finalizing the Federal Acquisition Service, but I was told there was a meeting on my calendar to discuss Sun Microsystems. That was on August 14, 2006, and that is what is referred to as the "impasse briefing."

Chairman LIEBERMAN. Right.

Mr. WILLIAMS. And at that meeting there were several contracting people who worked for me; the Inspector General folks, I believe, were on the phone; and people from our General Counsel's office participated. And what was presented to me was that in the negotiations that had been going on—as you said, Senator, this was a renewal of a prior Sun Microsystems contract. There was a Sun Microsystems contract from 1999 to 2004. Now, from 2004 into 2006, there had been ongoing negotiations with Sun Microsystems, and the negotiations, as I understood it, were in parallel tracks. One was to negotiate a new 5-year contract for products and services, and at the same time they were negotiating with Sun Microsystems to fix the problems that Sun Microsystems had in the prior contract where they had not adequately tracked their discounts and passed those discounts on to the Federal Government.

Prior to my coming there, they had negotiated what I would say was about 90 percent of the contract. Again, people knew about the past overcharging, yet they continued to negotiate, and that was the contracting officer and the IG auditor participating, working

side by side, to do those negotiations. It was a year and a half to 2 years before I got there.

But then they reached a point where they became at a stalemate with Sun Microsystems. Sun Microsystems refused to include things like services, and we thought they should be included. And what came to me on August 14, 2006, was this impasse briefing where people said to me, "We cannot negotiate a good deal with Sun Microsystems."

I was also told about the problems with the prior contract, and it was made very clear to me that I should do nothing to interfere with what would happen with the IG and the Justice Department looking at that prior contract.

Chairman LIEBERMAN. And you were told about that at that August 14, 2006, meeting?

Mr. WILLIAMS. Yes.

Chairman LIEBERMAN. About the problems with the earlier contract?

Mr. WILLIAMS. Yes, sir.

Chairman LIEBERMAN. So you took that, I presume, is it fair to say, as a warning to at least proceed cautiously?

Mr. WILLIAMS. Yes, sir.

Chairman LIEBERMAN. Right. Go ahead.

Mr. WILLIAMS. And I understand that they had been negotiating this new contract for 1½ to 2 years. They had also been negotiating this corrective action plan with Sun Microsystems to make sure they fix their systems problems so that if we entered into a new contract with them, we would not have the same problems we had in the prior contract.

My understanding is that prior to my arrival, the contracting officer, working with the Office of the Inspector General auditor, had agreed that this was a good corrective action plan by Sun Microsystems. I absolutely agreed with the IG that, for whatever overcharging that had gone on in the past, they should, frankly, go get them, go after that money. That was money owed to the taxpayer. But my understanding was that there were people who had been working for a year, a year and a half, on negotiating this new contract, and they had just reached a sticking point in the negotiations.

At the end of the impasse briefing, I said, "Fine, we are done. We are finished with Sun Microsystems. They are not going to be a contractor in this."

What changed then was Sun Microsystems had a change in leadership, and they contacted us and said they were willing to make concessions. They came back to us and said, "We want to come back to the table." And the first contracting officer with that impasse deal did the right thing. He came to his supervisors, according to the Federal Acquisition Regulation (FAR), and said, "I am at an impasse." His supervisors reviewed that and said, "We agree. This is not going anywhere." They tried with Sun Microsystems. They could not make any headway. We were at an impasse.

Then when Sun Microsystems came back and said they were willing to make concessions, knowing that we had negotiated this corrective action plan, knowing that 90 percent of the contract had already been negotiated long before I got there, Sun Microsystems

was willing to come back and do things like include services, which they had not before. And to me it was like buying a car. If you want to buy a car, you want to buy the car and you want to negotiate the warranty provisions at the same time. And Sun Microsystems had not been willing to do that. With their new leadership they were willing to change.

So we had a conference call. I was at a meeting in Baltimore. I had a conference call, and I said to people, "Sun Microsystems wants to come back. They want to make concessions." I even told them about the conversation with Sun Microsystems, how they very much wanted not to lose their GSA contract. I did say I thought this was important to GSA that we go back to the table. But having been a contracting officer for many years, I made it clear to people who were on that conference call that if they could not get a good deal, we would walk away. And I would never tell any contracting officer and I would never want anybody to tell any contracting officer under me to go get a contract no matter what the cost is. We are just stewards of the taxpayer money. I frankly do not care what contractor gets a contract or not. I care about getting the best deal for the taxpayer.

Chairman LIEBERMAN. Let me stop you there. I want to just get it all out because it will probably come out or it will be brought out by Senator Grassley or others at some later point. His report suggests that you pressured the contract officer, and I want to ask you whether you believe that any of your actions might have contributed to the perception that inappropriate pressure was placed on the contracting officer by you or others, but particularly, obviously, by you.

Mr. WILLIAMS. I do not believe I did, Mr. Chairman, and I tried to be clear in my communications. Looking back, I would have done things slightly differently. Ultimately, I believe we got a good deal for the government.

The contracting officer and the contracting folks who first said that first proposal at the impasse briefing was not acceptable, I completely supported them. And then when it came time to go back to the table with Sun Microsystems, I had heard that the contracting officer did not want to continue working on this. I thought I was doing the right thing by asking him did he want to continue to work on this. He said no.

Chairman LIEBERMAN. Right. Did you suggest it to him first or did he ask to be reassigned?

Mr. WILLIAMS. I was told that he did not want to continue working on this.

Chairman LIEBERMAN. You were told that he had told somebody else that.

Mr. WILLIAMS. Yes.

Chairman LIEBERMAN. And then you confirmed that with him.

Mr. WILLIAMS. Well, honestly, sir, I did not confirm it with him. I relied on the people who told me he did not want to work on it. So when it came time to go back to the table, I asked him, "Do you want to continue to work on this?" I thought I was being fair to him. And he said no, and I accepted that.

In fact, after the conference call was concluded, I said to people, "Look, this sounds like a great guy. He has been doing his job.

Make sure that we treat him fairly. Just because he does not want to work on this, he should be OK."

Chairman LIEBERMAN. So the new contract officer came in early September, if I get the dates right, and within a week and a half or so, he recommends that this contract be signed according to the narrative that you have described.

Mr. WILLIAMS. Yes, sir. It was actually a she, and she came in when Sun Microsystems made the concessions—and, again, 90 percent of the contract in my mind was already done. We had two large sticking points. Sun Microsystems made concessions on both. She then finished the negotiations.

What she did was review——

Chairman LIEBERMAN. That is an important point; 90 percent of the contract negotiations were done when this new contract officer came in.

Mr. WILLIAMS. It was already completed, and they were completed——

Chairman LIEBERMAN. Yes, it is important because there have been suggestions by some of the critics here that the new contract officer approved the contract in an unduly brief period of time, which was just 9 or 10 days. But your response to that is that most of the contract actually had already been negotiated by the time the new officer came in.

Mr. WILLIAMS. Yes, sir. Again, they had been negotiating since 2004.

Chairman LIEBERMAN. Right.

Mr. WILLIAMS. And Sun Microsystems has a long line of products, and those products had been negotiated almost completely. One of the remaining sticking points that was out there was Sun Microsystems's failure to include maintenance. And at the impasse briefing, the acquisition staff said, "We don't want to go forward unless they include maintenance." I supported that.

The other thing that was not done, as I understand it, was we did not have agreement on what the discounts should be, and what was negotiated in the end by the contracting officer was a tiered discount so that as our volume of sales or volume of buys went up with Sun Microsystems, our discount became greater. And we thought that was a good deal for the government.

And what she negotiated was reviewed again by our supervisors, and it was approved. I did not participate in the negotiations at all. I relied, first of all, on the contracting officer to tell me they were at an impasse, and the supervisors told me that. I relied the second time on the contracting officer and the supervisors who told me they had then negotiated a good deal for the government.

Chairman LIEBERMAN. But, again, on the important point of your involvement, you do not think you did anything that could have been seen as inappropriate pressure on the contract officer to do something the contract officer did not want to do?

Mr. WILLIAMS. I do not believe so, sir. But, again, looking back in hindsight, when I had the conference call in Baltimore and when I said to people, "I think this is important that we go back to the table," we would like to have Sun Microsystems under contract. Our customers buy a lot of Sun Microsystems products and services from us. And looking at all the circumstances around it, I thought

it was important that since Sun Microsystems made the first move to say, "We are willing to make concessions," I thought we should go back.

Chairman LIEBERMAN. Right.

Mr. WILLIAMS. But I believe that I made it perfectly clear—maybe not perfectly; I made it clear. Like I would say to any contracting officer, if you cannot get a good deal, we will walk away.

Chairman LIEBERMAN. Right. Good enough. I am way over my time. Thank you. Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

Let me just pick up on a couple of points that the Chairman just discussed with you. First, it is your testimony that you told the contracting officials that if they could not get a good deal for the taxpayers, they should let the contract expire. Is that correct?

Mr. WILLIAMS. Yes, Senator, and I believe the notes of one of the senior contracting people from the conference call support that I said that.

Senator COLLINS. And you have also testified in response to Senator Lieberman that you did not place any pressure on Mr. Butterfield, the contracting officer, to accept Sun Microsystems's position and complete the contract renewal. Is that correct?

Mr. WILLIAMS. It is correct, and I supported him in rejecting the proposal that was part of the impasse briefing.

Senator COLLINS. Now we get to the issue that has created some concern, and that is the fact that the contracting official, Mr. Butterfield, did not complete the final negotiations, even though most of the negotiations had been completed by the time he removed himself.

Did you in any way pressure Mr. Butterfield to step aside from the negotiations and allow another contracting officer to complete the contract?

Mr. WILLIAMS. No, ma'am. In fact, I thought I was helping Mr. Butterfield and agreeing to his wishes.

Senator COLLINS. There is only one other issue related to this contract that we have not covered that I want to bring up, and that is the report by the Postal Service IG, which took a look at allegations that the GSA IG had been intimidating GSA employees in the course of the IG's review of the Sun Microsystems contract.

The Postal Service IG found that you did not take any steps to independently verify those allegations, but instead just reported them to the GSA Administrator. The reason that is of concern is there obviously was a very poor relationship between the IG and the Administrator.

Could you tell us of your role in handling those complaints?

Mr. WILLIAMS. I would be happy to. At the impasse briefing that we had, the initial meeting on August 14, 2006, after the meeting was concluded, one of our senior contracting people—I was standing off to the side in the meeting room—told me that Mr. Butterfield had felt intimidated and threatened by the IG and that he did not want to continue working on this. That is what was told to me in front of several other people.

I did not then go directly to Mr. Butterfield to verify that statement. I wish I had, because I later heard, long after all of this, that

Mr. Butterfield said he did not say that to his supervisor. In fact, it was his second-level supervisor.

I did pass this comment, along with the discussion of Sun Microsystems, on to Administrator Doan. But in terms of independently verifying, I did pass this informally on to Gene Waszily, who was the Deputy IG for Audits, and who was responsible for all these audit people. And I said, "Gene, I heard this. I heard that your people had said things to the contracting officer that made him feel intimidated." Mr. Waszily said, "I will look into it." And I had a good relationship with Mr. Waszily, and later on, he was asked, "What did you find?" And he said, "I could not find any merit in those allegations." And I accepted that.

Senator COLLINS. As I indicated, the relationship between the previous Administrator and the Inspector General at GSA was one that was plagued by conflict. How do you see the relationship in general between the head of an agency and the IG?

Mr. WILLIAMS. Well, first, I would say, Senator, that I believe I have a good relationship with the IG and his staff and have always had that, and I hope to build on that.

I do see the Administrator and the Inspector General as having common goals. We are stewards of the taxpayer money, and our goal is to make sure we meet the needs of our customers and do it in a compliant way and get best value for our customers. And I see the IG as an independent role that would help the Administrator accomplish those goals together.

Senator COLLINS. Thank you.

I want to turn to the issue that I mentioned in my opening statement of particular concern in the State of Maine. As you know from our previous conversations, I am very troubled by the fact that the port of entry in Calais, Maine, will not be completed until many months after the new international bridge and the Canadian side port of entry are ready for use. This is of tremendous disappointment to the people in Washington County and to the community of Calais in particular. And, unfortunately, the delays were caused by the GSA not promptly awarding the construction contract and then the subsequent discovery of ledge, which has made the construction more difficult and more expensive.

I have had many conversations with the previous Administrator, who actually came to Calais for the ground-breaking to discuss this issue with local and Canadian officials. But it is clear now that additional funds are going to be required to complete the construction of the facility.

What are GSA's plans for finding the additional funds that are going to be necessary to prevent still further delays in the completion of this vital project?

Mr. WILLIAMS. Well, Senator, as you know, I am fully aware of the economic impact of our land ports of entry, having visited many of them, and I understand their importance to our economy and their importance to just connecting with our closest neighbors in Canada, and also in Mexico. And I do not think anybody in GSA is happy about where we are right now on Calais. We did run into problems in awarding the contract and in unforeseen site conditions in terms of the significant amount of ledge that was there.

But I will commit to you, I understand the importance of this, the importance to you, and I will make this a high priority. And I will do whatever I can to make this a success, and we have committed to November 2009 to make our port open so that we can connect with St. Stephen, Canada, and I will make this a high priority and will do what I can.

Senator COLLINS. Thank you.

Mr. Chairman, do you want me to yield back to you now? Are we going to do a second round?

Chairman LIEBERMAN. Go right ahead, because I took a lot of extra time.

Senator COLLINS. Mr. Williams, a second port of entry in Maine that I want to discuss with you is in the town of Van Buren. Last weekend, I had the opportunity to tour both what had been the permanent port of entry facility in Van Buren, which was severely damaged in a flooding in early May, as well as to tour the temporary port of entry that is now located there, which is essentially a double-wide trailer or manufactured house.

First, let me say that GSA was very responsive in putting the temporary facility at this very busy port of entry. The problem with the temporary port of entry facility, however, is that it is not winterized. And according to the Customs and Border Protection (CBP) officers who were manning it, it is obviously fine on a sunny day in July, but winter comes very soon, and there is no insulation underneath this manufactured house. The pipes are going to freeze. There is no canopy over the agents who are checking people in the traffic lane. It desperately needs to be winterized in order for the officers to operate effectively, safely, and efficiently this winter. So that is the first problem that I would like you to address.

Does GSA have plans to upgrade the temporary facility to make it safe and secure for the winter months?

Mr. WILLIAMS. Yes, Senator, we do, and our responsiveness on Van Buren will continue. It will be winterized. And those CBP officers that are up there, we will make sure they are taken care of. They are a group that I have worked with very closely, and we understand the need for winterization of those trailers, and we will do that.

Senator COLLINS. Thank you. Second, and related to this same border crossing, every single one of the customs agents and border protection officials who are there told me that the temporary facility was better than the permanent facility. [Laughter.]

And I am not kidding about that. I toured the permanent facility. There is asbestos. There are cracks in the wall. It is sliding into the river so it is uneven. And a lot of those problems, I regret to tell you, were there before the terrible flooding that made the facility unusable.

So the plea that I heard from all of the dedicated officers who are working at that port of entry was, "Please don't just repair this. We need a new, modern, safe, and secure port of entry." And I would be more than happy to have you come to Aroostook County, Maine, and see that port of entry, and then we could go to Washington County and see the delays at the Calais port of entry. But this really needs the attention of CBP and GSA, and I am asking you today to do everything you can to work very closely with CBP

to plan, design, and construct a desperately needed new port of entry. It was really telling to me that even though these officers are housed in this very temporary facility, they preferred it to the permanent port of entry facility.

Mr. WILLIAMS. Well, Senator, I do not think we would like to see them slip into the St. John's River.

Senator COLLINS. Exactly.

Mr. WILLIAMS. So I understand, like you, that they are very happy with the current conditions, the trailers that we put there. I think in terms of looking to the future, we are working closely with CBP. I think they are even meeting today, and I would say all options are on the table. We would like to make sure we take care of our Customs and Border Protection officers. They do, as I have always said, a magnificent job for this country. In fact, one of my friends who is a 30-year CBP person is here today with me.

Senator COLLINS. Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thanks, Senator Collins.

I hope you can take up Senator Collins' invitation to go to Maine.

Mr. WILLIAMS. I would love to.

Chairman LIEBERMAN. And I would certainly urge you to do it this summer. [Laughter.]

Mr. WILLIAMS. Actually, I do not mind going in the winter. In one of my prior jobs, Senator Stevens challenged me to go to Alaska. I did in February, and I did see 40 below. I do not mind going in the winter either.

Chairman LIEBERMAN. Oh, this will be mild by comparison.

Let me just ask you a final wrap-up question on the Sun Microsystems case. You testified here this morning that at that initial August 14, 2006—was it a meeting or a conference call?

Mr. WILLIAMS. It was a meeting, but there were also people on the call.

Chairman LIEBERMAN. You heard about the past problems that Sun Microsystems had, and the Inspector General as well—I do not know whether they told you about the reference to the Justice Department, but there had been a problem. And I think you indicated why, nonetheless, you thought it was appropriate to proceed.

As a general rule, as we go forward, what weight do you think the GSA Administrator should give to a vendor's past behavior or record in deciding on future dealings with the vendor?

Mr. WILLIAMS. Well, I think that is really a responsibility of the contracting officer, and that is a responsibility under the FAR to look at whether the proposed contractor has the business ethics, judgment, everything in order to award them a Federal contract, to put our trust in them.

I do think that, as I understood this, people were concerned about the past allegations, but they felt like they had solved it before going forward with a new contract. And I absolutely supported them in going to the Justice Department. I think they said they were considering it. And, obviously, if they have done something to cheat the taxpayer, go after them. And I support that.

In fact, we even talked about the possibility of asserting a claim against Sun Microsystems to support the idea, and they said, no, do not do that, we are going to pursue our own separate case.

And there was even talk that if we awarded a contract to them, it gave us more ammunition in going after Sun Microsystems if they owed this money because that way we could deduct money from the new contract as opposed to not having a contract at all.

So I was trying to support them in what they were trying to do, but it was also my understanding that the problems of dealing with Sun Microsystems in the future had been dealt with. In fact, the Sun Microsystems Vice President told me, he said, "Mea culpa. My systems did not track discounts." He said, "Someday I am going to write you a check," and I know that. And he said, "But I have spent several million dollars to fix the system deficiencies and, according to your plan, to fix it so it tracked discounts."

So from what I knew, people had been working with Sun Microsystems to fix the problems going forward. But I also supported going after them for the money they owed us from the past.

Chairman LIEBERMAN. Good enough. Thank you.

Let's move on to the other matter I mentioned in the opening statement. As you know from your own personal experience, the Department of Homeland Security lacks a real headquarters. It is currently spread throughout 70 buildings and 40 sites across the National Capital region, which, of course, makes communication and coordination among the various components a real challenge.

GSA has been working to establish a new comprehensive headquarters on the St. Elizabeths Hospital campus here in Washington, DC, for the past couple of years. I appreciate the obstacles that GSA has encountered on this project, including a lack of sufficient funding from Congress. But I want to mention one particular obstacle that still remains, the approval of the National Capital Planning Commission (NCPC).

Apparently, despite receiving comments from the Commission on the draft master plan for St. Elizabeths in November 2007, GSA has not yet returned to the National Capital Planning Commission for final approval.

I wanted to ask you to talk first about why this critical project has been repeatedly delayed. And, second, to the extent that you are able today, or you want to go back and talk to anybody at GSA, I wanted to ask you to commit to submitting the final master plan to the National Capital Planning Commission before the end of this calendar year.

Mr. WILLIAMS. First of all, Senator, I would say I completely agree with the need—not that it takes my agreement—to be able to move the Department of Homeland Security into a consolidated headquarters. I loved working at the Department of Homeland Security. I did for 3 years under Governor Ridge and Secretary Chertoff, and we worked hard and I loved my time there. But I believe you all created the Department of Homeland Security to integrate those functions, and I think they need to be physically consolidated in order to truly achieve the integration that you all desired.

So I completely support the St. Elizabeths consolidation. I would make that a high priority. And looking at the master plan, I think we are on track today, and that is to get the draft master plan by November 1, 2008, to the National Capital Planning Commission and to start the clock ticking to get the final master plan to them

December 1, and to make sure we can get to a vote by them hopefully by very early in January. I think we are on track.

The ultimate goal is to make sure we meet the needs of getting the Coast Guard's headquarters in there before their new lease expires at Buzzard's Point, and that is something I will make sure I follow, not only this milestone but every one after that during my tenure.

Chairman LIEBERMAN. Good. Very important. I appreciate that.

If we in Congress provided supplemental funding in the fiscal year 2008 budget for this project, would that be helpful?

Mr. WILLIAMS. I am sure that if you did, we could find ways to use it.

Chairman LIEBERMAN. How would you use it?

Mr. WILLIAMS. Well, we would use it, frankly, to try and accelerate the project, if we could. We would look at when the money comes. Is it this year? Is it next year? And I think I would rather get back to you with exactly what we could do with it.

I will say I think the progress we have made to date is because of the collaboration with this Committee, with the NCPC, and on the project as a whole. So whatever additional resources or things you can provide us, we would certainly look to use it productively.

Chairman LIEBERMAN. Good. And, finally, let me ask you to generally speak to your vision of the role of the Office of Inspector General (OIG) and what, if any steps you would take to ensure that there is the most effective possible partnership between the Administrator and the IG. As you know, others have described the relationship between former Administrator Doan and the Agency's OIG as "dysfunctional." So what are your feelings about that relationship?

Mr. WILLIAMS. Well, I would say, again, I feel like I have always had a positive relationship with the IG and their staff and, frankly, in other places where I have worked. I believe in working collaboratively with people as part of a team. As I said before, I believe the goals of the Administrator, the IG, and all of GSA are common goals, and I think that is what you need. You need a team that is focused on common goals and working together. And I think to work together as a team, you need to communicate and collaborate. And my own office is doing that today with the Inspector General. We have monthly meetings to look at what are the priorities for both our organizations. We work with them on their annual audit plan today, and I think we have a very good relationship. And I would like to continue and build upon that. I am not the prior Administrator. I am me. And I would want to work closely with Brian Miller and his staff.

Chairman LIEBERMAN. Very good. Thank you. Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

Mr. Williams, since January 2003, the GSA management of Federal real property has been on GAO's high-risk list. Several years ago, I did an investigation of the government's management, or lack thereof, of real property, and we actually used St. Elizabeths as an example of what was a tremendous asset that was sitting there deteriorating day after day, year after year. And one of the reasons I am for the consolidation of DHS is not only to help DHS,

but to make use of a very valuable asset that has been allowed to just go to ruin.

In general, what is your assessment of GSA's management of its real property? There is still a problem with underutilized or even unused real property.

Mr. WILLIAMS. I think there are really four challenges that probably continue to put it on the high-risk list, and one is that I do not believe there are good data about all of the real estate, real property that the government holds, GSA included. And I think under the real property profile that our Office of Government-wide Policy has been compiling, they are starting to attack that, looking at how do we get good data. And I think it leads to the rest of the problems, which is really looking at management of the entire portfolio, not only what GSA has, but the rest of the government.

I think we also have a problem in underutilized space, and I think GSA has done a good job looking at lowering the vacancy rate as well as disposing of excess property. And I think they have put the focus on that of getting rid of those excess properties.

I think the next two problems that put it on the high-risk series are the bigger challenges, and first of all, it is the costly leases and also the deteriorating buildings. GSA estimates we have about a $7.4 billion deficit in repairs and alterations that are needed to Federal buildings. And as you all said, we have about 8,600 buildings, and about half of those are leased space and about half of those are government owned. But more and more it is going towards leasing, and the leasing is becoming more costly, and it is because we have to comply with the scoring rules. And I will not say the scoring rules are wrong, but because when we have a capital lease—in order to enter into that, we have to score the entire amount of it up front. It causes us to enter into short-term leases. It causes us to get away from government-owned or construction of a government-owned building. And, frankly, GSA has gotten a lot of its revenue from its government-owned property, those 1,500 out of the 8,600 buildings where we get revenue from those things that help us to pay for repairs and alterations. So where we are entering into these costly leases, we also do not have the ability to earn as much revenue, which would then fund the repairs and alterations budget.

So I think we have huge challenges there, and it is not just a GSA challenge. I think we need to work with you all on that and work with everybody, the Office of Management and Budget and everybody. How do we take care of that problem of being pushed into these costly leases that then exacerbate the problem of not having the revenue to deal with that severe shortage in funding for repair and alterations? I am not sure right now I have the answer, but certainly it is a problem for which I would like to contribute to the solution.

Senator COLLINS. Thank you. I look forward to working further with you on that issue as well.

The last issue that I want to bring up is another area that GAO has designated as high risk in addition to the management of real property, and that is management of interagency contracting. The concerns about interagency contracting are not limited to GSA's Multiple Awards Schedule programs, but apply equally to govern-

ment-wide acquisition contracts and other interagency vehicles. Our contracting reform bill attempts to address the proliferation of these vehicles because many of them have become duplicative, wasteful, and costly.

Do you believe that we need a better system to control the proliferation of multi-agency contracts?

Mr. WILLIAMS. Yes, I do. I believe the proliferation today is contributing to inefficiencies in our Federal acquisition system. And while I am not saying the GSA needs to be a monopoly on procurement—I do not believe that. But, on the other hand, acquisition people are one of the most scarce resources we have right now, and it is one of our most important functions as government, is to be stewards of the Federal contracting dollar. And when you look at how it has increased from 5 years ago from $200 billion to well over $400 billion, we need to make sure that we are proper stewards of those acquisition dollars.

I do not think interagency contracting is a bad thing. In fact, I think it can be a very good thing. When agencies are very much strapped and need help, they should rely upon common channels to the market. But they should not have to spend precious acquisition people to go create their own when one already exists. They should be utilizing those people, and we should utilize them across the Federal Government as effectively and efficiently as we can. And having interagency vehicles where there are way too many of them and people are spending all their time creating something that already exists, it is not good for the private sector, it is not good for small business, and it is not good for use of our scarce resources of acquisition people.

My belief is let GSA create those channels to the marketplace. Let it be efficient. And then let the agency acquisition people spend more of their time on the up-front requirements and acquisition strategy and more time on post-award management, not on duplicating interagency vehicles that we do not need.

Senator COLLINS. Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thanks very much, Senator Collins.

Mr. Williams, thanks for your answers to our questions. You have been very responsive. We are going to bring this nomination before our Committee at our mark-up next week, next Wednesday. As a result, we are going to leave a short time frame for the record of this hearing to stay open. We are going to close the record at the end of business today. So if you have any additional statements you would like to make for the record, please get them to us by then, and that will mean that our colleagues will have to get you any additional questions that they would like answered very quickly.

But, again, it has been a good hearing. We thank you for your years of distinguished public service and for your willingness to continue to serve in this capacity.

If there are no further comments, with that the hearing is adjourned.

Mr. WILLIAMS. Thank you.

[Whereupon, at 1:19 p.m., the Committee was adjourned.]

APPENDIX

Opening Statement of Chairman Joseph Lieberman
Homeland Security and Governmental Affairs Committee
July 25, 2008

Good morning. Today this Committee holds a confirmation hearing on the President's recommended appointment of James A. Williams to be Administrator of the General Services Administration.

Mr. Williams, welcome.

The General Services Administration, or GSA, helps the rest of the federal government run more efficiently and effectively.

GSA is often called the federal government's "landlord" because it provides the workspace and office services for almost every federal office and agency across the nation.

But GSA is far more than just the government's landlord. Its 12,000 employees are spread across the country in 11 districts and help guide the spending of some $500 billion for purchases of everything from basic office equipment to alternative fuel vehicles.

If GSA were a private entity it would be in the Fortune 100. Its decisions can 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 the exotic to the common place.

Given these stakes, it's important that GSA have steady leadership at the top. Unfortunately, recently this has not been the case.

If confirmed, Mr. Williams would be the fifth GSA Administrator in less than eight years following the troubled tenure of Lurita Doan.

Ms. Doan resigned after sparking Congressional and other investigations over allegations that she used her office to promote partisan politics, tried to reduce the crucial oversight role of the agency's Inspector General, and improperly interfered in the contracting process.

If confirmed, Mr. Williams would have only five months left in this Administration, it would be up to Mr. Williams – presently the commissioner of GSA's Federal Acquisition Service – to provide the leadership needed to restore confidence in GSA, keep the agency on an even course in carrying out its duty to spend American taxpayers' money wisely, and also help ease the transition to a new Administration. If he is confirmed, Mr. Williams would be the first career civil servant appointed to head GSA. I believe he brings unique qualifications to the job.

Besides his work at GSA, Mr. Williams was part of the Clinton/Gore Administration's original "Reinventing Government Team, and has also been a leader on procurement and technology issues for the Internal Revenue Service, the Department of Homeland Security and the Office of the U.S. Trade Representative for Negotiations with the Government of Japan.

Overall, Mr. Williams has been in public service for 28 years, with 17 years as a Senior Executive – and I would like to commend you for choosing a career in service to your nation. Federal service is a worthy career.

The only controversy of which I am aware, and which I will want to discuss today, is Mr. Williams' role in contracts involving Sun Microsystems. Specifically, GSA leadership is alleged to have improperly pressured a contracting officer to renew a contract with Sun Microsystems for computer products and services.

That disputed contract negotiation occurred at a time when Sun was under investigation by the agency's Inspector General and the Justice Department for potential fraud in connection with its previous contracting practices with GSA.

This was one reason many in Congress lost confidence in Lurita Doan, and it will be important for this committee to understand Mr. Williams' role, and what Mr. Williams believes could or should have been done differently in that matter.

I also wanted to review the status of the Department of Homeland Security (DHS) headquarters project, which appears to be continually delayed.

DHS lacks a true headquarters and is currently spread throughout 70 buildings and 40 sites across the National Capital Region, making communication, coordination and cooperation among DHS components a significant challenge.

The current situation is detrimental to the homeland security mission, which is why I have been working with my colleague Senator Collins to secure necessary funding for the DHS headquarters project.

I would like to hear how Mr. Williams intends to complete this project in timely manner.

Again, welcome Mr. Williams. I look forward to your testimony and your answers to our questions.

You clearly have a distinguished record in service to our country; GSA is in dire need of the kind of competent leadership that you have the ability to provide. I hope that you will be able to satisfy this Committee, and ultimately the Congress, that you have and always will keep first in mind the interests of the taxpayers that we all are privileged to serve. Sen. Collins.

Prepared Statement of Senator John Warner
Committee on Homeland Security and Governmental Affairs
July 25, 2008

Chairman Lieberman, Senator Collins, and my other distinguished colleagues on the Senate's Homeland Security and Governmental Affairs Committee, I thank you for holding this confirmation hearing and allowing me the courtesy of introducing a fellow Virginian, James Anthony Williams. Mr. Williams has been nominated to serve as the Administrator of the General Services Administration. He is joined today by his wife Nancy, his son Jimmy, his daughter Anne, and his brother John Williams.

As you know, the job of Administrator is a critical one. The Administrator is tasked with the responsibility of carrying out the mission of the GSA to help federal agencies better serve the public by offering superior workplaces, expert solutions, acquisition services, and management policies.

Mr. Williams' background appears to be well-suited for this position. In 1979, he earned his B.S. from Virginia Commonwealth University in Richmond, Virginia, and then in 1986 his MBA from George Washington University in Washington, DC.

Subsequent to earning his MBA, Mr. Williams has dedicated most of his professional career to the Executive Branch. Early in his career he worked for five years within the Department of Commerce and for three years at the Department of Education. He spent over a decade at the Internal Revenue Service and served as the Deputy Associate Commissioner before transferring to the Department of Homeland Security as Director of the US-VISIT for almost three years.

As of this year, he will have spent six years working within the GSA, where he has served as Commissioner of the Federal Acquisition Service for the past two years. In this role, he is responsible for overseeing the acquisition of all products and services for the federal government.

Mr. Williams obviously has extensive experience in the Executive Branch. I thank the Committee for holding this hearing today on his nomination and am hopeful that the Committee, after carefully reviewing the nominee's credentials will report his nomination favorably.

Statement of Senator Susan M. Collins

Nomination of James Williams to be Administrator, General Services Administration

Committee on Homeland Security and Governmental Affairs
July 25, 2008

★ ★ ★

James Williams comes to the Committee with two decades of experience in federal service in agencies ranging from the Department of Commerce and the Internal Revenue Service to the General Services Administration. Currently, Mr. Williams serves as the Commissioner of the Federal Acquisition Service.

That public service, which has included work on modernizing IRS business systems, helping to negotiate a supercomputer agreement with the government of Japan, and leading a contracting effort for installing weather-reconnaissance gear on Air Force transports, is useful experience for the major challenges that GSA faces today and in the years ahead.

The size and reach of GSA's operations make meeting those challenges vital. 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. GSA programs affect 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 of federal contracting -- lessons that Senators Lieberman, Coleman, McCaskill, Carper and I incorporated into S. 680, a bill to reform federal acquisition practices. With total federal purchases of goods and services exceeding $400 billion a year, Federal procurement is an area requiring better stewardship of taxpayer dollars.

An immediate demand on the attention of the next GSA Administrator will also be the Presidential transition. Whoever wins, hundreds of members of the President-elect's transition team will

depend on GSA to establish offices and to provide technology, support services, and other essentials items immediately after Election Day.

GSA must work to resolve other pressing challenges as well, including the sorely needed consolidation of Department of Homeland Security offices at the St. Elizabeths Hospital complex.

Of particular concern to Maine and many border states is the critical 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 between the beginning of the planning phase and completion – this is too long. I appreciate that Mr. Williams has indicated his willingness to identify ways to shorten this time period.

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, will be completed this year, the U.S. side of the port of entry will not be completed until the end of next year. I look forward to hearing from Mr. Williams how GSA will find the funds needed to speed completion of this project and to improve GSA's efforts at our borders.

The few issues I've cited attest to the great breadth and depth of concerns that the Administrator of GSA must handle. I look forward to hearing Mr. Williams's views on these matters and his thoughts on how he would propose to manage the financial, planning, coordination, and other challenges they present.

# # #

Opening Statement of James A. Williams
Nominee for Administrator of the General Services Administration
Before the Committee on Homeland Security and Governmental Affairs

Chairman Lieberman, Ranking Member Collins and Members of the Committee, it is my honor to appear before you today as the President's nominee for the position of Administrator of the U.S. General Services Administration. I would like to thank you in advance for your support of GSA, and I would like to thank the people who have helped make this wonderful opportunity possible. Thank you to my good friend and former boss at the Department of Homeland Security, Governor Tom Ridge, for introducing me to the Committee. I would also like to recognize my family and friends, especially my wife Nancy, my daughter Anne, and my son Jimmy, whose love and support are dear to me.

During a career in federal service that has spanned nearly three decades, I have been fortunate to work with superb people in both the public and private sector. My recent experiences in working at the IRS, the Department of Homeland Security and currently GSA, have afforded me the chance to work closely with some of the finest and most dedicated people and leaders I have ever met. I know I am here because of this great fortune and, while I can't possibly thank all of these individuals, some of the key leaders I have worked under and greatly admire include Charles Rossotti, Asa Hutchinson, Admiral Jim Loy, former DHS Deputy Secretary Gordon England, and Governor Ridge. I am especially proud of the current team of leaders I work with at GSA and look forward to continuing to serve with them. Lastly, though they are not present, I would like to acknowledge my father, a career Naval Officer, and my mother, a former Navy nurse and mother of seven. My parents will be an inspiration to me always.

Just as we are here today to ensure an orderly transition from one Administrator to the next, GSA plays a similar role in ensuring the orderly transfer of power from one president to the next. By law, GSA provides the President-elect and Vice President-elect with the services and facilities needed to assume their official duties. For instance, it falls to us to deliver a fully-equipped headquarters for the 600 or so members of the President-elect's team. The peaceful transition from one administration to the next is a critical part of our uniquely American heritage, and GSA is pleased and honored to be a significant participant.

GSA helps preserve our history in other ways as well. It falls to us to maintain the legacy buildings that help define our nation and our ideals, and which serve as an inspiration to our citizens. And when we construct new federal buildings and courthouses, we incorporate the principles of sustainable design, which helps preserve our precious natural resources and make all of us better environmental stewards. In fact, our efforts to "green" the federal government go well beyond buildings. We aggressively promote thousands of eco-friendly goods and services to our client agencies, and we are helping to set the standard in federal telework, which relieves traffic, saves gasoline, and reduces harmful emissions.

We have assumed these responsibilities without wavering from GSA's original commitment to provide goods, services and workspace at best value. GSA's specialized areas of expertise help better leverage taxpayer dollars through volume buying and provision of common services,

including such varied missions as real and personal property disposal, that stretch taxpayer dollars, enhance security, and provide for greater interoperability. This allows our government to act as one to better provide services to our citizens, and be prepared for and respond to threats or disasters that are either man-made or natural. We also use our expertise and volume buying to help lead and influence critical national goals in the areas of environmental and energy efficient policies, disaster response, child care, cyber security, and maintenance of a world-class acquisition workforce, and to broaden federal contracting opportunities for all categories of small business, including firms owned by women, minorities, and service-disabled veterans. We also assist other socio-economic concerns, such as Ability One and the Federal Prison Industries, through our partnerships with these organizations and the private sector.

GSA provides critical support to the warfighter, the firefighter and Federal, state and local employees through its provision of supplies and services and in its role as the Federal government's landlord. GSA's outstanding construction and building management expertise can be seen in nearly every major city in the U.S. and at Federal courthouses and land ports of entry. GSA is one of the largest public real estate organizations in the world, with an inventory of nearly 9,000 assets with over 350 million square feet of rentable space across all 50 states, 6 U.S. Territories, and the District of Columbia. We serve over 1 million Federal employees at over 400 agencies and bureaus. We manage more than 425 historically significant buildings, including 30 national historic landmarks as well as office buildings, courthouses, laboratories, border stations, and warehouses.

At GSA, we recently completed the largest reorganization in our history by establishing the Federal Acquisition Service (FAS). I am very proud to have been a part of this successful effort. Our new organization provides our Federal customers with a wide range of products and services including over 200,000 vehicles, 3 million charge cards purchasing over $27 billion annually, telecommunication services that reach across the globe, information technology products, travel offerings, furniture, professional services, assisted acquisition services and so much more. Together with our sister organization, the Public Buildings Service, FAS is well positioned to provide Federal agencies with quality goods and services to help them better meet their critical missions now and in the future. GSA really does impact every federal agency around the world and we are proud of our role of support.

GSA's remarkable diversity is apparent as we move from traditional, time-honored programs like Art in Architecture to our cutting edge and award-winning website: USA.gov and its Spanish counterpart, GobiernoUSA.gov. These sites demonstrate how GSA is using technology to simplify citizen access to official government information and services. During times of emergency, we also help agencies ramp up their contact centers. For example, GSA call-center contractors handled 1.5 million calls for FEMA during the hurricanes of 2005, and 250,000 calls after a laptop was stolen in 2006 from the Department of Veteran Affairs. In addition, GSA will continue to be a leader in governmentwide policies that provide for better management and stewardship of key assets like real and personal property and vehicles, and in areas such as travel and information technology.

Members of the Committee, I want you to know that, if confirmed, I would also work to: maintain GSA's status as one of the top places to work in the Federal government; to maintain and improve the excellent financial record we have achieved, and continue to focus on attracting and retaining bright, energetic and committed public servants – particularly in the acquisition field.

Before I conclude, I would like to thank you, Mr. Chairman and Ranking Member Collins, and all the Members of this Committee and their dedicated staff for all the work that has been done in preparation for this hearing. Also, I appreciate our Regional Administrator, Emily Baker, and our head of Congressional Affairs, Kevin Messner, and members of my immediate staff for getting me ready and leading me through this confirmation process. If confirmed, I pledge to work hard and collaborate with the current and incoming Administration, Congress, oversight entities, private sector partners, and all GSA employees to achieve these goals. I am proud to have served our great country throughout my career and in several agencies. I also would be proud to represent the diverse men and women of GSA who work so hard to meet the needs of our client agencies, and, by extension, improve the quality of life in our nation. I am honored to work among them today, and would be honored to lead our team as the GSA Administrator. Again, thank you and I would be glad to respond to your questions.

HENRY A. WAXMAN, CALIFORNIA,
CHAIRMAN

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BILL SALI, IDAHO
JIM JORDAN, OHIO

July 22, 2008

The Honorable Joseph Lieberman
Chairman
Senate Committee on Homeland Security & Government Affairs
340 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Susan Collins
Ranking Member
Senate Committee on Homeland Security & Government Affairs
340 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Lieberman and Ranking Member Collins:

On July 8, 2008, I wrote to you urging swift action on the confirmation of James Williams as Administrator of the General Services Administration. I am pleased your Committee will hold a public hearing this week to consider his nomination.

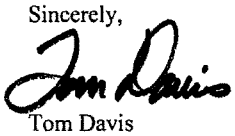
Mr. Williams has spent most of his life in public service – from his early days as Director of the Local Telecommunications Procurement Division at GSA to his leadership positions at the Internal Revenue Service to his role as Director of the U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT) program at the Department of Homeland Security to his last appointment as Commissioner of the Federal Acquisition Service at GSA.

It is appropriate he has now been nominated by the President to lead GSA, an agency which "helps federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services, and management policies" (GSA Mission Statement). Mr. Williams is personally familiar with the inner workings of GSA, understands the importance of "best value" for customer agencies and taxpayers and the need to operate efficiently and effectively, and knows congressional attempts to

micromanage large information technology acquisitions inevitably end up costing more for the taxpayer.

I have known and worked with Mr. Williams for many years – through most of his time in public service – and I am proud to support his nomination.

Sincerely,



Tom Davis
Ranking Member

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

A. BIOGRAPHICAL INFORMATION

REDACTED

1. **Name:**

   James Anthony Williams

2. **Position to which nominated:**

   Administrator of the General Services Administration

3. **Date of nomination:**

   June 25, 2008

4. **Address:**

   Home:

   Work: U.S. General Services Administration
   2200 Crystal Drive
   Suite 1100
   Arlington, VA 22202

5. **Date and place of birth:**

   Bethesda, MD
   November 24, 1954

6. **Marital status:**

   Spouse: Nancy Grandi Lyons Williams

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

   Anne Christine Williams (19)

8. **Education:**

   McLean High School, McLean, VA, 1970-1973
   Radford University, 1973-1975 No degree
   Virginia Commonwealth University, 1975-1979, B.S. in Business Administration and Management

George Washington University, 1982-1986, MBA

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.)

(Please see attachment)

10. **Government experience**:

- On 4-Person Procurement Team. Original Reinventing Government Team, National Performance Review, 1993
- Co-Chair and Chair, Shared Services Design Team, IRS 1999
- Co-Chair, Second Stage Review Action Team, DHS, 2006
- Computer Procurement Expert Representative to Office of the U.S. Trade Representative for Negotiations with Government of Japan, 1989-1999
- Member, National Communications Systems, Committee of Principals (current)
- Member, Joint Telecommunications Resources Board under Office of Science and Technology Policy (current)

11. **Business Relationships:** (I will resign from all of these if confirmed)

- Member, Board of Directors, Senior Executives Association
- Member, Board of Advisors, National Contract Management Association
- Vice President at Large, Board of Directors, American Council on Technology
- Member, Radford University Business and Industry Council
- Board of Directors, Vienna Little League Baseball (resigned several years ago)

12. **Memberships:**

- Senior Executives Association
- National Contract Management Association
- Beta Gamma Sigma, National Business Honor Society

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.

None

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.

- Presidential Rank Award, Meritorious, 2007
- Federal Computer Week, FED100, 1994, 2000, 2004, 2007
- Civilian Government Executive of the Year, Washington Computer News, 2005
- Public Sector Partner of the Year, Greater Washington Contractor Awards, 2006
- Marc S. Ross Award, Professional Services Council, 1999
- Presidential Rank Award, 1996
- Founders' Award, National Business Travel Association, 2006
- Secretary's Award for Meritorious Achievement-Silver Medal By Secretary Ridge (highest award given by Secretary Ridge), 2004
- Named one of top 25 Most Influential Executives on Corporate Travel Industry, Business Travel News, 2004
- Secretary's DHS Team Award, 2006, Secretary Chertoff for Leadership of a DHS Second Stage Review Action Team
- U.S. Department of Commerce Certificate of Appreciation, November 1988
- Congressional Record Tribute, June 20, 2006, Chairman Peter King
- Congressional Record Tribute, June 15, 2006, Congresswoman Louise Slaughter
- Congressional Record Tribute, June 21, 2006, Senator John Cornyn
- Thank you letter from President George Bush, June 22, 1992 for work on US-Japan Computer Agreement of 1992
- Thank you letter from Vice President Al Gore for work on Reinventing Government Initiative, 1993
- Honorary Admiral in the Texas Navy, Governor Rick Perry, June 26, 2006
- IRS Commissioner's Awards. 1997, 1999, 2002
- IRS Chief Financial Officer's Award, 1992

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

"The Art of the Possible", FEDTECH, May 2008. (Please see attachment)

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.

(Please see attachments)

(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.

January 25, 2006	Senate Appropriations Subcommittee On Homeland Security Holds Hearing on U.S. VISIT Program
March 2, 2005	Proposed FY06 Budget – House Committee On Homeland Security Subcommittee on Economic Security, Infrastructure Protection, And Cybersecurity

17. **Selection:**

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

I was told I was considered the best candidate for this job.

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

I believe my 28 years of government service, 17 of those as a Senior Executive, at the General Services Administration, the Department of Homeland Security, the Internal Revenue Service, and the Department of Commerce, among others, has provided me with invaluable experience and knowledge in organizational leadership and change management. As a civil servant and a leader I have gained a keen understanding of Federal acquisition, program management, major information technology initiatives and government processes. I have a track record of working successfully on cross-government initiatives with many people, public and private, political and career, and across several administrations. Throughout my career I've worked closely with Congress and our oversight agencies; as both a provider of services in GSA and a customer of GSA. I believe these things make me well-suited for this appointment and I believe my integrity and the high standards I set for myself make me well-suited for government service.

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?

   After completing government service, I will need to keep earning an income, but I have made no plans at all in this area.

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.

   None

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.

Yes, I was charged with Driving Under the Influence in May 1980 in Fairfax County, VA. The charge was later reduced to Reckless Driving.

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.

Over the course of my career I have been named in routine Administrative Proceedings, such as bid protests, EEO complaints and employee grievances. I was also named in a civil suit in Richmond, VA in the late 1970s.

My landlord was sued by a neighbor as a result of a fire started in a fireplace by my roommate that caught the neighbor's attached row townhouse on fire. My roommate was sued, as was the landlord's maintenance man. As I remember, it was settled out of court by the insurance companies of the neighbor and the landlord.

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.

While I was named in various proceeding, none involved or alleged actions taken or omitted by me while serving in my official capacity.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

If confirmed, I would be proud to serve as Administrator of the General Services Administration and work closely with the Congress to better serve GSA's customers and the American people and ensure a successful transition of government to a new Administration.

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.)

AFFIDAVIT

JAMES ANTHONY WILLIAMS 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.

James Anthony Williams

Subscribed and sworn before me this 9th day of July, 20 08

DEBORAH MAZELL
Notary Public-State of New York
No. 01MA6157179
Qualified in Bronx County
Expires December 04, 2010

Deborah Mazell
Notary Public

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.

A. June 2006 to Present:	U.S. General Services Administration 2200 Crystal Drive, Suite 1100 Arlington, VA 22202 Commissioner, Federal Acquisition Service
B. April 2003 to June 2006	U.S. Department of Homeland Security 3801 Nebraska Ave., NW Washington, D.C. 20528 Director, US-VISIT
C. Jan 2001 to April 2003	U.S. Internal Revenue Service 1111 Constitution Ave., N.W. Washington, D.C. 20224 Deputy Associate Commissioner
a. Oct 1999 to Jan 2001	Director, Procurement
b. Nov 1991 to Oct 1999	Deputy Assistant Commissioner
D. June 1989 to Nov 1991	U.S. General Services Administration 1800 F Street, N.W. Washington, D.C. 20405 Director, Local Telecommunications Procurement Division Information Resources Management Service
E. Dec 1987 to June 1989	U.S. Department of Commerce 1401 Constitution Ave., N.W. Washington, D.C. 20230 Acting Chief, Major Programs Support Division
F. July 1985 to Dec 1987	U.S. General Services Administration 1801 F Street, N.W. Washington, D.C. 20405 Chief, Network Procurement Branch Information Resources Management Service
a. Apr 1987 to July 1987	Chief, FTS2000 Procurement Branch Information Resources Management Service
b. June 1986 to Apr 1987	Acting Chief, FTS2000 Procurement Branch Information Resources Management Service
c. Mar 1985 to June 1986	Contract Specialist Information Resources Management Service
G. Feb 1983 to Mar 1985	U.S. Department of Commerce 1401 Constitution Ave., N.W. Washington, D.C. 20230 Contract Specialist

H. Dec 1980 to Feb 1983	U.S. Department of Education 400 Maryland Avenue, SW Washington, D.C. 20202 Contract Specialist
I. Feb 1980 to Dec 1980	U.S. Department of Commerce 1401 Constitution Ave., N.W. Washington, D.C. 20230 Purchasing Agent

18. **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.

DHS SPEECHES

DATE	EVENT	LOCATION
April 27, 2006	Border Trade Alliance	Montreal, Quebec Canada
March 24, 2006	Bellingham Town Hall Meeting	
August 11, 2005	Media Briefing Congressman Kolbe in attendance	Nogales, Arizona Government
July 2005	Media Briefings	Dublin, Ireland
July 11, 2005	Global Border Control Technology Summit	London, England
June 27, 2005	Stakeholder Forum	Washington, DC
March 24, 2005	Pacific Highway Port Tour	Blaine, WA
March 15, 2005	US-VISIT Facilities and Engineering National Partnership Conference	Seattle, WA
November 12, 2004		Tokyo, Japan

GSA SPEECHES

DATE	EVENT	LOCATION	AUDIENCE
June 25, 2008	Federal Executive Roundtable - GSA	Vienna, VA	Industry
June 23, 2008	NIB	Phoenix, AZ	Government/ Industry
June 19, 2008	ITAA/GEIA	Farmington, PA	Government/ Industry
June 10, 2008	Security Industry Association	Washington, DC	Industry
May 27, 2008	NCMA	Vienna, VA	Government
April 3, 2008	Procurement Council Meeting	Washington, DC	DOD
February 6, 2008	Business Software Alliance	Washington, DC	Industry
January 23, 2008	Public Policy Council of the Contract Services Association	Arlington, VA	Industry
November 27, 2007	ADP Council of the SE States Conf.	Savannah, GA	Industry
November 8, 2007	GAO Continuing Education Program	Washington, DC	Government
November 7, 2007	Coalition for Government Procurement's Fall Conference	Arlington, VA	Government/ Industry
November 1, 2007	IDEA's Annual ComDef Conference	Washington, DC	Government Industry
November 1, 2007	Small Agency Council Meeting	Washington, DC	Industry
October 10, 2007	Cross-Boundary Transformation Conf.	Harvard University	Government/ Industry
October 1, 2007	PSC Annual Conference	Farmington, PA	Government/ Industry
September 19, 2007	NCMA	Arlington, VA	Government
September 6, 2007	Speech to National Press Club for IDEEA	Washington, DC	Foreign Governments
September 6, 2007	NOVA NVMA Chapter Kickoff	Arlington, VA	Government

August 22, 2007	Industry Briefing	Albuquerque, NM	Industry
August 14, 2007	Blacks in Government Training Conf.	Nashville, TN	Government
July 31, 2007	Government Executive Leadership	Washington, DC	Government
June 18, 2007	Networx Celebration	Fairfax, VA	GSA
June 14, 2007	GEIA – Federal Acquisition Issues Panel	Farmington, PA	Industry
June 11, 2007	GSA SES Leadership Workshop	Washington, DC	GSA
May 15, 2007	GSA Expo	Orlando, FL	Government/ Industry
May 9, 2007	National Office Products/ Office Furniture Dealers Alliance Legislative Conference	Washington, DC	Government/ Industry
April 27, 2007	GovVAR	Washington, DC	Government
April 25, 2007	NCMA World Congress 2007	Dallas, TX	Government
April 12, 2007	Fed Sources 22nd Annual Federal Outlook	McLean, VA	Government/ Industry
April 3, 2007	DOD Town Hall Meeting	Redstone, AL	DOD
March 29, 2007	ITAA Federal Board Meeting	Palm Beach, FL	Industry
March 28, 2007	ADP Council of the S.E. States	Biloxi, MS	Government/ Industry
March 27, 2007	Industry Day	Kansas City, MO	Industry
March 14, 2007	LMI Executive Forum	Washington, DC	Industry
March 6, 2007	Federal Executive Roundtable - GSA	Washington, DC	Industry
March 5, 2007	SAIC Roundtable (GSA reorganization)	McLean, VA	Industry
January 10, 2007	Consumer Electronics Show	Las Vegas, NV	Government
December 12, 2006	EIG Acquisition Fellows Session	Washington, DC	Government
December 7, 2006	Quality Partnership Meeting	Alexandria, VA	Government/ Industry
December 6, 2006	Small Business Meeting	Boston, MA	Small Businesses
November 9, 2006	FEDFOCUS 2007	Falls Church, VA	Industry
October 30, 2006 2006	Executive Leadership Conference	Williamsburg, VA	Government/ Industry
September 27, 2006	Federal Procurement Forum	Washington, DC	Government/ Industry
September 18, 2006	IAC Acquisition Management SIG Mtg.	Washington, DC	Industry
September 15, 2006	FedSources Executive Breakfast	McLean, VA	Government/ Industry
September 12, 2006	Verizon/GSA New York Disaster Preparedness Seminar	New York, NY	Government/ Industry
September 7, 2006	Society of Government Travel Professionals	Alexandria, VA	Government/ Industry
September 6, 2006	Networx Transition Summit	Reston, VA	Government/ Industry
August 28, 2006	Gulf Coast Reconstruction and Hurricane Preparedness Summit	New Orleans, LA	Government/ Industry
August 23, 2006	Annual AeA Government Industry Executive Interchange	Washington, DC	Government
August 1, 2006	SmartPay Conference	St. Louis, MO	Government/ Industry
July 20, 2006	Coalition for Government Procurements' 2006 Breakfast Series		Government/ Industry

DATE	INTERVIEWS	SUBJECT
June 30, 2008	Government Executive Magazine	Greening Issues
June 4, 2008	Professional Services Council	Procurement Policy Survey
May 1, 2008	WTOP	Greening Issues
April 29, 2008	Government Computer News	Greening Issues
April 28, 2008	FEDTECH	
March 24, 2008	Federal Times	
November 14, 2007	The Business of Government Hour	
May 10, 2007	Washington Post Radio Interview	GSA Expo
December 19, 2006	WJLA Federal News Radio	Standing up FAS
October 16, 2006	Washington Technology Interview	Accomplishments for GSA
October 5, 2006	Federal Times Interview	Accomplishments for GSA
October 5, 2006	Business Week Interview	
September 18, 2006	WTOP Radio Interview	FAS
September 11, 2006	Federal Computer Week	FAS/GSA
July 27, 2006	Federal Times Interview	DHS
July 27, 2006	GovernmentVAR Interview	GSA contracts
July 21, 2006	Government Computer News Interview	GSA

U.S. Senate Committee on Homeland Security and Governmental Affairs
Pre-hearing Questionnaire for the nomination of
James A. Williams 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 was told I was considered the best candidate for this job given my professional credentials and experience.

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

Only that, if confirmed, I would resign positions where I am currently on four private-sector Boards of Directors or Councils. I will do this willingly in order to eliminate any potential appearance of a conflict of interest.

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

I believe my experience in GSA, in government for over 28 years and as a Senior Executive since 1991, in many leadership positions, combined with my experience and knowledge in organizational leadership and change, acquisition, program management, major information technology initiatives, knowledge of government processes, business knowledge and academic training and my integrity helps qualify me for this position. My experience and successes in working on cross-government initiatives with many people, public and private, across several administrations, working with Congress, oversight agencies and with political and career employees; and working as both a provider of services by GSA and as a customer of GSA also helps qualify me for this job.

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

I believe the role of GSA is critical to improving the effectiveness and efficiency of government and as a government-wide leader in specific policy areas. My perception of the role as Administrator would be to ensure that GSA can fulfill that mission and our strategic vision by having the best people, teamwork, management structure and processes, fiscal management and performance management systems, customer focus and ethical work environment to allow GSA employees to succeed in their mission.

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?

I have made no commitments beyond my commitment to work closely with Congress to promote an orderly and effective Presidential Transition as a top priority.

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.

No, as stated above, if confirmed, I will resign from these four current Boards/Councils that I serve on and eliminate any potential appearance of a conflict of interest.

II. Role and Responsibilities of the GSA Administrator

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

In my role as Administrator, I would ensure that GSA can fulfill its statutory mission and responsibilities and our strategic vision by having the best people, the proper teamwork, management structure and processes, and financial and performance management systems in place, in place to ensure a customer focused and ethical work environment to allow GSA employees to succeed in their mission.

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?

In general, GSA must continue to focus on our customers and continue to provide best value, compliant products and services and policies and leadership that contribute to the greater effectiveness and efficiency of government. Specifically, our highest and most immediate external challenge is to ensure a smooth and successful Presidential transition. GSA also needs to continue to help achieve greater external socio-economic goals such as sustainability or going green, telework, and help small, women-owned, and veteran-owned business have an effective channel to the government marketplace as part of an overall effective and efficient acquisition system. GSA also must continue to be well-managed with sound financial management over the approximately $66 billion GSA contributes to federal spending each year. Another challenge for GSA is to ensure it meets all of its obligations under the National Response Framework.
Another major challenge will be to ensure that GSA and its Federal Buildings Fund will have the resources necessary to meet the mounting renovation and replacement needs of our aging real property portfolio and the vital mission needs of our Federal agency customer.
A major internal challenge, and crucial to meeting the above challenges, is to ensure we have the right people as stated above, particularly in the acquisition field, in order to achieve these goals and ensure that GSA continues to be a great place to work.

With regard to the Presidential transition, GSA has appointed a Senior Career Executive to lead all of our transition efforts, including incoming and outgoing presidents and vice presidents, inaugural support and helping with orientation of the incoming transition team members of the

Offices of the President-elect and Vice-President-elect. There are separate GSA teams that all report to the Senior Career Executive who in turn today reports to the Acting Administrator. This structure will be continued and, if confirmed, I would closely monitor all of our efforts in this area.

In the area of meeting the other goals such as improving our products and services, which are part of GSA's Strategic Plan, I will ensure we have the right monitoring processes and attention to ensure progress towards meeting these goals, including implementation of our recently completed Human Capital Strategic Plan. I will also continue to provide focus and support the goal of GSA achieving a clean audit opinion three years in a row. With regard to the National Response Framework, I will ensure that we have strong leadership in the Office of Emergency Response and Recovery and defined processes in order to meet our obligations.

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?

If confirmed, a successful and smooth Presidential transition will be the highest priority of GSA. Second, it will be a top priority to ensure GSA continues its progress of improving its delivery of best value products and services and builds upon its leadership role in government-wide policy leadership roles and in improving the overall government acquisition system. I hope that during my tenure, however long that is, that the smooth transition of executive power during the presidential transition is an overwhelming success. Third, I intend to focus on strengthening GSA's leadership role in helping to improve the overall effectiveness and efficiency of government and ensuring that GSA is in a strong position to help the next Administration accomplish its management goals. Lastly, I hope that I can raise GSA's stature as an already great place to work.

10. What do you consider your most significant accomplishments as Commissioner of the Federal Acquisition Service (FAS)?

I believe the strong management team and the leadership that they have exercised as a team to provide stability and focus on the customer with best value products and services is one significant accomplishment. The fairly smooth integration of the two prior GSA Services and establishing of the new Federal Acquisition Service, with this strong management team, while improving our focus on the customer, is also something that is a significant achievement.

Several key successful contract awards also are noteworthy, for example, the estimated $68.2 billion Networx Enterprise and Universal awards; the SmartPay II awards which provides new charge cards for over 3 million users; and the VETS government-wide award for information technology support services by service-disabled, veteran-owned business.

Some noteworthy agreements that I have signed with customers include the agreement with the Marine Corps' Deputy Commandant for Installation and Logistics for GSA to be the Fourth Party Logistical (4PL) supplier for all Marine Corps consumable items worldwide, and the tripartite agreement that I suggested and signed with General Schwartz of the U.S. Transportation Command and with Lieutenant General Dail of the Defense Logistics Agency; both of these

significant agreements are intended to improve our support to these organizations and our support to the warfighter.

Another successful accomplishment is the institutionalization of a process improvement program, using Lean Six Sigma, and other process improvement disciplines.

III. Policy Questions

General Management

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

My approach has always been to get the best people, get them to work as a team and focus on clear goals, review their progress. I have found that under this approach they nearly always achieve the goals and the desired results. Second, when strategic decisions need to be made, I like to have collaboration on recommendations from the senior team, but always make sure that appropriate strategic decisions are made by me to enable progress within the organization. I also believe in aligning authority with accountability to enable leaders to have the most capability and empowerment necessary to achieve their goals for which they are accountable. Lastly, but most important, I believe I must project the right values as a leader and one value is the Golden Rule, to treat people as they would like to be treated.

12. In 2006, Congress enacted legislation to combine GSA's Federal Technology Service and its Federal Supply Service to create the Federal Acquisition Service, which you now head.

    a. What steps have been taken, and what steps remain, to improve the ability of FAS to serve its federal customers?

The final organizational design for the creation of the Federal Acquisition Service was mine. It allowed for four clear business lines with six support offices and eleven regional offices with clear areas of responsibility. The six support offices are also called integrator offices and their goal is to harmonize and provide efficiencies horizontally across the four business lines and eleven regions. For example, now having only one Chief Information Officer means we are taking steps to reduce and eliminate unnecessary and redundant systems across FAS. I have also established an Office of Strategic Business Planning and Process Improvement. This office brings together all of our integrator offices to ensure we have a consolidated strategic approach to all major initiatives as well as a process improvement methodology to achieve the initiatives.

Establishing a new organization from two organizations is never easy, but we have made substantial progress. Again, a key step is that we have strong leadership in place to focus on the customer and ensure we acquire and manage the delivery of products, services, programs and assisted services that meet our customer needs.

While there is stability in the organization with a focus on improving many aspects of our

operation, there is more integrator work to be done in terms of ensuring no unnecessary duplication of products and services, ensuring harmonization and standardization of processes and systems where appropriate, improving our single performance management system and continuing to build trust with key customers.

b. What steps have been taken, and what steps remain to improve the relationship of FAS with the vendor community?

Again, having a strong management team that is willing to engage on a regular basis with the private sector associations and counterparts has greatly improved our relationship with our supplier community and allowed us to continually better understand the means of improving and optimizing our relationship with our suppliers in ways that will benefit our customers and taxpayers. Establishing a Multiple Award Schedules Program Management Office (MAS-PMO) will also provide a single conduit for listening to our Schedules contractor community and allow for consistent examination and implementation of potential systemic improvements across the MAS Program. A key Lean Six Sigma effort has been to examine, with contractor input, how we can accelerate processing of modifications while maintaining both quality and best value prices.

13. If confirmed, FAS will lose your direct leadership. What steps have you taken and will you take to ensure that the change in leadership does not upset FAS' progress?

Since I have not been confirmed, I have taken no steps in this area. If confirmed, as stated earlier, FAS has a strong management team now and I will see that that strong management team continues and that FAS stays focused on its current strategic improvement initiatives.

Office of Inspector General

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

If confirmed, I will work directly with Inspector General Miller to establish a positive and productive working relationship between the Administrator and the Inspector General. This is critical since the goals of agency management and the Office of the Inspector General are aligned, which is to deliver on GSA's mission and ensure that GSA is well-managed, delivers value for our customer agencies and the American people and does it with the highest degree of integrity.

15. Between October 2007 and March 2008, the U.S. Postal Service Office of Inspector General (OIG) conducted an investigation to determine the basis for former GSA Administrator Lurita Doan's claim that the GSA OIG had engaged in acts of intimidation towards GSA employees and contractors as it related to contract negotiations with Sun Microsystems, Inc. during 2006. In its report, the USPS OIG stated that you had informed Doan of intimidation allegations about a contracting officer and Sun without attempting to verify the information.

a. After learning of possible intimidation of the contracting officer by GSA OIG auditors, why did you wait weeks before relaying this information to Doan?

I did not wait weeks to inform then Administrator Doan. As I recall, it was within a day or so from the time when I first heard about the allegation of possible intimidation.

b. Why did you not attempt to verify this information in the weeks in between receiving this allegation and relaying it to Doan?

Again, it was not weeks. The allegation of possible intimidation that I heard from Ms. Pat Brooks, a senior acquisition person in my organization, was said in front of other senior FAS people and I did not do any further verification before passing it on to Ms. Doan. For verification purposes, I did informally tell Gene Waszily, the then Assistant IG for Audits, of the allegation. He said he would look into it. He later said he could not find any merit to the allegation.

c. How has this investigation affected your relationship with GSA IG Brian Miller and with GSA OIG in general?

I believe I have had a positive working relationship with Inspector General Brian Miller and, if confirmed, I hope to improve upon that. I respect and value the role of the IG.

Real Property

16. You have been Commissioner of the GSA's Federal Acquisition Service, which is solely dedicated to procuring goods and services for the federal government, since 2006. The General Services Administration (GSA), through the Public Buildings Service (PBS), is also the primary federal real property and asset management agency. Please describe any experience you have had working with PBS, your relationship with PBS Commissioner David Winstead, and any other experience in your background that you believe has prepared you to oversee such a large real property portfolio?

I am pleased to say that I enjoy a very good working relationship with Commissioner Winstead. As this Committee may know, GSA has launched a One-GSA program to help provide a seamless face to our customer agencies. In addition to attending regular executive management meetings with the PBS Commissioner, my staff and I are focused on the One-GSA initiative. Also, I might add that in my prior positions at the Department of Homeland Security, I was a PBS customer and experience some of the issues typically facing GSA tenant agencies both for office space in the Washington DC area and for construction for new equipment at land ports of entry. It was a very positive experience and, in fact, I presented an award to the former Deputy Commissioner of PBS for PBS' help with the US-VISIT Program. Since joining GSA, David Winstead and I have had a very positive experience as we both have pushed hard together for One GSA to align PBS and FAS so that we can better serve our customers with a unified approach to meeting their needs. OneGSA is a key part of the GSA Strategic Plan. If confirmed as Administrator, I would see my role as providing the leadership and management of the entire agency and ensuring that PBS has the right capacity and capability to manage and oversee the

PBS portfolio and that our Office of Governmentwide Policy has the right leadership to provide policy guidance across the entire federal property portfolio.

17. Since January 2003, federal real property has been on the Government Accountability Office's (GAO) list of high-risk federal programs because of long-standing problems with excess and underutilized property, unreliable real property data, and reliance on costly leasing. Federal agencies were also facing many challenges protecting their facilities due to the threat of terrorism. In May 2007 GAO updated this report and 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 large maintenance backlogs, reliance on costly leasing, and lack of resources for security challenges.

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

GSA has made exceptional progress in addressing the problems GAO identified as causing federal real property to be high-risk. It has been instrumental in executing both Executive Order 13327, which addresses Federal Real Property Asset Management, and the President's Management Agenda initiative on real property.

The Federal Real Property Council (FRPC) was created pursuant to provisions in Executive Order 13327 in order to promote efficient and economical use of America's real property assets and to assure management accountability for implementing federal real property management reforms. GSA continues to be a leader in asset management and sets Federal asset management standards through its leadership on the FRPC. The PBS Commissioner chairs the FRPC Asset Management Committee and hosts bi-monthly meetings on best practices in asset management. PBS leads the working group that is developing government-wide performance goals and targets related to lease management. PBS also actively participates on the Inventory and Security Committees and manages the Federal Screening Notices for all properties governmentwide. In addition to PBS, the GSA Office of Governmentwide Real Property Policy (OGP) plays a significant role in the FRPC. This group publishes the Federal Real Property Profile (FRPP) data dictionary. It hosts the website and manages all submissions of the data elements into the FRPP. Additionally, OGP manages the Performance Assessment Tool and actively participates on all FRPC committees and working groups.

In the first quarter of FY 2006, GSA was recognized as the first Federal agency to achieve "green" status on the Federal Real Property Asset Management initiative of the President's Management Agenda (PMA). GSA achieved this status by demonstrating strong asset management practices. GSA has maintained this green rating in both progress and status each quarter by demonstrating that the program manages its portfolio consistent with the agency's Strategic Plan and its approved Asset Management Plan. GSA also demonstrates progress in achieving the FRPC real property performance goals of utilization, disposal, operation and maintenance, and physical condition.

Since GSA began its portfolio restructuring initiative it has reduced underutilized and non-

performing assets from 45 percent to 25 percent; reduced owned vacant space from 9.2 percent to 7.7 percent, and reported excess 271 assets that were no longer viable to our inventory, achieving a cost avoidance of $611.9 million in capital reinvestment needs.

Specifically in FY 2007: GSA improved asset utilization in leased assets to 98.9 percent; maintained an asset utilization rate in government-owned assets of over 90 percent; reported excess 13 vacant or underutilized properties; maintained operating costs in office and similarly serviced space 1.6 percent below private sector levels; and targeted reinvestment dollars toward core assets in the portfolio in order to improve the physical condition of the portfolio.

GSA's asset management practices and its progress towards rightsizing its portfolio of assets were commended when the asset management program maintained its "Effective" rating and improved its score on the OMB Program Assessment and Rating Tool (PART) in FY 2007. As of the end of FY 2007, only 18 percent of Federal programs were rated "effective".

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?

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:

- Continue to right-size the PBS portfolio
- Focus reinvestment on portfolio core assets that are Core Assets in the portfolio
- Continue to improve the performance of the portfolio
- Focus on reducing vacant and underutilized properties

In order to meet my objectives I would:

- Promulgate real property policy and regulations that promote responsible asset management governmentwide
- Strive to obtain the funding needed for prudent reinvestment to ensure our core portfolio matches our customer's long-term needs.
- Seek cost-effective alternatives to leases for long-term customer requirements
- Set clear performance measures tracking operating efficiency

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's major real property challenge is the limited reinvestment capital that is available to the agency. In FY 2007, GSA identified significant repair and alteration (R&A) needs for its inventory. Finding ways to maintain our buildings will be the biggest challenge to PBS achieving its mission of providing superior workplaces for Federal customer agencies at good economies to the American taxpayer.

The limited capital available for reinvestment is exacerbated by the age of the GSA portfolio and

the dramatic increase in construction costs over the past few years. The average age of the GSA portfolio is 45 years. These older buildings require more work to maintain. Furthermore, construction cost increases have averaged two times the CPI growth rate since FY 2001. One R&A dollar today buys one-third less than it did in FY 2002.

18. 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 overreliance on costly leasing is, and continues to be, a major reason why real property management is on the high risk list. GAO also reported that GSA is increasing its use of leased space and predicts that in 2008, it will, for the first time, lease more space than it owns. What specific strategy should GSA pursue to reduce the federal government's overreliance on costly, long-term operating leases?

Leasing serves a useful purpose for the government. For those small or short-term requirements, leasing is generally the most flexible and lowest cost solution for the taxpayer. GSA has a large number of leased buildings in our inventory because most of our requirements (over 70 percent) are less than 10,000 square feet and generally for short-terms (5-10 years). This typically makes leasing the most responsive and most flexible alternative for meeting tenant agency mission requirements. In addition, these requirements are usually for relatively generic office space without many special features. For these transactions, it is more advantageous to lease than to own. Even for leases that are greater than 10,000 square feet, leasing can also be the most responsive alternative if the large requirements can be housed in commercially available leased space.

For our larger, longer-term, or more specialized requirements, leasing can be more costly than space acquisition. Operating leases do not require up front resources, whereas acquisition does, under current scoring rules.

As you have noted, in January 2008, GAO reported:

- Over-reliance on costly leasing is, and continues to be, a major reason why real property management is on the high risk list.
- GSA is increasing its use of leased space and predicts that in 2008, it will, for the first time, lease more space than it owns.

GSA continues to research strategies to reduce our overreliance of short-term and long-term lease solutions for long–term housing needs. We are working to ensure that the mix of leased and owned properties in the Federal inventory is appropriate and meets mission requirements of our customers in the most cost effective manner.

19. 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 have

NBS contracts contributed to GSA's strategic goals of operating effectively and efficiently and providing best value for customer agencies and taxpayers?

GSA developed processes to quantify savings associated with rent reductions, reduced fees, personnel costs, administrative expenses and operational efficiencies. In comparison to the regional and zonal contracts that preceded the National Brokers Contract (NBC), GSA has saved approximately $14 million in payments on those regional and zonal broker contracts as of the end of FY07 because no appropriated funds are being spent to pay the NBC brokers. That savings is based on the fact that the fees paid on regional and zonal contracts were approximately $34 million gross with only $20 million received back in the form of rebates. Therefore those contracts cost GSA $14 million dollars whereas no fees have been paid with the NBC. In addition, under the NBC through May, 2008, approximately $37 million has been credited back to GSA and its customer agencies as rental credits.

Through the end of FY 2007, an evaluation of the time to complete projects handled through the NBC shows that the NBC projects were completed in a shorter time frame, on average 21 days less than other lease projects. We are continuing to monitor this performance and validate the results.

We measure our success in achieving below market rental rates through the Lease Cost Relative to Market (LCRM) Measure. Through March, 2008, there have been 118 leases completed by the NBC firms resulting in $5.2 million dollars in savings through rental rates negotiated below market. In addition, as mentioned above and not included in the LCRM Measure calculation, we have earned approximately $37 million in rent credits from NBC brokered leases. There is an estimated projection of an additional $73 Million in rental credits in the pipeline from task orders in progress. That is a total of approximately $110 million in estimated and received rental credits through use of the NBC.

In addition, GSA was able to reduce the leasing fee it charges its customers from 8% to 7% effective with FY2008, in part to efficiencies gained from the NBC.

20. 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, I would ensure GSA continues to focus its resources on repositioning excess and underutilized properties through disposals, transfers and exchanges and strategically reinvests in assets that are core to the portfolio meeting long-term customer needs.

Reducing excess properties and poorly performing assets improves our ability to fund the

reinvestment requirements of the remaining assets that are the core of the PBS portfolio. Since the GAO report was published, GSA has disposed of additional underperforming or underutilized assets. Through FY 2007, we have declared 271 properties excess, achieving cost avoidance of $611.9 million and allowing GSA to focus available resources to complete major renovations in 90 assets and construct 34 new buildings.

In FY2005, PBS secured the long sought authority to retain proceeds from excess assets that are sold. By setting yearly disposal sales goals, over the last three fiscal years GSA has retained over $139 million in proceeds from sales which are deposited into the Federal Buildings Fund and are made available as provided for in annual appropriations acts. I will continue to aggressively pursue disposing of excess assets that no longer meet a federal need.

As Administrator, I would strongly support giving agencies broader authority to retain proceeds from sale of real property. It's my understanding that the Administration has introduced language granting all federal agencies retention of proceeds and that both the House and the Senate, and specifically under the leadership of this Committee, are working on similar proposals addressing the same issue. I believe retention of proceeds to be a vital incentive to reduce excess and underutilized property governmentwide.

21. Restoration, repair, and maintenance backlogs in federal facilities are significant and GSA has struggled to meet the repair and alteration requirements identified at its buildings. In May 2007, GAO reported that GSA's current maintenance backlog is $6.6 billion. 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 has worked diligently to be good stewards of its real property inventory. In FY 2002, GSA began the restructuring of its owned portfolio. By the end of 2007, GSA reported 271 assets excess, removing 14.0 million square feet of underperforming assets from the inventory. While the restructuring effort was successful in holding the repair and alterations (R&A) growth rate flat for several fiscal years, the R&A liability is beginning to increase again. GSA is also working to leverage the capital available for investment through its existing authorities including exchanges, Energy Savings Performance Contracts, and outleasing. GSA is exploring the use of all authorities that might allow for cost effective private sector reinvestment in government-owned buildings or on government land.

GSA will 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 (FBF) to support capital investment activities. It will continue to investigate the use of new and existing authorities. GSA is encouraged by the results its new authority to retain the proceeds from its real property dispositions and believes the authority offers a strong incentive for real property managers to dispose of underperforming assets while helping to find some of the resources needed to address our R&A needs.

22. The President has requested funding in the GSA budget for the construction of a Department of Homeland Security Headquarters that would bring together many of the Department's components at a single facility on the St. Elizabeths campus in Washington, D.C.

    a. Prior to commencing construction at St. Elizabeths, GSA must obtain the approval of the National Capital Planning Commission (NCPC). In November 2007 the NCPC provided comments on a draft master plan submitted GSA, however, GSA has not returned to the Commission with a final plan. Can you please explain why GSA has not yet submitted a final plan to the NCPC?

GSA has carefully evaluated all of the comments received on the Draft Master Plan and Draft Environmental Impact Statement (DEIS), including those from NCPC in formulating an approach to prepare the final Master Plan submission to NCPC that meets the Department of Homeland Security's (DHS) programmatic needs and is at the same time responsive to the input received from the public and other stakeholders. Given the scope of the project and the National Historic Landmark (NHL) status of St. Elizabeths, this is an extremely complex effort that has required close coordination with DHS and careful consideration of the functional adjacencies and adaptive reuse potential of the existing buildings.

Based on additional analysis and evaluation of input received, GSA has developed a strategy to complete the final Master Plan that will house the DHS minimum need of 4.5 million gross square feet (GSF) plus parking either completely on the West Campus or on all of the West Campus and a portion of the East Campus (up to 700 thousand GSF of office space). GSA and DHS are working with the District of Columbia Government on their plans for redevelopment of the DC-controlled East Campus. If the DC government is successful in their efforts to move the East Campus redevelopment forward in a manner that meets the DHS requirements and schedule, the final Master Plan will align with the East-West Campus solution. GSA has also resumed consultations under Section 106 of the National Historic Preservation Act to seek additional input on this strategy and has briefed the NCPC staff. An informational brief for the NCPC Commission is scheduled in September 2008 in advance of the final Master Plan submission.

    b. When will the final plan be submitted to the NCPC?

GSA is projecting a final plan will be submitted in the January / February 2009 timeframe.

Transition Planning

23. How do you view the role of GSA during the 2009 Presidential Transition?

GSA plays a unique role in the Presidential Transition. Much of that role is defined in the Presidential Transition Act of 1963. Specifically, this Act requires GSA to provide support to the Incoming and Outgoing Presidents. GSA's authorizing legislation also gives us the authority to provide support to the Presidential Inaugural Committee. The Presidential Transition Act of 2000 gave us new authorities to assist the incoming President with Appointee Orientation and a

Transition Directory. In the FY 2009 President's Budget, the Administration has requested $8,520,000 for incoming and outgoing Presidential activities.

24. If confirmed, what steps would you take to ensure a smooth Presidential Transition in January 2009?

GSA has dedicated resources to ensure that our role in the upcoming transition of executive power is carried out effectively and efficiently. We have a strong Senior Career Executive named to lead this effort; we have strong team leaders in place; and each team has extremely capable members who bring their expertise to the table to meet the needs of the incoming and outgoing Administration. GSA has a proven track record for successfully assisting the incoming and outgoing Administration. I will build on that track record. Our efforts on Transition have been underway for two years; I will carefully review the plans, make any modifications, if needed, and will champion and monitor this effort to successful completion. As a Presidentially-appointed and Senate-confirmed Administrator, I will be able to ensure that transition funds are effectively managed and that GSA's statutory responsibilities under the Presidential Transition Act are fulfilled, to both the incoming Office of the President-elect and Vice-President-elect and the outgoing Administration and Former President.

Federal Protective Services

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?

GSA's Public Buildings Service (PBS) provides nationwide policy and unified direction in the security and protection of GSA's inventory and the people in our buildings. A critical role for PBS is to ensure an effective, interactive relationship with the Department of Homeland Security's Federal Protective Service, which is responsible for providing security and law-enforcement functions to GSA and other Federal agencies. A Memorandum of Agreement was developed between the two agencies in 2006 to ensure that GSA's properties are receiving the security that is necessary to protect the tenants. GSA and DHS are in the process of renegotiating this document.

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

I will ensure, through the Public Buildings Service and our joint Memorandum of Agreement,

that we continue to maintain strong and open lines of communications with Department of Homeland Security's Federal Protective Service. It is essential that we collaborate and coordinate on a variety of critical security issues including joint policy development, sharing of threat information, and ensuring that the appropriate measures are taken to protect life and property. In addition to incorporating security concerns and security-awareness into our daily business practices and processes, I will stress the importance of maintaining strong regional and national relationships between our two organizations and ensuring we remain an active participant in the DHS chaired Interagency Security Committee (ISC).

26. Since the early 1990s, GSA and the federal judiciary have undertaken a multibillion dollar courthouse construction initiative to address what the judiciary has identified as growing needs. According to the Administrative Office of the U.S. Courts, the judiciary's workload has grown substantially and the number of court staff has doubled since 1985. The judiciary pays over $900 million in rent annually to GSA to occupy space for court-related purposes, and this amount represents a growing proportion of the judiciary's budget. The judiciary faces increasing needs for courthouse space and past increases in rent, security, and operational costs prompted the judiciary to request a permanent rent exemption from GSA. Please describe how GSA will address the challenges it faces in meeting the Judiciary's need for courthouses.

GSA has made several strides in addressing the challenges it faces in meeting the Judiciary's need for courthouses which includes effective space planning, asset management and transparency of the costs to provide and consume courthouse space.

For example, the Administrative Office of the U.S. Courts (AOUSC) and GSA have established a working group on Asset Management Planning (AMP). The goal of the AMP working group is to establish a comprehensive approach to facility planning that integrates costs, space needs, and functionality through an analytical process that is more detailed and robust than the previous Judicial Conference-endorsed long-range facility planning process. The working group has worked on improving detailed timing, procedures, coordination, cost development, rental projections and approvals (including defining the Court Program Plan and Major Projects List) for the courthouse program. This asset management process, in addition to working within the Courts' statutorily-required 5 year plan, will improve the planning and budgeting process for future court space needs.

In addition to the above, GSA has established a Memorandum of Agreement (MOA) with the AOUSC on Return-on-Investment (ROI) pricing for certain courthouse properties. This MOA underpins a renewed and amicable working relationship with the Courts and equitably addresses the AOUSC's past points of contention about GSA's Rent.

This MOA defines how rent will be charged for all new courthouse buildings and for 29 select existing buildings that are currently priced by an ROI method under mutually beneficial terms. PBS's updated ROI pricing method, as outlined in the MOA, does not significantly depart from GSA's current pricing method, but it does provide predictability to the Courts on how PBS will price new courthouse properties in the future. Given the recent rise in new construction costs and the unique use and security countermeasures required by the Courts, ROI pricing, more often than not, is the appropriate pricing method for new courthouse construction.

Other cost saving initiatives that GSA has undertaken with the Judiciary over the past few years include:

- Evaluation of closing unused / underutilized court facilities
- Extending the amortization period for certain tenant improvement costs
- Reducing tenant improvement costs in expiring space assignments
- Renegotiating leases where market rates have dropped significantly
- Refining the judiciary's construction design guide standards for courthouse facilities.

Procurement

27. What steps will you take to ensure that GSA provides 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?

This speaks to the very reason for the existence of GSA - to provide the procurement services other agencies require so that they may concentrate on serving citizens through their core missions. GSA does not just assume we are valuable to our customers, or that our customers understand the value in using GSA for their procurement needs. We check in with customers to see how we are doing to ensure that we are providing these procurement services in a manner that is helpful and valued by our customer agencies. To do this, we conduct an annual customer satisfaction surveys. For instance in FAS, this survey questions our customers about their expectations, perceived quality, and perceived value, measuring not only the satisfaction level, but also asking those questions of each agency that will provide us with guidance in taking action towards improving our way of conducting the business of procurement for the government. We distribute the results to the Business Portfolios who use these survey results as a basis for process improvement action planning.

In addition to the customer satisfaction survey, FAS also conducts an annual customer compliance survey. Its purpose is to determine our customers' familiarity with and understanding of FAS contracting vehicles. The survey was started in 2003 and, over the course of the past 5 years the data we have collected allows us to monitor changes in customer behavior and preferences. The results of the survey enable us to assist our customers in using our programs more effectively. In addition, we use the results to identify the need for and provide training to our customers on FAS contracting programs.

We at GSA are constantly striving to become more responsive to our customer agencies needs. We have made great improvement in this area over the last few years, especially with the creation of the Federal Acquisition Service. This streamlining of GSA was in response to our customers' dismay at having to coordinate their acquisitions efforts between two organizations that in many cases, provided the same services, and so were inherently competitive.

Using the Lean Six Sigma process improvement methodology, GSA continues to review and improve our business processes. Using established metrics, we measure our customer satisfaction of our processes, analyze this data to discover areas for process improvement, implement those improvements, then measure our progress and the customer satisfaction with

those changes once again.

Our e-Tools have made it easier not only for our Federal customers, but, also our State and Local customers to find the appropriate acquisition vehicles. We have created the Cooperative Purchasing for IT as well as Disaster Recovery categories of Schedules to allow the State and Local governments to easily access the appropriate Schedule contracts.

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

GSA's core mission is to help federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services, and management policies. We must, at all times, seek opportunities to expand our services to ensure that we serve as trusted stewards for the U.S. taxpayer in the procurement process.

GSA, in conjunction with the Department of Homeland Security, plays a very significant role in allowing state and local governments to procure goods and services in response to Presidentially declared disasters, through the Disaster Recovery Program. I would like to consider extending the capability for state and local entities to purchase from the schedule programs for other products and services. This could allow for greater opportunities for leveraging pricing, greater interoperability, and improved cross governmental cooperation.

We are working with Congress, the Environmental Protection Agency, Department of Energy, and many others to foster Green Purchasing across the entire federal government. I will continue GSA's efforts to clearly identify and highlight its green products and services. Also I would continue and expand upon its training efforts to increase the awareness of green purchasing using GSA programs and increase the awareness of green purchasing. I would also like to increase the use of green alternatives as an evaluation factor in purchasing both within GSA and across the government. PBS is setting a great example and has worked diligently to offer and improve its building portfolio to offer green space to our GSA customers.

As with DoD, I am strong advocate of utilizing Lean Six Sigma Process Improvement to assess and improve our programs. We have stood up a Lean Six Sigma program at FAS. The contract administration process for the Multiple Award Schedule Program is undergoing major improvements as a result of a recent Lean Six Sigma project, and is just one successful example of the effort. As Administrator I would like to take it agency-wide both to increase the number of trained employees within the organization and increase the opportunities to improve processes across GSA.

One last initiative that I would undertake at GSA is to work toward a common procurement system across both services. This would accomplish several important objectives. First it would provide for greater and more effective management controls and reviews. Secondly, it would facilitate greater mobility among the GSA contracting corps. Third, it would facilitate greater capability for telework among the contracting professionals. Lastly, it would provide GSA employees state of the art tools and technology to allow for the most effective and efficient contracting actions. I would also work to standardize GSA procurement processes and how agencies can effectively access GSA sources of supply and combine these processes with a

standard set of integrated electronic tools that help establish a single effective and efficient system for customers and the private sector. This will lower costs, increase production, help agencies with their mission, and provide for a more flexible and mobile acquisition workforce.

29. According to the Acquisition Advisory Panel, about $142 billion or 40% of the government's contract spending in fiscal year 2004 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.

    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?

The Government's dependency on interagency acquisition, both in direct acquisition and assisted acquisition is a move in the right direction to make procurement of products and services more effective and efficient within the government and to the taxpayer. The growth in the GSA Schedules Program, Government-wide Acquisition Contracts (GWAC), and Multi-Agency Contract (MAC), and assisted acquisition services is because they provide proven successful contract vehicles to expedite the purchasing of critical products and services for government agencies. Agencies have the flexibility of having their personnel utilize the contract vehicles or have GSA provide various levels of service to include cradle-to-grave contracting. This approach better leverages our acquisition workforce across the government among many other benefits.

More importantly, these contract vehicles allow government agencies to focus on their mission rather than develop the contracting expertise they receive from GSA. Assisted acquisition services offers acquisition solutions and project management to our agency clients. Given the limited number of resources in the Acquisition Workforce currently in the government, GSA, its contracting vehicles, and contracting personnel offers a unique service that is not developed or acquired without long lead time, significant planning, and at great expense. GSA established competency profiles for the acquisition occupations through its Federal Acquisition Institute and GSA's acquisition professionals continue to complete both required and desired acquisition courses to consistently increase the level of expertise in GSA.

GSA will continue its efforts to continue to offer a wide range of contract products and services and under my leadership will continue to strive to expand its offerings to become the provider of choice to our customers.

    b. What is your view of the new OMB interagency acquisitions guidelines issued in June as they pertain to interagency contracting practices?

As far as the new OMB interagency acquisitions guidelines, GSA is in favor of and supports the recent handbook issued by OMB titled "Interagency Acquisitions". This guidance will assist GSA in serving our client agencies because it communicates the importance of a clear set of roles and responsibilities and a well drafted interagency agreement. At GSA, we have been

working to standardize our Interagency Agreement; so OMB's guidelines are viewed as welcome support for GSA and our interagency contracting process. The handbook is a detailed documentation of what we at GSA have been doing for years. I believe this a positive step that will begin to establish an excellent set of ground rules for interagency contracting and provide the base for improving both the delivery of those services and the transparency of those transactions.

30. The Acquisition Advisory Panel recommended that Multi-Agency Contracts (MAC) 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. What are your views on the number of multi-agency contracts? Do you believe a system to control the proliferation of multi-agency contracts is needed?

I believe that there are too many multi-agency contracts. With the growing scarcity of contracting personnel across the Government, it is essential that agencies focus their resources on meeting mission requirements rather than establishing and managing multi-agency contracts which duplicate the offerings available on existing contract vehicles. While GSA recognizes the need for agencies to assure access to sources of supply and services sufficient to meet their requirements, there are currently too many duplicative contracts. Not only does this existence of duplicative vehicles diminish the Government's ability to leverage its considerable buying power, it also puts a higher demand on industry bid and proposal efforts which are subsequently passed on to the customer in the form of higher prices. Before any agency initiates a new multi-agency contract, there should be some formal process required to substantiate that legitimate efforts were made to identify available sources and justify the need through a business case.

    b. How does GSA view such enterprise-wide vehicles as DHS EAGLE//First Source in relation to Schedule 70 or GWACs?

As noted above, all agencies should strive to utilize existing sources to meet their needs. I am confident that not only the same supplies and services, but also many of the same suppliers, available under DHS' Eagle and Firstsource procurements are available under preexisting GSA vehicles within the Multiple Award Schedules and GWAC programs. Again, if the products and services an agency requires are available under an existing, accessible contract vehicle at a reasonable price, there is no need to establish a new vehicle.

    c. 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?

In many cases, yes. As noted in a. above, all of these concerns are valid. Many of these Government-wide vehicles are utilized to acquire solutions where the Government customer

needs a combination of products and services. Multiple offerings at some level creates inefficiencies in the federal market space, increases cost, confuses federal buyers, allows the industry to game the system, and in the end results in a dilution of the Government's ability to leverage prices and relationships. It is particularly hard on small businesses.

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

One thing that I think GSA can do is to work diligently to improve its service and product offerings. This will obviate the need for other agencies to enter the market and compete with GSA. Certainly some competition is good for GSA and gives GSA a benchmark for its products and services, and creates opportunity for innovation. GSA makes every effort to follow a prudent decision-making process in considering the development of new acquisition vehicles. We would welcome the opportunity to discuss a more authoritative role for GSA in determining the future disposition of multi-agency contract vehicles.

31. One of GSA's large programs – the Multiple Award Schedules program – has grown tremendously with sales increasing from about $5.6 billion in fiscal year 1997 to about $35.9 billion in fiscal year 2007. 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?

The Multiple Award Schedules (MAS) Program is an extremely popular and valuable tool available to Government Contracting Officers. There is no shortage of oversight from the various stakeholder communities, and GSA is constantly looking to improve the Program and educate both the contractor and agency communities on best practices in utilizing these vehicles. The GSA Inspector General, the Government Accountability Office, various industry associations, Congress, the MAS Blue Ribbon Panel, customer agencies, individual contractors, - and even our own personnel - have little or no hesitation in sharing their ideas, suggestions, concerns, or complaints with us throughout the year. We welcome this feedback, and solicit additional feedback through formal survey mechanisms. We also meet regularly with many of our stakeholders to exchange information and ideas on improving the MAS Program.

Additionally, I have recently established a Multiple Award Schedules Program Office within the Federal Acquisition Service (FAS) Office of Acquisition Management to identify and promote best practices, develop and promulgate guidance to foster operational consistency across FAS, and to coordinate and facilitate interaction with our various stakeholder communities on MAS issues.

One of our primary areas of concern is education on proper use and best practices in utilizing the MAS contracts. While GSA strives to award attractive pricing, there are many factors which impact a contractor's pricing strategy, which are not exercisable 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. This requires the ordering activities utilizing the MAS contracts to articulate the requirement clearly, establish a legitimate competitive environment, and evaluate proposals in a manner consistent with the approach articulated in the Request for Quote.

32. As you are aware, over the past several years the General Services Administration 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 which have resulted in a subsequent loss of revenue as agencies began to more carefully assess their use of interagency acquisition, and, in many regards, 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.

One of the first initiatives I will undertake is to initiate across the agency a renewed focus on our customers. I believe that we are moving in the right direction, but we need to restore the proper weighing of the customer's interests in our business model. I feel that we have been overly focused on our internal operations or with industry partners and have not placed enough focus on our customers. I will move to create a better balance in terms of our priorities. Meeting the customer's mission with best value and compliant products and services is our goal.

Acting Administrator David Bibb has chaired a cross-GSA team that focused on DoD as a customer. The results were an improved relationship with the Department of Defense (DoD) and an increased understanding of their needs. This team also worked to build stronger relationships across the many levels between our organizations. That success can serve as a model of the type of relationship that I expect to develop between GSA and its customers.

I also will bring to these customers information concerning the many efforts within GSA over the last several years to ensure we have adequate controls and are up to the leadership role that GSA should maintain in the federal government. For example:

- The GSA CFO community completely revised its budgetary and financial processes and procedures to ensure the management and tracking of customer funding, and conducts quarterly project reviews within the programs to improve GSA's financial management of customer agency funding;
- The GSA Office of the Chief Acquisition Officer, conducts bi-annual Procurement Management Reviews (PMR's) throughout GSA's 11 Regional Offices to include both the Federal Acquisition Service and the Public Building Service.
- A repository of DoD directives, guidance and policy has been established on the *gsa.gov* home page. There are direct links to DoD internet sites to ensure our acquisition and project management workforce have access to current DoD policies and guidance;
- GSA leadership has worked with Office of Federal Procurement Policy (OFPP) on issuing a model Interagency Agreement that defines both the requesting customer agencies and servicing agencies shared fiduciary responsibilities in assisted acquisitions; and

- FAS is in the process of establishing a Multiple Award Schedules (MAS) Program Office that will provide improved strategic alignment to promote:
  - Consistent, positive customer and industry experiences;
  - Guidance to foster greater uniformity 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 the MAS Program.
- GSA is committed to continuing to support OMB on their Federal Strategic Sourcing Initiative.

These steps will ensure the restoration of GSA to its proper leadership role.

33. As you know, GAO designated management of interagency contracting a government-wide high-risk issue in January 2005. We understand that concerns about interagency contracting are not limited to GSA's Multiple Award Schedule program, but applies equally as well to government-wide acquisition contracts (GWAC), other interagency contract vehicles, and assisted acquisition services. If confirmed, how you will work with other federal agencies to identify ways to improve procurement processes that cross organizational boundaries?

GSA remains committed to continue working with all federal agencies to identify improvements to the interagency procurement processes in order to leverage taxpayer resources and achieve administrative efficiencies.

In December 2006, GSA signed a Memorandum of Agreement (MOA) with the U.S. Department of Defense (DoD) to better define the operational relationship between the two agencies. GSA and DoD have made outstanding accomplishments in policy guidance, increased oversight, enhanced training, financial data reporting, and communication. On January 18, 2008, Mr. Shay Assad, Director, Defense Procurement and Acquisition Policy (DPAP) issued a memorandum encouraging the use of non-DoD contracts and assisted acquisition services to meet DoD requirements. Acting Administrator David Bibb personally leads the GSA-wide effort. As GSA's Administrator I will champion GSA's continued collaboration with DoD to meet mission critical requirements and work with all its customers as they implement OFPP's new guidance on interagency acquisitions.

GSA maintains the Federal Procurement Data System – Next Generation (FPDS-NG). While agencies must maintain internal tracking systems to capture their justifications and use of interagency contracts, GSA's Office of the Chief Acquisition Officer (OCAO) is collaborating with procurement officials from multiple agencies to adapt the data collection functions of FPDS-NG to permit greater insight into the financial scope of interagency contracting and improve its reporting accuracy.

GSA strongly supports the Federal Strategic Sourcing Initiative (FSSI). As Administrator I would like to see continued partnerships among the agencies through FSSI to derive dollar

savings, process improvements and good contracting practices. In August 2007, GSA awarded 11 Blanket Purchase Agreements (BPAs) for office products under FSSI. A total of 85% of the companies awarded BPAs were 8(a) certified, women- and veteran-owned small businesses thus allowing the federal government to realize significant savings and also providing opportunities for small business to be full participants in the federal procurement world. The FSSI included more than 20 military and civilian agencies.

GSA has supported and will continue to support key cross governmental and E-Gov projects including the Integrated Acquisition Environment, *Smartbuy*, E-Authentication, E-Travel, the Information Technology Infrastructure Line of Business, to name a few. In each of these initiatives GSA has led the efforts to improve acquisition process, systems, or offerings to improve the acquisition across the Government and to bring greater value to its customers and the Federal taxpayers.

34. 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 this is best addressed through three steps. Specifically assuring that GSA is financially sound, ensuring that GSA offers a wide range of best value and compliant products and services that meet customer's needs, and finally that GSA has robust internal oversight.

I believe that overall GSA is sound financially. I will do everything in my power to keep GSA on the path of fiscal discipline and sound investment. Presently GSA is in a strong financial position. Gross revenues are up compared to FY07 in both services within GSA. Business with our largest customer is back on track with GSA heading for a record year again in our flagship schedules program.

GSA has received an unqualified audit opinion since 2006. Over the course of the last several years our Chief Financial Officer has instituted a range of controls that assure we are excellent stewards of our customer's funds. These have included a semi-annual review of Unfilled Customer Orders which requires reviewing and certification of older funds twice a year, and an executive scorecard which is assessed by GSA region based upon aging of Unfilled Customer Orders. Also GSA conducts an annual assurance process in compliance with the Financial Manager's Financial Integrity Act (FMFIA). This includes managers certifying that they have procedures in place to ensure customer orders are handled in a proper and timely manner.

GSA's improvement in its financial internal controls drives greater management control and also provides improved data and transparency of customer business. GSA continues to look to improve its own internal controls and systems including *Pegasys*, the GSA financial system of record for its internal use. Likewise, GSA is working to improve the functionality and processing of the internal HR system, "CHRIS." GSA also continues to improve its customer facing systems including *GSA Advantage*, *E-Buy*, and *eSmart*.

Secondly, GSA needs to continue to focus on providing for customer needs. If GSA provides a wide range of products and services that customer's need then its financial success and operations will be sound. For example in the past two years FAS has worked hard to replace many of its service offerings. These have included SmartPayII, Citipairs, Networx, SATCOM II, E-travel, VETS, Alliant, Alliant Small Business, Smartbuy, and other offerings. These efforts meet the needs of clients and assure a healthy stream of revenue for the organization that will allow GSA to fund its operation and provide service to its customers at a reasonable price. GSA continues to improve its service offerings and consult with clients to assure that it is offering what its customers need. I will continue to assure that we keep close to our customers and understand their needs.

Lastly, GSA continues to provide strong management control and oversight to its programs to assure success. This includes a working relationship with the GSA Inspector General, who provides general oversight and accountability from an objective perspective. GSA also provides a range of oversight from its Office of the Chief Acquisition Officer that completes annual Procurement Management Reviews. The results of these are then incorporated into training and internal controls. Additionally, through the Office of the Chief Financial Officer, GSA does an annual assurance review. This organizational review conducted in compliance with the FMFIA assures that GSA has adequate management controls and reports to senior management through a bottom up review that identifies areas for improvement or areas with management control weaknesses. Additionally I will ensure that adequate management controls continue across GSA, like the Quarterly Management Review, to provide strong oversight, communication, and reporting across the entire GSA organization. Overall GSA has strong financial controls and I will continue to assure the organization does not allow financial success to detract from the need to focus on integrity, compliance, and meeting the obligations that the organization has to supporting the American taxpayers.

35. The Alliant contract, a critical GWAC intended to provide technology products and services to the entire federal government was among the most important vehicles that you worked upon at FAS. It is a multiple award Indefinite Delivery/Indefinite Quantity with a ceiling of $50 billion for a 5 year base period and one, five-year option period. Individual Task Orders could 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. Recently the US Court of Claims found major problems in the fashion in which Alliant was awarded. One of those findings had to do with the arbitrary and capricious nature of the evaluation criteria applied by GSA.

    a. GSA is the government's expert on how best to run a solicitation. The court's findings are troubling, particularly in terms of the management and oversight of this large, high visibility solicitation and award. What happened with the process used for Alliant?

The Alliant procurement was a complex solicitation with many facets. The Court noted that it "harbors no doubts that the agency here made a good faith effort to distinguish between the sixty-two offerors which responded to the Solicitation." However, in some segments of the evaluation, the Court found areas of concern, some minor, some more significant. The findings

led the Court to enjoin performance of Alliant until those areas could be remediated. GSA is in the process of taking action to address the Court's findings through re-evaluation activities.

b. What is your view of the court's determination that the evaluation criteria were arbitrary and capricious?

As noted above, the Court never questioned GSA's good faith effort in conducting this immense and complicated evaluation. There was no directive to cancel the procurement or to start over. The Court instead recommended specific actions be taken and GSA is in the process of re-evaluating the procurement taking into consideration the Court's findings. In general, the Court's findings were not associated with the evaluation criteria but in how the process was implemented. GSA will apply appropriate lessons learned to Alliant and future procurements based on this experience.

c. According to the court, GSA used a third party evaluator in reviewing the award criteria, who turned subjective award criteria into objective award criteria. Can you discuss the role of this evaluator and how this transformation occurred?

The third party in question was used in the Alliant evaluation process in an administrative role, not as an evaluator. GSA personnel developed a past performance survey and lists of potential points of contact based upon information provided by the offerors. Third party personnel had responsibility to place phone calls to those points of contact, read the GSA-developed survey, and document the responses. The third party then distributed the responses back to the points of contact for verification of accuracy and provided the final documentation to GSA. GSA personnel used the documents to assist in evaluating past performance for the offerors.

The Court found that the questions developed by GSA did not adequately match the criteria identified in the Source Selection Plan that GSA developed. Additionally, the Court was concerned that the use of a third party in conducting phone interviews did not allow for knowledgeable follow-up questions to be asked in a consistent manner.

d. Please discuss the corrective actions that GSA has taken on Alliant as part of its recompetition.

As the Alliant procurement is an active solicitation, GSA cannot discuss many particulars about the process.

In general, the Court found that we needed to improve in four areas:

- Past Performance: Evaluations required consistency with the source selection plan. We will review each past performance reference provided by the offerors to address specific issues related to the Alliant contract. For example, Alliant allows for cost reimbursable task orders. We want to make sure when checking the references whether or not the contractor has that relevant experience and how well they performed.

- Basic Contract Plan: The original rankings were accomplished by averaging evaluators' scores. As part of the re-evaluation, we will develop consensus rankings for each Offeror. This action will take some time but will result in the best evaluation, consistent with our Source Selection Plan, and the fairest treatment for all of the Offerors.

- Cost/Price: We will improve the documentation for the Cost/Price evaluation to ensure our rationale for price reasonableness is consistent and considers all factors.

- Trade-Off Analysis: Once we have completed work in the above three areas, we will ensure that our tradeoff analysis and selection of the successful offerors is well documented and follows our Source Selection Plan. Our objective is to assure a clear understanding of the award selection process and why we made the decisions we made.

Additionally, GSA has convened a Quality Assurance Team which will review, along with our Office of General Counsel, each deliverable and milestone of the evaluation process moving forward.

e. How will you address such large, complex actuations going forward?

GSA has captured many lessons learned from the Alliant procurement. Future procurements will benefit greatly from these experiences. For example, as discussed above, GSA has implemented a Quality Assurance Team for the Alliant procurement that will assure we address all of the Court's findings and appropriately adhere to our plan of action. Additionally, personnel from various GSA organizations are participating on the re-evaluation to assure dedicated, experienced and objective input to the process.

36. The Trusted Internet Connections (TIC) Initiative Statement of Capability (SOC) Evaluation Report that was released last week said that GSA's Networx initiative would be responsible for at least ten of the TIC Access Points (TICAPs). The TIC SOC Evaluation says that Networx-operated TICAPs (along with two agencies serving as Multi-Agency TICAPs) will be responsible for handling the network traffic for at least 121 "service-seeking" agencies that have chosen not to develop their own TICAPs.

    a. How does GSA intend to work with Industry to offer this new service on the Networx contract?

Over the last few months, GSA has worked closely with our industry partners to understand the extent to which carriers could meet the TIC initiative as service on the Networx contracts. In addition, GSA has worked with OMB and DHS to fully define the capability to be delivered by the carriers as a modification to the Networx contracts. The result enabled GSA to issue a request for modification proposal that will address the OMB mandate with a solution that is technically feasible and capable of being certified by DHS.

The next step is for GSA to receive Managed Trusted Internet Protocol Service (MTIPS) proposals from the Networx contractors, negotiate pricing, and modify the MTIPS into the contracts of the Networx Universal and Enterprise contractors. Once the contracts have been

modified, GSA will be able to offer pre-competed, fully compliant TIC solutions to Federal departments and agencies seeking OMB M-08-05 required Trusted Internet Connections. GSA's goal is to complete the contract modifications by Nov 2008.

b. What impact do you anticipate that this new service will have on the cost of Networx?

The award of this new service will not have any impact on the pre-negotiated prices of services already awarded under Networx. Managed Trusted Internet Protocol Service (MTIPS) will be more expensive than Internet Protocol Service (IPS) that is currently on the Networx contracts, since MTIPS also includes several security services, storage, transport, and hosting in a managed environment that is not required when using IPS. Also, when agencies build or use the Networx Statements of Work (SOW) process to build their own TICAP solutions they may experience increased transport costs associated with a limited number of Internet access points. We anticipate that Networx will provide the most cost effective means of meeting the OMB mandate using either MTIPS or TICAP solutions.

c. Given that the sixteen agencies who have developed their own trusted connection plans have stated that they will collectively require 77 Single-Agency TICAPS, do you believe that the more than one hundred agencies that are still seeking service can be successfully served by only ten Networx TICAPs?

The Networx TICAP requirement approved by OMB now states: "Each contractor shall build just two (2) TIC Domestic Portals that are physically independent and diverse. A third Non-Domestic Portal can be provided when justified by Agency traffic performance demands." Thus, the Networx Universal and Enterprise contract modifications will allow for a maximum of 24 TICAPs across the two Networx multi-award acquisitions. This breaks down as follows:

• Universal (3 awardees): Two domestic and one international per carrier for a potential total of 9
• Enterprise (5 awardees): Two domestic and one international per carrier for a potential total of 15

This number is required in order to allow vendors on both Universal and Enterprise to offer the service and also necessary from a performance and availability perspective. However, due to the competitive nature of contract modifications we expect some smaller number will actually be awarded.

In addition, the Networx providers represent the nation's top five internet service providers. They already handle the majority of the nation's commercially transported traffic and can engineer to the capacity required.

37. 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?

The key to completing large complex acquisitions 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 success in the future. GSA is committed to hiring the best and most qualified network services professionals in the industry. Nothing less will do in meeting the challenge you indicate.

To meet future challenges in awarding such broad reaching contracts, we will do the following:

- Continuous monitoring 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;
- Maintain highly qualified acquisition technical expertise in the GSA leadership team; and timely leverage state-of-the art automated acquisition and evaluation support tools.

38. Agencies will be soon required to transition their telecommunications and network contracts to the Networx program, which was awarded by GSA last year and is estimated to have a total worth $68.2 billion dollars. This transition has and will continue to require significant planning by agency officials.

    a. Do you believe that Agencies are sufficiently planning for this transition?

GSA, together with our agency customer partners, began planning for transition in 2003 with the establishment of the IMC Transition Working Group. Together we have developed planning process tools and guidelines that are more comprehensive than for any other previous transition. In spite of the extensive preparation, the need to address changes in the network services environment and complexity in transforming agency networks to take advantage of new technologies has impacted the schedule for some agencies. As a result, we are not as far along as some may have expected. Nevertheless significant progress is being made and agencies are moving forward. Given the planning and preparation that is in place to facilitate the actual transition activities, we expect the pace to pick up in the near future. As you know, agencies are not required to report to GSA their transition progress nor transition plans. However, we have indications many agencies are taking the necessary steps to move forward to transition their services to the Networx contracts:

Agencies have indicated they plan on making approximately one-hundred twenty three fair opportunity decisions; over sixty of these involve Statement of Work (SOWs).

Eighty percent of the top twenty agencies buying FTS2001 services are processing SOWs for Networx services. Fifty-five SOWs are in various stages of completion. Eleven SOWs have been awarded.

Twenty four of the one-hundred thirty-five agencies buying FTS2001 services have made sixty one fair opportunity decisions. Nine of these agencies are in the top twenty buying FTS2001 services.

Networx vendors are completing agency orders for Networx services – over thirty thousand to date.

Nevertheless, we fully acknowledge that we have a long way to go. Our quantifiable transition progress measurement is the disconnection of the FTS2001 inventory. Agencies have validated over four million billing records. To date: nearly three percent have been disconnected.

b. Are Agencies sufficiently using the tools provided by GSA to aid with the transition?

We have worked closely with the TWG and our customers in developing tools with their needs in mind, most specifically the Networx pricer. The pricer enables our customers to price Networx services individually or in bulk, and can be used to price out an agency's inventory of a specific service or group of services under each provider and under varying scenarios. GSA has established a transition coordination center and a help desk to assist agencies. With nearly half of the helpdesk calls associated with setting up accounts, or with using either the transition baseline inventory or the pricer, we believe that agencies are in fact using these GSA provided tools to aid their transitions. Finally, agencies are using guidelines and procedures developed by GSA in concert with the TWG, to lead them through the planning process.

c. Networx provided many more services than the previous program, FTS2001. Do you believe that Agencies are taking advantage of the full range of services provided by Networx?

I believe they are beginning to. The initial sixty-one fair opportunity decisions include a wide spectrum of Networx services ranging from wide area networks (T-Net, DHS OneNet) to Calling Cards. Other examples include: high speed access, voice services, web conferencing services, toll free services, Internet protocol services, and wireless services. The SOWs include: satellite services, mobile radio services, and secure wireless services in addition to the services above.

As part of our on-going service to our customers, GSA continuously monitors the use of its contracts for any modifications required to meet the Government's evolving needs. At this point, based entirely upon the types of services requested, we believe that agencies are migrating toward the newer services now available through Networx, taking advantage of not only increased processing power at a lower per bit cost, but also the enhanced capabilities that the newer services provide.

I believe agencies will make even better use of the full range of services provided by the Networx contracts in the years to come, as they begin to transform their operations to a more fully IP-centric basis.

39. What do you believe the role of the Federal Acquisition Institute (FAI) is within the

General Services Administration, and how does that role relate to GSA's mission?

FAI's role within GSA is aligned with the guiding legislation that established FAI and that is to foster and promote the development of a federal civilian acquisition workforce government-wide through research, analyzing workforce data and acquisition career fields, developing curriculum for training programs, and assisting agencies with recruitment and retention.

GSA's mission is to help other agencies better serve the public by meeting – at best value – their needs for products and services. Helping other agencies includes proving support and assistance to members of the acquisition profession so they can in turn provide the best value services to the public.

40. The National Defense Authorization Act for fiscal year 2008 established an Associate Administrator for Acquisition Workforce Development. Recent studies have shown severe deficiencies in the number and training of the federal acquisition workforce.

    a. Considering FAI's role within the civilian agency acquisition workforce and training, how will you address these problems going forward?

I will continue GSA's support of the strategic direction set for FAI by the Office of Federal Procurement Policy and the Chief Acquisition Officer Council. FAI's activities such as the annual report on the acquisition workforce, competency management efforts, and the Federal Acquisition Intern Coalition are critical to successful workforce planning at all executive branch agencies. I will also plan on taking a more active role in the health of the government-wide acquisition workforce by working to ensure FAI has the support and resources to meet mission areas.

    b. What role do you foresee for the new Associate Administrator?

I see the new Associate Administrator for Workforce Development as a key member of the OFPP team. As outlined in the legislation, this position is to be associated with the efforts of the Federal Acquisition Institute. The new Associate Administrator would be the lead senior manager responsible for collaborating with the Chief Acquisition Officer Council, the Office of Personnel Management, all civilian agencies and the Department of Defense on all acquisition workforce matters, and would also be responsible for managing the resources required to implement governmentwide acquisition workforce initiatives.

    c. We understand that FAI has a total budget of around $8 million. Civilian acquisitions are approximately 1/3 of the total $440 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?

If confirmed, one of my key priorities will be the health of the acquisition workforce, both within GSA and across the federal civilian agency spectrum and I would work with OMB to evaluate

the resources available to perform FAI's mission and develop a strategic plan to address current and emerging acquisition workforce training needs.

41. Under a pilot program announced by the Department of Defense (DoD) in June 2008, two of its contracting offices will hire the Interior Department's Acquisition Services Directorate and GSA to support its contracting operations. DoD took this action following a GAO report that showed the Army Contracting Center of Excellence had outsourced inherently governmental contracting work. This arrangement would seem to represent a significant change for GSA.

The Director of Defense Procurement and Acquisition Policy and Strategic Sourcing (DPAPSS) and the DoD Washington Headquarters Service (WHS) are working to provide acquisition support to OSD component organizations and the National Guard Bureau Headquarters. DPAPSS aims to achieve the following goals through a dedicated procurement function:

- Minimize risk to the DepSecDef
- Respond to client frustration
- Improve acquisition planning and oversight
- Maximize opportunities for strategic sourcing
- Manage use of interagency contracting services

WHS requested a proposal from the Federal Acquisition Service that describes the acquisition support services FAS can provide. FAS responded with a proposal to WHS on May 30, 2008. FAS and DoD have discussed two support options: (1) FAS provides all acquisition support for specific OSD and NGB components, or (2) FAS provides acquisition support for specific types of purchases (ex: commodities, IT services, etc) across all OSD and NGB HQ components.

a. What services will GSA be providing to DoD under this arrangement?

FAS proposed to provide government liaisons on-site with OSD, jointly establish performance metrics or service level agreements and to provide the services listed below (on an as needed, per project basis):

- Requirements Analysis
- Market Research
- Acquisition Planning and Acquisition Strategy Development
- Participate with the customer in developing acquisition documentation such as: Performance Based Statements of Work/Statements of Objectives; Independent Government Cost Estimates, and Technical Evaluation Plans, and Quality Assurance Surveillance Plans
- Signing and Administering the Contract and/or Task Order(s)
- Manage Project Schedule and Review Deliverables
- Conduct Project Reviews
- Monitor Contractor Adherence to Performance, Cost, and Schedule
- Approve and Pay Vendor Invoices

- Funds Management, Tracking, and Reporting
- Legal Support
- Internal Audits
- Contract Close-out

Contract compliance is the top priority, ensuring compliance with all applicable Federal Acquisition Regulations. This also includes complying with any DOD specific acquisition and financial management policies.

b. How will GSA balance the demands posed by this arrangement on its workforce with its ongoing acquisition responsibilities so that it can maintain the same level and quality of service to its other customers?

Today, FAS' Office of Assisted Acquisition Services Portfolio provides the services listed above to hundreds of civilian and DoD customers around the world. These support services are typically provided using cross functional acquisition teams often located close to the customer. These teams consist of civil service employees who are requirements analysts, contracting specialists, contracting officers, project managers, financial analysts, technical evaluation specialists and legal staff. Cross-functional teams are at the core of our service delivery model and are designed to leverage existing acquisition and technical expertise. Because of the volume of work we do, we are able to apply lessons learned and best practices from those experiences on a continuous basis. We are able to use GSA, DoD and other agency contract solutions as applicable. We have relationships with thousands of industry partners enabling us to engage in thorough market research and increase competition. Additionally, because of our organizational model, we are able to draw upon hundreds of AAS and FAS personnel worldwide as needs arise. Our acquisition management model delivers customers the efficiency and benefits that come from combining an integrated approach.

We are able to support numerous customer requirements through a disciplined planning process and would expect to employ this process with WHS, OSD and NGB. As an example, AAS has a partnership with the Department of Veteran's Affairs to provide acquisition support services to multiple VA offices. We have established a formal relationship between the VA and FAS that includes a single point of contact in each agency, a mechanism by which customer requirements are reviewed by the VA contracting activities before being sent to GSA through the single point of contact, prioritization of VA requirements as they come to GSA, and constant communication to ensure VA requirements, schedule and expectations are met or bettered.

42. According to a 2004 audit, under a 1999 contract between Sun Microsystems and GSA, Sun Microsystems billed the government millions more for computer software and technical support that it charged its commercial customers. After the contract expired, GSA granted Sun at least eight temporary, short-term extensions, allowing Sun products and services to remain on the GSA schedule while negotiations continued. According to Michael Butterfield, the contract officer for the Sun contract, he informed you that the terms Sun had been offering were inferior and did not merit renewal. You later e-mailed former Administrator Doan's chief of staff that the Sun contract was likely to be canceled because "we could not achieve good enough prices and a process for keeping them

current that met requirement for inclusion in a Schedule." Yet according Mr. Butterfield, on August 31, 2006 you told him, "Lurita wants this contract awarded. I want this contract awarded."

a. When did you first learn of the allegations of fraud against Sun?

It was at the meeting on, I believe, August 14, 2006, known as the "Impasse Briefing". Later, on August 31, 2006, I held a conference call to discuss the Sun issue. Sun had had a leadership change and said they would like to come back to the table and that things would be different from the stance they had taken prior to the Impasse Briefing. I believe I was clear, and I believe Ms. Brooks' notes from that meeting support this, that I told everyone that if you cannot get a good deal for the taxpayer, we will walk away. I tried to make it clear that Ms. Doan wanted us to get a good deal and so did I. Having been a contracting officer for many years myself, I would not tell a contracting officer that they must accept an agreement that they did not consider to be in the best interest of the government.

b. Why did GSA continue contract negotiations with Sun despite warnings of fraud?

The vast majority of negotiations with Sun had been going on for a number of years, I believe, prior to my arrival, and the allegations against Sun were known during that time. During the Impasse Briefing, the primary reason not to conclude the remaining items left to be negotiated was due to the fact that the contracting team said they could not get a good deal for the taxpayer. For example, Sun and GSA could not agree on the discounts for maintenance.

When discussing the past fraud, it was clear that the IG wanted to pursue with the Department of Justice a case against Sun for the past allegations of fraud. It seemed clear at the time, the IG did not want us to interfere with the case that was being made against Sun for these past transgressions. There was no call during that meeting nor, from what I have since learned, during all of the negotiations prior to my arrival at GSA that anyone said we should stop negotiating with Sun for an agreement going into the future.

Moreover, as I understand it, prior to my arrival at GSA, both the Contracting Officer and the IG auditor had been working with Sun proactively on a Corrective Action Plan to fix many of the problems that led to the allegations that Sun's monitoring systems were not passing on appropriate discounts as they should have been. I believe that Corrective Action Plan was even approved by both the Contracting Officer and the IG Auditor shortly prior to my arrival at GSA. This contributed to the contracting officer finding Sun to be a responsible contractor under the Federal Acquisition Regulation. That meant the remaining issue was whether we could negotiate the remainder of the agreement.

c. Three GSA contracting officials refused to renew Sun's contract for a new five-year term because they did not believe GSA would receive fair and reasonable prices. What led you to urge contract officials, specifically Mr. Butterfield, to continue negotiating with Sun?

During the Impasse Briefing, I heard that much of the agreement with Sun in terms of many of

their products had been successfully negotiated, but the impasse was primarily around two issues. These two issues, I believe, were the discounts for maintenance and the implementation of the price reduction clause. At that Impasse Briefing, I supported walking away from Sun. Having heard that the Corrective Action Plan had been approved by the Contracting Officer and IG, there would still have been no reason to go back to the table unless Sun was willing to move on the remaining sticking points cited in the Impasse Briefing. However, Sun had a new leader, Bill Vass, of their federal organization, and he told me that he did not want to lose the GSA Schedule contract. He said that Sun was ready to move on those cited sticking points. He also acknowledged all of Sun's past transgressions and said his systems had failed to do what they were supposed to do and that he had, as part of the Corrective Action Plan, spent, I believe he said, two million dollars to fix those problems. He also said he knew he was going to have to write us a check at some point for the lost discounts that Sun had not passed on to the Government because of the inadequacies of their systems.

d. Please describe your role in the contract renewal negotiations between GSA and Sun.

Other than as described above, I had no role. I relied on our contracting officer to determine whether this was a good deal for the taxpayer. In fact, after the August 31, 2006, meeting when we re-started negotiations, I asked Bill Vass whether we needed to put timeframes around the process to ensure we either got a good deal or we would walk away. He answered that both sides were almost complete in their negotiations. This was a surprise to me and it reflects the fact that I did not participate in the contract negotiations.

e. Do you believe the final agreement between GSA and Sun includes acceptable levels of discounts for the federal government?

Our Contracting Officer made that decision, and I support the Contracting Officer's decision.

f. Would the final agreement between GSA and Sun provide the federal government with the discounts that Sun provides its most favored commercial customers?

Our Contracting Officer who signed the agreement would say yes.

g. If faced with a similar situation during your tenure at GSA, would you do anything differently?

Yes, I would have asked our contracting personnel to continue to work closely with the Office of the Inspector General throughout the process. I would have formally asked the IG to examine the allegations of intimidation prior to informing the Administrator. Even though I believe I was completely clear in the direction to go back to the table and continue negotiations because Sun was willing to change its stance, I would have double checked that people completely understood that I would support the Contracting Officer's decision to walk away from the Sun negotiations if they could not reach agreement on reasonable prices.

43. In response to an e-mail from Larry Allen, a vice president of the Coalition for Government Procurement, an association of GSA contractors that includes Sun

Microsystems Inc., on September 7, 2006, ex-Administrator Doan wrote she felt "confident that with [your] involvement, an agreement will be reached to everyone's satisfaction."

a. What in your involvement do you believe led Ms. Doan to say this?

Sun's Vice President, Bill Vass and I had discussions.

b. Are there any terms in which you would not have agreed to renewing Sun's contract?

I was not personally involved in the contract negotiations. I left it to the Contracting Officer to negotiate with Sun. I wanted a good deal for the Government. If the Contracting Officer could not reach a good deal, then I was willing to let Sun's contract expire.

44. In testimony before the House Committee on Oversight and Government Reform, ex-Administrator Doan said that you spoke to her regarding the fraud allegations against Sun in a "lackadaisical manner" and told her "nothing was there." Is this correct? If so, what led you to conclude that the fraud allegations against Sun were without merit?

I believe this question is based on a misreading of the testimony given by Ms. Doan. First, the attached transcript, from which these quotes appear to have been taken, clearly establishes that she was responding to a question by Congressman Davis about the alleged intimidation of a contracting officer by an IG representative, not about the fraud allegations against Sun. It also seems clear from the transcript that she was testifying about a follow-up conversation she had with the IG about the alleged intimidation, not about a conversation with me. Please see attached 2-page transcript excerpt.

Human Capital Management

45. 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?

As the Administrator I am prepared to address the challenge of the capacity and capability of the acquisition workforce. The health of GSA's acquisition workforce is a top priority for our Office of the Chief Human Capital Officer and the Office of Chief Acquisition Officer (OCAO). In partnership, my team conducts workforce capacity and capability assessments, develops strategies and programs to recruit, develop, retain, and deploy the acquisition workforce to be the premier acquisition agency in the Federal government.

I will continue the good work of the OCAO which is to strengthen GSA's acquisition activities and assure that best value acquisition services are delivered to Federal Agencies in support of the missions of service. GSA's OCAO is responsible for conducting analyses of GSA's acquisition workforce to ensure that acquisition employees fully meet the education standards of the Clinger

Cohen Act.

I am committed to ensuring that all acquisition professionals possess a broad understanding of the pre and post-award process and have the requisite knowledge and skills to do their jobs effectively. I will continue to support the OCAO's efforts in promoting online and classroom, courses available, through the Federal Acquisition Institute (FAI) to ensure that acquisition professionals meet the certification requirements for FAC-C and FAC-COTR. Currently, FAI has contracted with a course developer to develop training that will ensure program/project managers meet the Level III requirement of the Clinger Cohen Act. I plan to work with the CAO in promoting the use of the FAI's online training to ensure that members of the Emergency Cadre of Contracting Officers meet the requirements for the certification program.

In some cases, our acquisition professionals are too narrowly focused because of their concentration on specific areas. It is my intent to have our acquisition workforce rotate into the various services so that they will have a broader understanding of the different types of contracts. I also recognize that there are certain procurements where specific technical expertise and training are required. In the case of assisted procurements, leasing/realty and architecture/engineering, our acquisition professionals identify subject matter experts who can provide assistance.

As Administrator, I would support the re-establishment of GSA's Acquisition Workforce Steering Committee (AWSC) as a cross organizational group of workforce leaders who address the strategic human capital needs of the acquisition workforce.

46. There has been longstanding concern about the government's acquisition workforce, which is dwindling in size despite dramatic increases in procurement dollars and is facing a retirement wave. The challenges facing the procurement workforce throughout government would seem to necessitate a strong reliable central contracting capacity such as GSA. Like many Federal agencies, GSA has an aging workforce and faces significant potential loss of institutional knowledge in coming years. What is your assessment of GSA's current workforce and what steps will you take as Administrator to ensure that GSA has the right skills and capabilities in place so that it can reliable central contracting capacity?

Contrary to popular belief, the acquisition workforce has experienced a steady increase of 9.6% over the last six years. In 2002 the strength of the acquisition workforce was 2537 and today is 2767 with pending recruitment efforts.

My current assessment of GSA's acquisition workforce is that we have highly skilled employees who meet the current requirements of GSA's mission and goals. However, I am looking at how we can improve on that workforce. I am aware that all Federal Government contract specialists were required to perform a self assessment survey sponsored by the Office Federal Procurement Policy (OFPP). Based upon the results of this survey, five skills gaps were identified for the GSA employees. They were:

- effective negotiation

- analytical thinking
- defining Government requirements
- project management and
- customer service

As Administrator, I would focus GSA on providing its acquisition workforce a variety of professional development opportunities, including:

- The Center for Acquisition Excellence which provides online training about various GSA contract vehicles. You can learn more about what the Center offers by visiting cae.gsa.gov.
- The Federal Acquisition Institute offers both online and classroom training to acquisition professionals. Visit www.fai.gov to see the various training available.
- The Services Acquisition Reform Act of 2003 (SARA) established the Acquisition Workforce Training Fund (AWTF) to support training of the civilian acquisition workforce.
- GSA, through the FAI, manages the fund to ensure that the civilian acquisition workforce has sufficient training to effectively and efficiently acquire property and services.

I will support the continued use of assessment instruments that provide GSA insight on training and developmental needs.

I intend to address GSA's need to recruit and retain talented members of the acquisition workforce through both GSA's internal efforts and through the implementation of OMB's recent guidance that expands the definition of the acquisition workforce from just contracting (1102) to include realty (1170) series personnel.

As you may be aware, the OFPP and the Chief Acquisition Officers Council have asked the FAI to lead a government-wide initiative on recruiting and retaining contracting professionals. This initiative, the Federal Acquisition Intern Coalition (FAIC), is a collaborative effort with the Office of Personnel Management and participation from multiple executive branch agencies, including the Department of Defense. Its goal is to raise the visibility of acquisition and contracting as career fields of choice within the federal government.

The FAIC effort includes working with the Partnership for Public Service in outreach to education institutions, and the VA for outreach to Veterans. The first phase to recruit new entrants into the contracting workforce is underway and will be followed in FY09 with a targeted effort on recruiting mid-level professionals and retaining senior professionals and capturing their knowledge.

GSA has agreed to pilot the newly developed FAIC job announcement for contract professionals. In response to the OMB Guidance, GSA has agreed with OFPP Policy Letter 05-01 definition of the acquisition workforce to include "traditional contracting functions, requirements definition, measurement of contract performance, and technical and management direction."

Our acquisition workforce is essential to the successful accomplishment of GSA's primary mission. I am committed to enabling that these actions continuously improve GSA's ability to attract, hire, and retain a highly skilled acquisition workforce.

47. 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?

Public laws governing the administration of the government-wide telework program give GSA and the Office of Personnel Management (OPM) both joint and discrete responsibilities for providing policy guidance to federal agencies in implementing telework programs. The two agencies work collaboratively to provide coordinated and comprehensive leadership, guidance, tools, program support, recommended practices, technical assistance, and any other assistance deemed necessary to establish successful and fully implemented telework programs in Federal agencies. GSA's telework partnership with OPM is very active and well documented. Successful implementation of telework in the Federal Government involves culture change and pro-active senior leadership; GSA and OPM executives meet regularly to ensure the necessary coordination and efficacy of their collaboration in accomplishing this challenging but highly beneficial culture change. Recent partnership efforts include (1) a successful initiative to revise and revitalize *telework.gov*, the Federal government's one stop telework information website; (2) an investigation of the feasibility of remote worksites for teleworkers working with high security materials; and (3) ongoing revisions to improve the definitions, information, and monitoring for telework programs.

GSA has historically used telework as a work tool, and over the past year has begun pursuit of a telework challenge aimed at increasing participation across the agency. GSA's intent is to lead by example. We started out this calendar year with approximately 10 percent of our eligible employees teleworking on a regular basis. Our goal was to have 20 percent of eligible employees teleworking at least one day a week by the end of 2008. I am proud to announce the agency hit that target eight months early. At our current rate, the agency should reach 30 percent by the end of the calendar year, and be well positioned to achieve the next scheduled benchmark of 40 percent by the end of calendar year 2009. At the end of the day, we expect telework to be the normal practice for employees of GSA. In raw numbers, since the onset of the calendar year (2008) we have increased the number of employees teleworking on a regular basis from approximately 1100 to over 2400.

GSA's current experience with broadening our use of telework and achieving specific telework goals supports our role as a governmentwide leader and adviser in this area as telework continues to be identified and used as an important work tool across government. We will continue our partnership with OPM to provide policy guidance and support to other agencies and to lead by example.

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

GSA has leveraged its position as the purchasing arm of the federal government to help agencies

meet their missions *and* become more effective environmental stewards. Federal clients turn to us for the buildings and offices where they work, the vehicles in their fleets, the lighting that illuminates their offices, and millions of other supplies and services. This has given us the opportunity to promote: green buildings; hybrids and other alternative fuel vehicles; energy efficient lighting systems; and more than 10,000 green supplies and services. GSA is also a government leader in telework, an initiative that reduces gridlock in major urban areas, saves gasoline, and reduces harmful emissions. Our goal was to have 20 percent of eligible employees teleworking at least one day a week by the end of this year, and 50 percent by the end of 2010. I am pleased that we've already surpassed this year's goal, and anxious to maintain momentum as we strive to reach the 50 percent target. As Administrator, I would also work to add more goods and services to our inventory, and continue critical efforts that have made eco-friendly procurement easier for federal agencies. I would also continue to fully support on-going work and new GSA initiatives designed to help other federal agencies meet their environmental mandates. This ranges from purchasing and using renewable power from utility companies all the way down to the continued greening of more than 100 GSA-managed child care centers.

US-VISIT

49. From 2003 to 2006 you were the Director of the US-VISIT program, and responsible for implementing congressional mandates to put into place an entry-exit system. During that time, GAO issued numerous reports identifying program management concerns.

    a. What was your greatest challenge in managing the US-VISIT program and how did you address that challenge?

The greatest challenge was getting stakeholders, within government and outside of government, to align with our vision of a new way of protecting the homeland and accepting that enormous change to government operations across several agencies and departments, the travel and trade industry, the immigration arena as well as in the privacy arena and in international relations. My team and I worked extremely hard at stakeholder relations and change management, inside DHS and government and outside of government, to communicate and persuade people of the benefits of this change.

    b. What management lessons did you take away in dealing with this challenge?

There were many lessons to be learned along the way. One is just ensuring that stakeholders have a clear understanding of the system that you are trying to build and the benefits of that system and that constant communication is essential to the acceptance of that vision. Moreover, understanding that the challenges are often more internal than external. Also, that collaboration is absolutely essential on a continuous basis and that there can be resistance from other government operations that are impacted by this change that is seemingly being driven from outside their operation. In addition, having had tremendous support from the top, it is critical to sustain that support when there are leadership changes above the program.

50. While the entry component of US-VISIT has been implemented, the Department of Homeland Security is still struggling with the exit component. The Data Management Improvement Act Task Force issued reports in 2003 and 2004 outlining challenges in

creating and entry-exit system. In your capacity as the Director of the US-VISIT Program, did you anticipate infrastructure and technological challenges to be posed by the implementation of the exit control portion of US-VISIT? If so, what were they and when did you inform Congress of the challenges?

From when I arrived to DHS on May 1, 2003 to the day I left DHS, we had constant communications with key stakeholders on Capitol Hill about our successes and challenges. The challenges with implementing an effective exit system were well known prior to my arrival and are as clear today as they were then. The inadequacy of infrastructure at all of our Nation's ports of entry, particularly land ports of entry, makes building a comprehensive effective and efficient exit system very difficult. An example is that if you drive across the border from Canada or Mexico into the U.S., you must stop and the infrastructure supports that. This is not the case generally for cars exiting the United States where no comparable infrastructure exits. To a different extent, the same problem exists in the air and sea port environment.

51. Why did you leave your position as Director of the US-VISIT Program before the full implementation of the exit component?

I was offered the position at GSA as the Commissioner of Federal Acquisition Service and I accepted it.

CBP Construction

52. The General Services Administration is responsible for addressing US Customs and Border Protection (CBP) construction needs at ports of entry. According to CBP, making infrastructure improvements through the current GSA Land Port of Entry Capital Program Delivery process can take as long as 7-10 years. As the former Director of the US-VISIT Program, you are familiar with the pressing infrastructure needs at our nation's ports of entry. If confirmed as GSA Administrator, what will you do to ensure that construction projects are accelerated to ensure their completion in a reasonable time frame?

Recognizing that CBP's mission has dramatically grown since September 11th and NAFTA and that seven years is too long, GSA has been working with CBP for two years to find ways to expedite delivery of our Land Ports of Entry.

GSA approaches large capital projects in three phases – planning, design and construction. The planning stage begins with a feasibility study. Development of the feasibility study takes approximately six to nine months; assembling the design prospectus takes three months; obtaining authorization and appropriations from Congress takes about another 18 months.

In an effort to establish a consistent approach in Land Port of Entry pre-design, design and acquisition, GSA recently consolidated the procurement and funding of commonly used services. These include feasibility studies, project design, and special services.

In the past, each region of the country used its own contracting vehicles, which sometimes resulted in inexperienced architect-engineer firms who were unfamiliar with the complexities of

working on the border. To establish consistency and provide a quality product, GSA held a competition for a national services contract for these border station feasibility studies. The selected architect and engineering firms have undergone training from our regional and national offices to provide them a clear understanding of the GSA/CBP mission, objectives, and priorities.

We have also done a similar competition for the selection of design firms, which will provide a more consistent level of quality design. By having a group of architectural and engineering firms that have already been vetted through a national competition, the time to conduct the procurement process can be reduced by up to five months.

We are also adopting a more systematic approach to facility design and development.
In the past, for each Land Port of Entry project, the design firm would develop a new design for all of the Land Port of Entry components. In an effort to reduce design time from two years to one, GSA and CBP identified standardized components of Land Port of Entry facilities that can be applied in designs nationwide. These components include: lane systems, canopy cable trays, inspection booths, processing counters, holding cells, secondary inspection buildings, and non-invasive inspection buildings. This will greatly streamline assembly of a project's construction documents and assist throughout construction phases. For smaller, more remote ports with similar profiles, primarily on the Northern Border, GSA will also utilize Land Port of Entry prototypical building designs, where appropriate.

We have also started to use the design/build project delivery method, where we contract with a single entity for both the design and construction phases. This allows projects to move directly from design into construction. GSA has found that it is able to use this method while maintaining the level of quality that we are committed to.

GSA has also been working with the Department of State, DHS and other affected agencies to streamline the Presidential Permitting process to ensure the border construction projects comply with the Presidential Permit and other statutory requirements.

We are hopeful with all of these new changes that delivery time will be shortened from 7 years to approximately 5 years.

53. Currently, GSA funds CBP Land Port of Entry Construction from the Federal Buildings Fund. According to CBP, Land Port of Entry modernization requires $50 billion to address the needs of the Land Ports of Entry, and based on current funding levels, the time required to modernize the inventory would exceed four decades. If confirmed, how would you ensure that construction projects at land ports of entry are accelerated to ensure their completion in a reasonable timeframe?

During the fiscal years FY 2003-2007, Congressional appropriation toward land port of entry construction projects has averaged approximately $120,000,000. Future spending will be needed to address the estimated requirements identified by CBP. By 2047, land port of entry facilities that are built today will have already surpassed their useful life. In support of this effort, GSA and CBP are working closely together to develop a sustainable multi-year port of entry modernization program that prioritizes CBP needs within GSA resource availability.

GSA and CBP fully intend to work within the structured prospectus submittal process and explore options.

IV. Relations with Congress

54. 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.

V. Assistance

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

The answers to the above questions are my own; however, they reflect input from a number of sources within GSA, including:

- The Office of the Chief Financial Officer
- The Office of the Chief Acquisition Officer
- The Office of the Chief Human Capital Officer
- The Office of the Chief Information Officer
- The Office of Congressional Affairs
- The Public Buildings Service
- The Federal Acquisition Service
- The Office of the General Counsel

AFFIDAVIT

I, JAMES ANTHONY WILLIAMS, being duly sworn, hereby state that I have read and signed the foregoing Statement on Pre-hearing Questions and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

Subscribed and sworn before me this 21 day of July, 2008.

Notary Public

ELIANA CORTEZ VOGTH
Notary Public, Commonwealth of Virginia
My Commission Expires Feb. 28, 2009

1777 before. I mean, we had been looking into this for months.

1778 Ms. DOAN. They were at a total impasse, and I think our

1779 contracting folks did just an extraordinary job of bringing

1780 this to conclusion.

1781 We are very proud of the work that they have done. I am

1782 proud of my employees.

1783 Mr. DAVIS OF VIRGINIA. I understand that, and we can get

1784 into it later. Obviously, IG has a different perspective on

1785 this.

1786 Did you say cut a deal no matter what? Or did you just

1787 say let's bring it to a conclusion? That is important for us

1788 to know.

1789 Ms. DOAN. I don't remember saying cut a deal no matter

1790 what. I do remember saying let us look into this and see

1791 what can be done, something along those lines.

1792 Mr. DAVIS OF VIRGINIA. So you were just trying to

1793 resolve a problem that had been ongoing for some time?

1794 Ms. DOAN. Yes. I'm more about options. I am more about

1795 saying what are our options, what can we do to try to make

1796 things better.

1797 Mr. DAVIS OF VIRGINIA. I understand that the Federal

1798 Acquisition Service Commissioner, Jim Williams, informed Mr.

1799 Miller, the IG, that a contracting officer was being

1800 intimidated by an IG employee and asked him to look into it.

1801 Did you follow up with the IG about this complaint?

1802 Ms. DOAN. Yes, I did. At one of our monthly
1803 meetings--this was about a month after Commissioner Williams
1804 had brought that to the Inspector General's attention--I
1805 asked him in the meeting, I said, ''So, you know, whatever
1806 happened. I was hoping I would hear from you on that.'' And
1807 then I was told, in what seemed to me a sort of lackadaisical
1808 manner, Well, you know, I looked into it. Nothing was there,
1809 or something along those lines. I don't want to try to do a
1810 direct quote because I don't remember.
1811 Mr. DAVIS OF VIRGINIA. You don't have a good
1812 relationship with the IG, do you, in your Agency?
1813 Ms. DOAN. Not in the Agency, but I think that it has
1814 been wildly mischaracterized in the press. I think we have a
1815 budget dispute that has now spiraled into other areas. I
1816 believe that the Inspector General believes strongly in
1817 independence and oversight, and I think the challenge there
1818 is that I do, too; it is just that I believe all, even
1819 oversight, needs to have oversight.
1820 Mr. DAVIS OF VIRGINIA. Okay. Let's go to another issue
1821 that has been raised here, and that is on the Diversity Best
1822 Practices and the contract with Ms. Fraser. Can you contract
1823 your relationship with Ms. Fraser? She was a vendor. I
1824 mean, she bought from you; isn't that correct? Isn't that
1825 how you knew her?
1826 Ms. DOAN. Yes, that is true.

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

July 9, 2008

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 James A. Williams, who has been nominated by President Bush for the position of Administrator, General Services Administration.

We have reviewed the report and have also obtained advice from the General Services Administration concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated June 26, 2008, from Mr. Williams to the agency's ethics official, outlining the steps Mr. Williams will take to avoid conflicts of interest. Unless a specific date has been agreed to, the nominee must fully comply within three months of his confirmation date with any action he agreed to take in his ethics agreement.

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

Sincerely,

Robert I. Cusick
Director

Enclosures

U.S. Senate Committee on Homeland Security and Governmental Affairs
Questions for the Record
Nomination Hearing of James A. Williams to be
Administrator, General Services Administration
July 25, 2008

Senator Susan M. Collins

1. There has been longstanding concern about the government's acquisition workforce, which is dwindling in size despite dramatic increases in procurement spending and is facing a retirement wave. My contracting reform bill, S. 680 dedicates an entire title to assisting the skills and capabilities of the acquisition workforce.

   The challenges facing the procurement workforce throughout government would seem to necessitate a strong reliable central contracting capacity at GSA. Like many Federal agencies, a significant portion of GSA's workforce is approaching retirement age and the agency faces significant loss of institutional knowledge in coming years.

   What steps will you take as Administrator to ensure that GSA has the right skills and capabilities in place so that it can support a reliable central contracting capacity?

Response:
The U.S. General Services Administration, as the central acquisition agency for the government, needs to ensure it has the right number and best people in order to help make other government agencies, including state and local, more effective and efficient in meeting their missions. Getting the best people and providing them the right environment, tools and training will help ensure other agencies are not motivated to duplicate what GSA can do to help them, but, instead, will focus on that part of their mission that should best be performed by them. GSA, like all agencies, is facing a coming retirement wave. GSA will continue to plan and move forward to improve its acquisition workforce in terms of actual numbers and in the range and diversity of skills.

GSA is currently working on an acquisition workforce succession plan which will be updated by late summer. This plan will address the needs of the agency in terms of its overall recruitment, retention programs, training requirements, and other efforts to boost its ranks and skill mix.

In addition, GSA currently continues to recruit across the country. GSA has intern programs bringing talent into the agency at the career entry level. For instance, the Federal Acquisition Service (FAS) is implementing a new FAS-wide intern program that will increase the number and focus of its existing intern programs. It will include a three year training program for all acquisition interns. Our Public Buildings Service (PBS) also has an intern program designed to enhance recruitment and retention efforts.

GSA continues to recruit procurement professionals from other agencies and the private sector at the mid-career level. GSA also is working on retention of its own employees by offering incentives like telecommuting (including work at home and telecenters), rotational assignments, student loan repayment, and interesting and rewarding work assignments that are unique to GSA's central acquisition role.

As part of GSA's retention strategy, a periodic review of the grade structure of job categories in the acquisition workforce is undertaken to ensure that the journeyman level is appropriate for the complexity of the work required. This also lessens the likelihood of otherwise satisfied employees leaving GSA to accept a comparable position at another agency at a higher grade level.

GSA continues to offer training opportunities for its acquisition workforce throughout their career. This includes acquisition training through its Center for Acquisition Excellence, GSA Online University, and the Federal Acquisition Institute. GSA also offers acquisition days in its Regions and Central Office to offer specialized training and team building focused on program needs. Lastly, GSA continues to develop and offer specialized training like its Green Purchasing class.

Lastly, additional capabilities that can support a reliable, central contracting capacity also are being considered by GSA. We are carefully considering the application of knowledge management technologies to support the acquisition workforce. These new technologies will enable the implementation of an integrated approach to identifying, capturing, retrieving, sharing and evaluating information assets. The retention of institutional knowledge/assets would include tacit expertise and experience resident in individual experts (especially those approaching retirement), documents, policies and procedures.

2. The Alliant contract, a critical Government-wide Acquisition Contract (GWAC or "GEE-Whack") intended to provide technology products and services to the entire federal government was among the most important vehicles that you worked on at the Federal Acquisition Service (FAS).

   This contract is a multiple award Indefinite Delivery Indefinite Quantity (IDIQ) with a ceiling of $50 billion and individual Task Orders that could range as high as $1 billion.

   Recently the U.S. Court of Claims found major problems in the fashion in which the Alliant GWAC was awarded to multiple bidders. One of the Court's findings states that the evaluation criteria applied by GSA was of an arbitrary and capricious nature.

   GSA is the government's expert on how best to run a solicitation. The court's findings are troubling, particularly in terms of the management and oversight of this large, high visibility solicitation and award.

   What happened with the process used for Alliant and how will you work to prevent similar issues in the future?

Response:
The Alliant procurement was a complex solicitation with many facets. The Court noted that it "harbors no doubts that the agency here made a good faith effort to distinguish between the sixty-two Offerors which responded to the Solicitation." However, in some segments of the evaluation, the Court found areas of concern, some minor, some more significant. The findings led the Court to enjoin performance on Alliant until those areas could be remediated. There was no direction provided to cancel the procurement or to start over. The Court instead recommended specific actions be taken, and GSA is in the process of re-evaluating the procurement taking into consideration the Court's findings. In general, the Court's findings were not associated with the evaluation criteria, but in how the process was implemented.

GSA will apply appropriate lessons learned to Alliant and future procurements based on this experience.

In general, the Court found that GSA needed to improve in four areas:

- Past Performance: Evaluations required consistency with the source selection plan. GSA will review each past performance reference provided by the Offerors to address specific issues related to the Alliant contract. For example, Alliant allows for cost reimbursable task orders. GSA will verify when checking the references whether or not the contractor has that relevant experience and how well they performed.

- Basic Contract Plan: The original rankings were accomplished by averaging evaluators' scores. As part of the re-evaluation, GSA will develop consensus rankings for each Offeror. This action will take some time but will result in the best evaluation, consistent with the Source Selection Plan, and the fairest treatment for all of the Offerors.

- Cost/Price: GSA will improve the documentation for the Cost/Price evaluation to ensure the rationale for price reasonableness is consistent and considers all factors.

- Trade-Off Analysis: Once GSA has completed work in the above three areas, GSA will ensure that the tradeoff analysis and selection of the successful Offerors is well documented and follows the Source Selection Plan. The objective is to assure a clear understanding of the award selection process and why GSA made the decisions it made.

The Court's findings are being incorporated into the Alliant re-evaluation and will be lessons learned for future procurements. In addition, GSA has convened a Quality Assurance Team which will review, along with General Counsel, each deliverable and milestone of the evaluation process moving forward. Personnel from various GSA organizations are participating on the re-evaluation to assure dedicated, experienced and objective input to the process. These measures will also be incorporated into future procurements.

Senator Claire McCaskill

1. GSA has a responsibility to ascertain whether the people or companies they do business with are eligible to participate in federally-assisted programs and procurements, and that they are not considered "excluded parties." GSA manages the *Excluded Parties List System*, which Contracting Officers are required to review subsequent to opening bids and again, prior to contract award. This database contains a list of individuals and firms excluded from receiving Federal contracts. The database contains an active list and an archive function, yet the database does not appear to include a description of past civil, criminal, or administrative proceedings against the individual or firms.

   a. Do you believe such information is beneficial to Contracting Officers in making contract awards?

Response:
Yes. Such information may indeed be beneficial to Contracting Officers in making contract awards, and is largely addressed by the FAR 52-204-8 Annual Representations and Certifications Clause in Section K of all solicitations. These representations and certifications are required to be maintained and updated on the Government's Online Representations and Certifications Application. The Contracting Officer uses this information, along with other information requested in the solicitation or available from other sources, in making an affirmative determination of responsibility required to be eligible for contract award.

This certification includes representation that the offeror and/or any of its principals have not been convicted of or had a civil judgment rendered against them for certain frauds including those in connection with obtaining or performing a government contract, bribery, false statements, theft, embezzlement, and criminal tax laws among others (or presently charged with these crimes). The clause also includes a certification that there are no pending charges as to these enumerated crimes.

   b. As past contract performance is an evaluative criteria in awarding contracts, shouldn't past convictions and civil and administrative penalties be considered or at a minimum, known to Contracting Officers?

Response:
Yes. Information regarding past convictions and civil and administrative penalties is requested in Section K of every commercial item solicitation. It is used by the Contracting Officer in making an affirmative determination of responsibility required for contract award.

Certification includes representation that the offeror and/or any of its principals have not been convicted of or had a civil judgment rendered against them for certain frauds including those in connection with obtaining or performing a government contract, bribery, false statements, theft, embezzlement, and criminal tax laws among others (or presently charged with these crimes). The clause also includes a certification that there are no pending charges as to these enumerated crimes.

c. Isn't the Government taking on an unacceptable risk for the taxpayers in awarding a contract to an individual or firm that has past convictions and/or been subject to civil or administrative penalties?

Response:
This is the essence of the Contracting Officer's determination of responsibility required for each contract award. The Contracting Officer must consider all available information relating to contractor responsibility. If the Contracting Officer concludes that the contractor is responsible, an affirmative determination of responsibility is indicated in the contract file and the contractor may be considered for award. This is a subjective decision, within the broad discretion of the Contracting Officer to be made after a careful consideration of all relevant information available, but also reviewed by their supervisors.

d. Shouldn't Contracting Officers consider this data and be required to complete a risk assessment prior to award?

Response:
Yes. This data and information is exactly what a Contracting Officer is required to consider in making a determination of contractor responsibility. An affirmative determination of responsibility is required in order for a contractor to be eligible for contract award.

2. Under the GSA Schedules (also referred to as Multiple Award Schedules and Federal Supply Schedules) Program, GSA establishes long-term government-wide contracts with commercial firms to provide access to over 11 million commercial supplies (products) and services. GSA's website indicates its stated goal is to be the best value supplier of choice.

GSA Schedule contracts are negotiated with the intent of achieving the contractors' "most favored customer" pricing/discounts under similar conditions. As such, GSA indicates that purchasing from GSA Schedule contracts offers the following advantages over procuring on the open market:

- GSA has determined prices under Schedule contracts to be fair and reasonable.
- Synopses are not required for Schedule purchases.
- Schedule contracts have been awarded in compliance with all applicable laws and regulations.
- Administrative time is reduced.
- Schedule contracts offer a wide selection of state-of-the-art commercial supplies and services

a. Given GSA's ability to negotiate on behalf of all Government agencies, which leverages buying power as a negotiating point, why would the Multiple Award Schedules Advisory Panel consider eliminating "most favored customer" pricing in contracts for goods and services?

Response:
In accordance to its Charter, the objective of the Advisory Panel is to provide advice and recommendations that will assist GSA in continuing to obtain fair and reasonable pricing. The Panel is continuing its deliberations and has received testimony from diverse sources with differing opinions on the topic. At present, the panel has not offered any findings, nor come to any conclusions or made any recommendations. The panel is expected to make recommendations to the Administrator of GSA in late fall of this year. GSA will then review the recommendations and determine which, if any, should be implemented.

b. Do you support "most favored customer" pricing in terms of the GSA's ability to leverage Government-wide buying power in negotiating the best price for tax payers?

Response:
Within the Multiple Award Schedules (MAS) program, the Price Reduction Clause and the goal of obtaining "most favored customer" pricing have been very effective tools in obtaining lower prices for MAS customers. The clause and its implementation have resulted in price reductions throughout the program, particularly in the area of products.

I support the use of this clause which contributes to GSA being able to offer customers competitive pricing in the MAS program. This clause contributes to the overall robust portfolio of GSA tools for acquisition available to agencies. Across FAS, there are opportunities to improve, and I will continue to support them.

3. GSA contracts have traditionally included a "price reduction clause," requiring contractors to pass along cost savings it may realize subsequent to contract award. Price reduction clauses are a common provision in business-to-business contractual relationships, and it seems to me this provision is good for the American taxpayer in Government-to-business contractual relationships. Nonetheless, I understand contractors are complaining to the GSA relative to implementing the "price reduction clause."

a. Do you support inclusion of price reduction clauses in all GSA contracts? Will you commit to keep price reduction clauses in all future GSA contracts?

Response:
I am committed to the continued use of the Price Reduction Clause in the Multiple Award (MAS) Schedules program. In the area of products under the MAS program, it has been an especially powerful pricing tool and has brought the government lower prices. Across FAS, there are opportunities to improve, and I will continue to support them.

b. If business-to-business contractual relationships include price reduction clauses in contracts, can you explain how inclusion of the clause in GSA contracts creates an undue burden when doing business with the Government?

Response:
At times some Multiple Award Schedule (MAS) contract holders have failed to properly track the pricing that they have offered to most favored customers. In those cases, they have failed to

be cognizant of the price reduction due to the government in accordance with the terms and conditions in their contract. In our audits of these contracts we have discovered these price reductions and have either negotiated or are negotiating settlements. In such instances, the contractor may simply not have lived up to the terms and conditions of the contract.

In other cases, there have been very broad agreements reached in the award of the MAS contract where the basis of award has identified all customers as the most favored customer. This of course may result in a very onerous management task to track all these sales and then implement the price reductions in accordance with the clause. Some awardees have complained about the difficulties in tracking and then complying with the contract provisions.

Over the last several years the Federal Acquisition Service (FAS) has implemented several steps to assist with these issues. First, as part of its contract administration duties, FAS works with each awardee to understand the clause. In its customer assistance visits the industrial operations analysts in FAS regularly works with our contractors to assure that they understand the clause and the commitments made in the contract. This includes reviewing the basis of award, the price reduction clause, and reviewing the system the contractor has in place to track this within their organization.

I have recently set up a Program Office for the MAS program. Among this office's responsibilities is to ensure development of consistent procedures for the program and implementation of best practices. Better procedures and lessons learned pertaining to the implementation of this Price Reduction Clause will result in an even better understanding of the proper implementation and consistent interpretation of this clause, negotiation of strong agreements, and best pricing for GSA customers.

Senator Daniel K. Akaka

1. Often, the State of Hawaii is perceived to be a "vacation" state and consequently many agencies may shy away from sending staff there. However, in the case of GSA, Congressional Services Representatives play an especially important role for GSA. Unfortunately, the CSR for Hawaii, based in San Francisco, makes very limited visits to the state, possibly in part due to this perceived image. If confirmed, will you seek to allow adequate first-hand access by necessary GSA staff to all areas of the country to better carry out their duties?

Response:
The General Services Administration's support of Congressional offices is an important program and showcases the cooperation that can be achieved between the Executive and Legislative branches of government. GSA's Pacific Rim Region has been able to send a Congressional Service Representative (CSR) to visit your Hawaiian office at least once a year. I am told that our CSRs have visited your office in Hawai'i as recently as May of this year. However, I understand your desire for more frequent visits. Our CSR will be pleased to travel again to your office before the end of July.

If confirmed, please be assured that I will seek to provide the highest level of service to you.

Senator George V. Voinovich

1. Senator Carper and I serve as Chairman and Ranking Member of the Subcommittee on Clean Air and Nuclear Safety, which oversees the Nuclear Regulatory Commission (NRC). The Consolidated Appropriations Act, 2008 (P.L. 110-161) authorized the General Services Administration (GSA) to acquire space for the NRC to consolidate its headquarters. Unfortunately, delays have caused NRC's consolidation date to slip from 2012 to 2013. Further delays could result in the federal government paying premium costs for expansion of NRC's current temporary office space and will result in significant operational inefficiencies.

   If confirmed, what actions will you take to reduce delays in GSA's current processes, allowing the NRC's consolidation to move forward and prevent increases in the agency's operating costs?

Response:
NRC has now signed an Occupancy Agreement with GSA for this new space, addressing rent, tenant improvements, personal property, and security. On June 16, 2008, GSA Assistant Regional Administrator for the National Capital Region wrote to NRC informing them that GSA is now finalizing the acquisition plan for the new space; and GSA is preparing a notification plan regarding how GSA intends to proceed in satisfying current NRC requirements, for transmittal to Congress.

GSA anticipates being able to proceed with procurement of the space in the near future, pending final assurances that NRC has sufficient funding identified to cover the costs involved.

2. In March 25, 2008, the Government Accountability Office (GAO) sustained Fedcar Company, Ltd.'s protest of GSA's selection of a contractor/lessor for the construction and lease of a dedicated campus facility for use by the Federal Bureau of Investigation in Indianapolis, Indiana. On May 27, 2008, GSA responded to GAO and explained GSA's actions to implement the GAO's recommendations regarding the bid protest. GSA stated, "We believe the agency will be in a position to issue an amendment to the solicitation and re-open discussions with the two existing offerors within 60 days." What is the status of such discussions?

Response:
GSA will be in a position to issue an amendment to the solicitation and re-open discussions with the two existing offerors by August 25, 2008. GSA hoped to already have completed this action, but an additional 30 days was required for GSA to complete its review of the procurement files to determine what actions should be taken prior to amending the solicitation and reopening the procurement. The new contracting officer is in the final stages of completing the review of the existing Phase II proposals and the technical acceptability of documentation from the procurement file. Notwithstanding this minor delay, GSA remains committed to fully implementing the GAO's recommendations regarding the bid protest.

If confirmed, what steps will you take to ensure future source selections are conducted in a fair and impartial manner?

Response:
The integrity of the Federal government procurement system is paramount to the successful acquisition of not just supplies and services but leases of real property, as well. The current system has a proven track record that allows for fair and impartial selection of the most qualified entity. The Indianapolis FBI Field Office project utilized a source selection, best-value process whereby selection is made based on the greatest overall value to the Government, price and technical factors considered. Part 570 of the General Services Acquisition Manual has generally adopted the source selection process set forth in the Federal Acquisition Regulations for Real Property leases, and the General Services Administration will continue to carefully adhere to this process. Although this protest was sustained by GAO, GSA otherwise has a very good record in its lease acquisitions. If confirmed, I will continually strive to improve the procurement process for real property leases, as I have for all other products and services as Commissioner of the Federal Acquisition Service, in order to provide a process that is open and transparent and results in fair and impartial acquisitions that serve the best interests of the taxpayer.

Senator Mark Pryor
Additional Questions for the Record
Nomination Hearing of Jim A. Williams
July 25, 2008

1. Arkansas is predominately comprised of small, rural communities. It is important to ensure that residents of rural Arkansas have access to the same types of government services offered to residents in urban areas. One of those vital services is access to the judicial branch of government. If confirmed as Administrator of the General Services Administration (GSA) you would not be directly responsible for the maintenance of courthouse facilities across the country. But, GSA does own many of the buildings in which judicial proceedings are conducted.

   a. Please describe your commitment to ensuring that these facilities remain operational.

Response:
GSA is fully committed to providing space for our customers anywhere in the country where their mission requires them to operate: in our own buildings, in commercially leased facilities or in buildings owned by other Federal agencies such as the US Postal Service.

   b. Are you willing to work with the Administrative Office of the Courts (AOC) to maintain services in small, rural communities?

Response:
Yes, we are.

2. Recently, members of rural, legal communities have raised questions about the formula for determining the "going rate" for renting office space. If relevant parties can submit evidence documenting a discrepancy between the rental prices set by GSA and the standard rental rates in the private sector, would you be willing to work with the AOC and the Space and Facilities committee to revise the formula?

Response:
GSA is always prepared to discuss any issue with our customers including rent.
GSA would certainly look at the data or evidence presented in specific cases to evaluate whether the appropriate commercially equivalent rent was developed given the location, quality of space and services that GSA is providing, but will continue to follow all existing regulations and guidance that GSA has established to determine commercially comparable rent rates.

GSA's rent pricing methods are based on private sector practices and means for determining rental rate values. The rental charges, by law (40 U.S.C. 586), shall approximate commercial rates for comparable office space. The method in which GSA determines rental rates to occupants for federally owned space is by an appraisal based method, or by a secondary means known as return-on-investment pricing used by many commercial developers for high-cost and unique space. Rental charges to occupants for leased space are priced as a pass through of the underlying GSA lease contract, plus a GSA fee that funds lease management

costs incurred by GSA. Rates in buildings owned by the US Postal Service are set by that agency and are treated by GSA as leased space.

Federal Courthouses are often the largest and highest quality buildings in many rural locations. The rent for a courthouse will typically be somewhat higher than office space because of the special features and higher quality construction.

Rent paid by federal agencies funds the Federal Building Fund (FBF) and is used for acquiring, repairing, altering, and operating buildings under the custody and control of GSA. The FBF was authorized and established by the Public Buildings Amendments of 1972 (Public Law 92-313, 40 U.S.C. 592, as codified by Public Law 107-217) and its funds are controlled by Congress.

GSA will continue to work with the Courts to promote the efficient and economical use of Federal real property assets, while at the same time, ensuring the sufficiency of the Federal Buildings Fund to meet the reinvestment needs of utilized assets under the custody and control of GSA.

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