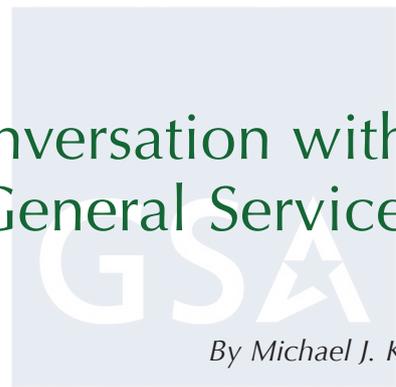


Delivering Value and Savings: A Conversation with Emily Murphy, Administrator, U.S. General Services Administration



By Michael J. Keegan

U.S. federal agencies need to focus attention and resources on mission delivery—but they cannot do that alone. They need support services that are easy-to-use, reliable, and cost effective. To that end, by making it easier to do business with government, the U.S. General Services Administration (GSA) plays an integral role in support of the missions of many federal agencies. It works with industry and customer agencies to deliver high-quality, cost-effective services in real estate, acquisition, and technology. These service areas represent the core of GSA's offerings, and it continues to enhance them to meet the needs and expectations of its agency partners.

GSA Administrator Emily Murphy joined me on *The Business of Government Hour* to discuss her strategic priorities, simplifying how industry works with government, and ways GSA is promoting smarter management, buying, and the efficient use of technology across the federal government. The following is an edited excerpt of our discussion, complemented with updated and additional research.



On the Evolving Mission of GSA

GSA's mission is to deliver value and savings in real estate, acquisition, technology, and other mission support services across the government. Our services really focus on ensuring our customer agencies can carry out their critical missions and that entities trying to do business with the government can do so as seamlessly as possible.

I'm actually in a unique position to talk about how GSA has evolved. I served at GSA for several years during the George W. Bush Administration. Over the past 13 years, GSA has changed. It's consolidated space, for instance—from campuses in Crystal City and Willow Wood to a central office in one building. We're down to about 140 square feet per person. When we talk about spatialization, GSA is leading the charge. We've also consolidated our internal functions, which has improved the way we do business, the way we operate. Throughout these changes, the GSA passion for its mission has remained constant.

On GSA's Operational Footprint

GSA has two main lines of business. The Federal Acquisition Service (FAS) supports about \$54 to \$55 billion in acquisition across the government. It manages about one-third of the government's fleet—about 200,000 vehicles. It manages 3.3 million charge cards for the government. We dispose of about \$1 billion in personal property each year. FAS also houses the innovation arm of GSA, including the Technology Transformation Service (TTS), the new Centers of Excellence, 18F, and the Presidential Innovation Fellow program.

The Public Building Service (PBS) is the other main line of business, which buys, builds, leases, and manages federal work space. We currently have about 8,700 owned or leased facilities, totalling about 371 million square feet of rentable space. This service consists of managing about 500 owned historic buildings; the other buildings include

owned and leased space, about 50/50. GSA also has the Office of Government-wide Policy, which focuses on cross-government support technology and transformation work. It does travel regulations, federal acquisitions regulations, and management regulations. All total, we're approaching about 12,000 employees at GSA. Unlike most federal agencies, GSA doesn't receive a direct appropriation for most of our work. We are a fee-for-service organization. Last year our budget was around \$26 billion. Annual revenue collected is about \$22 billion—which puts us more or less on the same level as a Starbucks or a Southwest Airlines.

On Challenges

I'll identify three key challenges. One of them is actually a great challenge to have. Agencies are relying on GSA more and more. We have more customers coming to us. This does pose a challenge, especially at the end of the fiscal year. As agencies try to obligate funds, GSA is trying to help them. Whether on the federal acquisition side or the public building side, we're trying to be there for our agency customers when they need us.

The second challenge is the work we're taking on as a government-wide leader. Whether through the government-wide reform plan or the President's Management Agenda (PMA), GSA is being asked to expand the size and the scope of the work we do. It goes back to President Truman's vision for GSA as the federal government's mission support agency. The Trump administration has a similar vision for GSA.

The third challenge is keeping pace with changes in technology. We help the government buy significant amounts of technology. Our mission is to help them buy the right solutions that meet their needs, now and into the future. It is one of the areas where GSA really focuses on delivering value.

On GSA's Strategic Priorities

I have four priorities for GSA. My first is ethical leadership. My second is reducing duplication. The third priority is increasing competition, not just the number of vendors who bid on our contracts, but making sure we have real competition that ends in the best solutions for our customer agencies—and ultimately for taxpayers. My fourth priority focuses on increasing transparency in what we do and how we do business.

These priorities frame the direction of the four strategic goals we have for GSA. The first goal is managing federal real estate—all 371 million square feet of rentable space—in a way that saves money over the long term for taxpayers. My



second goal is positioning GSA as the premier provider of acquisition solutions across the government, making sure the contract vehicles we develop meet our customers' needs and attract the best solutions that the private sector has to offer. My third strategic goal focuses on improving the way that agencies buy, build, and use technology. We want to help them identify a solution that meets their needs today and tomorrow. Finally, the fourth goal involves designing and delivering expanded shared services across the government.

On Investing in Federal Infrastructure

We have several core initiatives we are pursuing in our real estate portfolio. The first is to shrink our footprint—using less real estate, whether it be leased or owned. In doing so, we can deliver some real savings. GSA has gone to about 140 square feet per person. We're trying to help the government overall get down to about 180 square feet per person. It is believed that on some level this approach increases collaboration and makes for a better workspace.

The second initiative is taking better care of the space we have. When we neglect minor repairs, they turn into major repairs. When we neglect major repairs, they turn into leased buildings. With Congress' permission, we invest appropriations to make sure that federal buildings continue to meet the needs of the federal workforce today and long into the future. The GSA headquarters is a great example. The building is 101 years old. But it now accommodates 3,300 employees, the largest number of employees ever housed there.

The third initiative focuses on disposing real estate that we no longer need. We want to take under-performing assets and move them off the books. We are also looking into



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smarter leases. I have to give credit to the PBS Commissioner Dan Mathews and his team. I've learned that the average tenancy in a federal building is 21 years, while our average lease is six years. PBS has been focusing on getting better deals on our expiring leases. By putting resources into them, we can get longer-term leases with better deals. In FY18, PBS saved taxpayers \$800 million—400 million through lease cost savings and through better management of federal real estate. The long-term plan is targeting substantial savings to taxpayers and agency customers alike.

I'm the first administrator with new authorities to dispose real property. Working with a board, we're looking across our portfolio and trying to make sure we're good guardians of these assets. For example, the Department of the Interior had a second property that was on Constitution Avenue, a beautiful historic building but in disrepair. Interior no longer needed it, so they transferred it to GSA. It was costing GSA about \$3 million a year to maintain, and would have cost between \$66 million to \$140 million to rehabilitate it. In the end, GSA was able to sell it to the Federal Reserve for over \$40 million, which went back into the Federal Buildings Fund. This sale keeps an historic property as a federal asset, but places it in the possession of an entity that will provide the necessary investment for repairs.

On Improving the Way Federal Agencies Buy, Build, and Use Technology

The government spends significant money on IT, specifically on operations and maintenance contracts. GSA has been focusing on helping agencies buy the right solutions. In many cases, it means we're helping federal agencies buy technology solutions as a service. Instead of investing in the next legacy system, we're working with the private sector to adopt best practices and avoid taking on the ownership operation and maintenance of technology systems.

Doing business in this way allows us to return value to taxpayers through better investments. The Technology Modernization Fund and the work being done at the IT Modernization Centers of Excellence are great examples of where GSA has been able to partner with other agencies to target investments for the best return. A better return means greater savings, better technology and improved security.

The Centers of Excellence allow us to implement IT solutions in a partnership with our federal customers. We work side-by-side. We do a deep dive into their requirements, we assess the state of the current IT environment, and we assess the most appropriate commercial solutions. The result of this collaboration is a better experience for the agency, taxpayers, and the federal employee using these IT systems.

On Bringing the Modern Online Buying Experience to the Federal Buyer

I'm really excited about this opportunity. Congress has directed GSA to put in place contracts with commercial portal providers. This will allow the federal government to buy items faster and improve the overall purchasing experience. GSA is reviewing the entire process. We're asking questions and doing a lot of listening. We've done multiple sessions with the public, with the vendor community, and with the portal providers to find out what will work. It comes down to creating a search-and-ordering process that is easy to use, streamlined, and focuses on getting the best price every time. Because we have a limited



number of acquisition professionals across the government, we want them performing high value work. By implementing a quality commercial solution, GSA will provide a great win for both taxpayers and the federal acquisition community.

On Sharing Quality Services

The government is spending about \$28.6 billion a year on administrative services—and yet over half of federal executives are unhappy with the level of service they're getting. The challenge I've been given is not just to save money—we have a \$2 billion savings goal over the next 10 years—but also identify a solution that pleases the federal workforce and enables them to do their jobs more effectively. GSA needs to work collaboratively with other agencies, making sure we understand their requirements and policies—in turn, identifying common solutions.

There is never going to be a one-size-fits-all solution across government, but there is going to be a one-size-fits-most. Once we find that one-size-fits-most solution, we can work with agencies to identify the best way to provide that service

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either using a federal agency or a combination of federal workforce and contractor resources.

On Simplifying Processes and Streamlining Access

I want GSA to be the premier provider of efficient and effective acquisition solutions across the government. I'm continuing to evaluate and improve the federal procurement process. We're doing this primarily in three ways for the schedules program. First, I want to reduce barriers to entry, so we can bring the right commercial solutions to the federal government. We can do that by streamlining how vendors access government clients. This involves having vendors provide the same information across agency partners once, not multiple times. We want to make it easier to access agencies, as well as to work with government agencies.

I also want to make sure that our current contracts aren't preventing our customers from finding the best solution—nor forcing them to cobble it together with a bit from a contract here and a bit from a contract there. Agency partners should come to GSA and our contracts should be flexible enough to adopt and adapt to their requirements.

Internally, we need to update GSA systems that are forcing us to do business in outdated and inefficient ways. It is important to make it easier for our customers to find items on GSA schedules, for example. I've asked FAS Commissioner Alan Thomas to take the lead and re-imagine and redesign our acquisition system.

On Leadership

Ethical leadership should be a top priority for any leader. That's been my top priority from day one. It means doing the right thing and putting the taxpayer interest first. We admit we make mistakes. We learn from them and move on. Our goal is always to work with others to address challenges and to make our agency a better partner for customers and taxpayers. Leaders should also be humble and willing to admit that we don't have all the answers. Leaders must learn from others, while they guide toward a collective goal.

My leadership is informed by three core values. Service is a core value—service to the taxpayers, service to other federal agencies, service to each other. We're building a culture

where we take care of one another. The second core value would be accountability. We are being asked to manage a large number of resources and being held accountable for the way we do that. The third value is innovation. We always want to be growing, improving on, and delivering better value. Therefore, service, accountability, and innovation are the core principles I focus on, at GSA.

On the Future

In 1949, President Truman signed GSA into law. He did so with the vision that GSA was going to be the mission support agency across the government. He saw problems with construction, real property, procurement—and he envisioned an agency to manage all of this for the government. The plan recently put forward by the Trump Administration places a similar emphasis on Truman's vision of 69 years ago.

To that end, the future looks bright for acquisition. There is a tremendous willingness between Congress and the administration to do a deep dive into acquisition and procurement issues, such as investing in the federal workforce, establishing and supporting appropriate contracting vehicles, and providing special authorities outside the normal regulatory scope. Frankly, this administration values what GSA brings to the table and sees acquisition as a service where we want to make investments, recognize expertise, and build efficient systems for the future.

To learn more about the U.S. General Services Administration, go to gsa.gov.



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