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FEDERAL REAL PROPERTY

Better Governmentwide Data Needed for Strategic Decisionmaking



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Abstract

This report responds to your March 13, 2001, request related to the General Services Administrations (GSA) worldwide inventory of federal real property. According to GSAs fiscal year 2000 worldwide inventory report on owned property, over 30 federal agencies own hundreds of thousands of real property assets worth hundreds of billions of dollars.¹ The federal governments real property assets include military installations, office buildings, laboratories, courthouses, postal facilities, and embassies. For about 50 years, GSA has been maintaining the worldwide inventory. Separately, the Department of the Treasury (Treasury) annually produces governmentwide financial information on real property assets. However, the worldwide inventory GSA maintains is the only central source of more descriptive data on the makeup of the real property inventory, such as property address, square footage, acquisition date, and property type. You requested this work because of the Subcommittees concern that decisionmakers in Congress, the Office of Management and Budget (OMB), and federal agencies may not be equipped with quality data needed to effectively monitor and assess the acquisition, management, and disposal of real property assets. In the coming years, quality information will be a critical tool for addressing a wide range of significant issues related to real property, including deteriorating federal facilities, unneeded and underutilized space, and challenges in protecting people and facilities. As agreed with your offices, our objectives were to determine (1) whether the worldwide inventory has reliable and useful data on the governments real property assets and (2) what actions, if any, may be needed to make the worldwide inventory a useful tool for strategically managing and overseeing these assets.

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FEDERAL REAL PROPERTY

Better Governmentwide Data Needed for Strategic Decisionmaking

Highlights of GAO-02-342, a report to the Subcommittee on Economic Development, Public Buildings and Emergency Management, House of Representatives

Why GAO Did This Study

The government owns hundreds of thousands of real property assets worth hundreds of billions of dollars. The General Services Administration (GSA) maintains a database on these assets commonly referred to as the worldwide inventory. Quality data are critical if decisionmakers are to strategically manage these real property assets. GAO was asked to assess the reliability and usefulness of the worldwide inventory and to determine what actions, if any, may be needed to make it a more useful tool.

What GAO Recommends

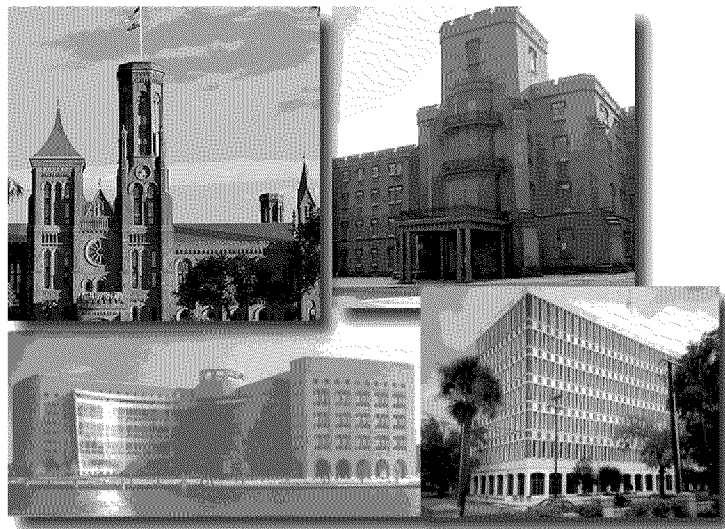
GAO recommends that GSA exercise strong leadership and work with Congress, OMB, Treasury, and other agencies to develop a cost-effective strategy for improving the reliability and usefulness of the worldwide inventory. As part of this strategy, GSA should (1) work closely with real property-holding agencies to clearly identify expectations and the process for improvement, (2) establish results-oriented goals to measure progress and performance, and (3) provide the key players with an action plan that will guide project implementation. Congress should consider requiring GSA by law to maintain an accurate worldwide inventory and requiring real property-holding agencies to submit reliable data. GSA agreed with the thrust of this report and its recommendations.

What GAO Found

GSA's worldwide inventory of federal real property contained data that were unreliable and of limited usefulness. Given this, decisionmakers such as Congress and OMB do not have access to quality data on what real property assets the government owns; their value; whether the assets are being used efficiently; and what overall costs are involved in preserving, protecting, and investing in them.

- Worldwide inventory data for fiscal year 2000 were not current for 12 of 31 real property-holding agencies. In fact, 9 agencies' data had not been updated since before fiscal year 1997.
- The inventory did not contain certain key data—such as data related to space utilization, facility condition, historical significance, security, and facility age—that would be useful for budgeting and strategically managing these assets.
- Several factors contributed to the problems, including poor communication between GSA and the agencies, technical difficulties with agency data, resource constraints, and GSA's lack of specific statutory authority to require agencies to submit data.

GSA recognizes the problems and has actions under way to help resolve them, such as developing real-time database capabilities and proposing legislation to improve the inventory. Given past problems GSA has experienced and the many players involved with this effort, a well-formulated plan for making improvements will be a critical necessity.



Federal Real Property (clockwise from top left): Smithsonian Institution Building (Washington, D.C.); St. Elizabeths Hospital (Washington, D.C.); L. Mendel Rivers Federal Building, (Charleston, SC); and John Joseph Moakley U.S. Courthouse (Boston, MA).

Source: GAO and GSA.

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United States General Accounting Office
Washington, DC 20548

April 16, 2002

The Honorable Steven C. LaTourette
Chairman
The Honorable Jerry Costello
Ranking Democratic Member
Subcommittee on Economic Development, Public
Buildings and Emergency Management
Committee on Transportation and Infrastructure
House of Representatives

This report responds to your March 13, 2001, request related to the General Services Administration's (GSA) worldwide inventory of federal real property. According to GSA's fiscal year 2000 worldwide inventory report on owned property, over 30 federal agencies own hundreds of thousands of real property assets worth hundreds of billions of dollars.¹ The federal government's real property assets include military installations, office buildings, laboratories, courthouses, postal facilities, and embassies. For about 50 years, GSA has been maintaining the worldwide inventory. Separately, the Department of the Treasury (Treasury) annually produces governmentwide financial information on real property assets. However, the worldwide inventory GSA maintains is the only central source of more descriptive data on the makeup of the real property inventory, such as property address, square footage, acquisition date, and property type. You requested this work because of the Subcommittee's concern that decisionmakers in Congress, the Office of Management and Budget (OMB), and federal agencies may not be equipped with quality data needed to effectively monitor and assess the acquisition, management, and disposal of real property assets. In the coming years, quality information will be a critical tool for addressing a wide range of significant issues related to real property, including deteriorating federal facilities, unneeded and underutilized space, and challenges in protecting people and facilities. As agreed with your offices, our objectives were to determine (1) whether the worldwide inventory has reliable and useful data on the government's real property assets and (2)

¹ For the purposes of this report, we are defining agencies to include other entities such as the U.S. Postal Service, an independent establishment in the executive branch, and the Tennessee Valley Authority, a wholly owned government corporation.

what actions, if any, may be needed to make the worldwide inventory a useful tool for strategically managing and overseeing these assets.

To meet these objectives, we primarily examined GSA's operation of the worldwide inventory effort. We focused our attention on analyzing the process whereby data from different sources are compiled into one database, how the data are validated, and how the agencies communicate with GSA. To gain an understanding of how the inventory is compiled and how the key players view its usefulness, we interviewed officials with GSA's Office of Governmentwide Policy (OGP), the office in GSA that has responsibility for the inventory. In addition, we interviewed officials involved with or knowledgeable of the worldwide inventory at OMB and the four agencies shown by the inventory to have the most property in terms of building square footage—the Department of Defense (DOD), the Department of Veterans Affairs (VA), GSA's Public Buildings Service (PBS), and the U.S. Postal Service (USPS).² We also did some limited testing of the completeness of the data in the worldwide inventory, reviewed the financial data on real property compiled by Treasury for fiscal year 2000, and obtained information on real property databases at DOD, VA, PBS, and USPS. We considered reports issued by others and us on real property-related issues and reviewed relevant laws, regulations, and proposed legislation. On the basis of our analysis and discussions with GSA and agency officials, we identified what actions, if any, were needed to improve the inventory's usefulness. We did our work between June 2001 and February 2002 in accordance with generally accepted government auditing standards. More details about our objectives, scope, and methodology are presented in appendix I. We requested comments on a draft of this report from GSA, DOD, OMB, Treasury, USPS, and VA. The comments we received are discussed near the end of this letter; GSA's and DOD's written comments are included as appendixes II and III, respectively.

Results in Brief

GSA's worldwide inventory of federal real property contained data that were unreliable and of limited usefulness. Given this, decisionmakers such as Congress and OMB do not have access to quality data on what real property assets the government owns, their value, whether the assets are

² Real property is generally defined as land, facilities, and anything constructed on, growing on, or attached to land. We have included information on land in this report; however, our focus in this report is facilities and facilities-related issues.

being used efficiently, and what overall costs are involved in preserving, protecting, and investing in them. Worldwide inventory data for fiscal year 2000 were not current for 12 of 31 real property-holding agencies. In fact, data for 9 of the agencies had not been updated since before fiscal year 1997. For the period covering fiscal years 1997 through 2000, GSA had been able to consistently compile data for only 5 of the 31 agencies—the Departments of Agriculture and Commerce, the Army, the Navy, and the Corps of Engineers’ civilian functions. Furthermore, we noted that the inventory did not contain certain key data—such as data related to space utilization, facility condition, historical significance, security, and facility age—that would be useful for budgeting purposes and the strategic management of these assets. Consequently, GSA’s annual worldwide inventory reports were of minimal value and do not reflect the changing makeup of the federal real property inventory. Poor communication between GSA and the reporting agencies, technical difficulties with agency data, and resource constraints contributed to the problems. GSA officials also noted that GSA lacks specific statutory authority to require agencies to submit data. Real property data problems were not only isolated to the worldwide inventory. We also noted that some of the major real property-holding agencies have faced challenges developing quality real property data, and financial data on real property in Treasury’s consolidated financial statements have been problematic.

GSA recognizes the problems with the worldwide inventory and has actions under way to resolve them. We noted that GSA has pursued real property reform legislation that, among other things, was intended to improve the worldwide inventory. GSA has also begun a major effort aimed at improving the effectiveness of the worldwide inventory as a decisionmaking tool. With OMB’s concurrence, GSA suspended the reporting process for fiscal year 2001 and plans to develop an enhanced database with real-time capabilities to complement the yearly inventory reports. Making this effort successful will be a major challenge for GSA. GSA will have to work across government with the many real property-holding agencies, Congress, OMB, and Treasury to identify the types of data that could be collected cost effectively to promote effective knowledge sharing and strategic, budget, and management decisionmaking. Given past problems GSA has experienced with compiling the worldwide inventory on an annual basis and the challenges associated with developing a more advanced approach, GSA will have to exercise strong leadership in this endeavor.

We are recommending that GSA work with Congress, OMB, Treasury, and real property-holding agencies to design and implement a cost-effective

strategy for improving the worldwide inventory. The recommendations specifically address the need for GSA to (1) work closely with participating real property-holding agencies to clearly identify expectations and the process that will be used for making improvements; (2) establish results-oriented goals and targets to measure progress and performance; and (3) provide Congress, OMB, Treasury, and real property-holding agencies with a detailed action plan that lays out the major tasks to be accomplished with time frames, estimated costs, and related goals and targets. We are also asking Congress to consider enacting legislation to require GSA to maintain an accurate worldwide inventory and requiring real property-holding agencies to submit reliable data on their real property assets to GSA. GSA and DOD agreed with the thrust of this report and its recommendations for executive action. An OMB policy analyst responsible for GSA and familiar with the worldwide inventory also agreed with the report's message, and VA's GAO liaison said that VA would work closely with GSA as it improves the inventory. Treasury and USPS did not have any comments on the report.

Background

According to the worldwide inventory, the federal government owns hundreds of thousands of properties worldwide. The financial statements of the U.S. government state that the federal government's real property assets are worth hundreds of billions of dollars. DOD holds the majority of this property in terms of building square footage. Other major property-holding agencies include GSA's PBS, VA, and USPS. The Federal Property and Administrative Services Act of 1949, as amended (Property Act) established GSA to serve as a central procurement and property management agency for the federal government.³ GSA's role in real property is twofold. As a major federal real property manager, GSA's PBS is responsible for providing office space for most federal agencies and managing over 8,000 buildings that it owns and leases. In addition to directly providing real property services, GSA, among other things, seeks to collaborate with other federal real property-holding agencies in developing guidance that encourages agencies to utilize the best, most cost-effective management practices.

As part of its central management responsibilities, GSA maintains a worldwide inventory of federally owned and leased real property. Each year, GSA produces two worldwide inventory reports—one for property

³ 40 U.S.C. § 471 et. seq.

owned and one for property leased—that summarize data obtained from over 30 federal real property-holding agencies. According to GSA guidance, GSA compiles the inventory because the Senate Committee on Appropriations has requested that the government maintain such data and Executive Order 12411—a 1983 order that deals with efficient space utilization—requires that agencies maintain property inventories. In addition to data on real property contained in the worldwide inventory, data on the value of federal real property are contained in the Financial Report of the U.S. Government, issued annually by Treasury pursuant to the Government Management Reform Act of 1994.⁴ Major real property-holding agencies also have data systems they use to manage their assets and to report on their holdings in the worldwide inventory and the consolidated financial statements of the U.S. government.⁵

Worldwide Inventory Is Unreliable and Lacks Certain Key Data

GSA's worldwide inventory of federal real property is the only governmentwide database of its kind; however, it is unreliable and has limited usefulness. Data in the inventory for many agencies—12 of 31 in the fiscal year 2000 reporting cycle—were not current because GSA used data from prior years that had not been updated. For example, VA data in the fiscal year 2000 report were actually from fiscal year 1995 because, according to GSA officials, the file VA provided did not have all the required data and could not be used. Further, certain key data that would be useful for budgeting and strategic decisionmaking—such as the estimated cost of needed repairs and data on properties that are candidates for disposal—were not collected. Consequently, GSA's annual reports on the worldwide inventory were of minimal value when issued and do not reflect the diverse and constantly changing nature of the huge federal real property inventory. Simply stated, decisionmakers do not have access to quality data on what real property assets the government owns; their value; whether the assets are being used efficiently; and what overall costs are involved in preserving, protecting, and investing in them. Problems developing quality real property data have not been isolated to

⁴ 31 U.S.C. § 331(e).

⁵ For federal accounting purposes, there are several types of real property. The first consists of real property reported on the balance sheet as part of general property, plant, and equipment (PP&E). The other types are collectively referred to as stewardship assets, are not on the balance sheet, and are reported separately. Stewardship assets include national defense PP&E (assets such as ammunition bunkers and silos); heritage assets (such as wilderness areas, scenic river systems, and monuments); and stewardship land, which is any land not included in general PP&E.

the worldwide inventory. We noted that several major real property-holding agencies that provide input to the worldwide inventory have faced challenges with developing reliable real property data. Also, financial data on real property that Treasury compiles have been problematic. On balance, however, some agencies have been able to develop more advanced real property data systems.

Each year, GSA expects real property-holding agencies to provide it with detailed information on the properties that they control, including land. In reporting to GSA, agencies are expected to follow GSA's guidance for this effort, which appears in the Code of Federal Regulations (CFR).⁶ Data that GSA seeks to collect for the inventory cover various details about each property, including the address, square footage, acquisition date, and property type. With assistance from a database contractor, GSA summarizes the data in annual published reports for owned and leased properties. Although there is no specific statutory requirement for GSA to maintain a worldwide inventory, GSA has been compiling these data for about 50 years citing its authority under the Property Act. In addition, the guidance states that GSA compiles the inventory because the Senate Committee on Appropriations has requested that the government maintain such data, and Executive Order 12411—a 1983 order that deals with efficient space utilization—requires that agencies maintain property inventories. This guidance identified several specific program objectives for the most recent reporting cycle, which covered fiscal year 2000. These objectives were to

- provide a centralized source of information on federal real property holdings;
- track space utilization of reporting agencies;
- identify underutilized property;
- achieve the most effective control and economical governmentwide utilization of available property;
- facilitate disposal of surplus property;
- evaluate the compliance of reporting agencies with the provisions of Executive Order 12411 and implementing regulations;
- provide a basis for the intelligent evaluation and appraisal of budgetary requirements; and

⁶ 41 C.F.R. Part 101-3. In November 2001, GSA initiated several changes to the guidance. These changes which, according to a GSA official, were initiated to simplify and clarify the regulation, included revisions to the program objectives. These changes are discussed later in this report.

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- establish a ready reference for answering inquiries from Congress; the press; trade associations; educational institutions; federal, state, and local government agencies; and the general public.

Despite having well-intentioned objectives, the worldwide inventory was unreliable in that it contained data that were out-of-date and incomplete. Specifically, for property owned during the fiscal year 2000 cycle, GSA provided information to us showing that data for 12 of the 31 major real property-holding agencies it tracks were not current. Eight of these agencies did not report fiscal year 2000 data to GSA, three had partial submissions, and one agency submitted data that GSA said it was unable to use. Using prior year data, we determined that these 12 agencies held an estimated 32 percent of federal real property worldwide in terms of building square footage. It is interesting to note that these results for fiscal year 2000 were actually an improvement over prior years' results, even though GSA was unable to compile updated or complete data for 12 of 31 agencies. For example, GSA provided information showing that—for the 31 real property-holding agencies it tracks, it was unable to compile updated or complete data for

- 23 agencies in fiscal year 1997,
- 24 agencies in fiscal year 1998, and
- 20 agencies in fiscal year 1999.

The improvement in fiscal year 2000 can be attributed to a GSA effort—which will be discussed later—to allow agencies with relatively small property inventories to update their data on-line. Despite this improvement, the information provided by GSA show that data for 9 of the 31 agencies in the fiscal year 2000 report had not been updated since before fiscal year 1997. Overall, GSA was able to consistently update data for only 5 of the 31 agencies—the Departments of Commerce and Agriculture, the Army and the Navy, and the Corps of Engineers' civilian functions⁷—in the 4-year period covering fiscal years 1997 through 2000. According to GSA officials, if they did not receive—or were unable to use—data from an agency, they would use the most recently available prior year data for the worldwide inventory report. For example, if an agency provided data for the fiscal year 1998 cycle, but not the fiscal year 1999 or 2000 cycles, GSA would publish the fiscal year 1998 data for that

⁷ According to GSA officials, the Corps of Engineers' civilian functions report separately from the Corps' military side, which is reported by the Army.

agency in the fiscal year 2000 report. If an agency provided GSA with a partial submission, GSA officials said they make an effort to combine these data with existing data for that agency. As a result, each worldwide inventory report was a mix of out-of-date and current data, which limited their usefulness to decisionmakers. Figure 1 shows which agencies reported complete data, which reported partial data, which provided data GSA said it was unable to use, and which did not provide any data for fiscal years 1997 to 2000.

Figure 1: Worldwide Inventory Reporting History for Owned Real Property, by Major Reporting Agency (fiscal years 1997 to 2000)

Agency	1997	1998	1999	2000
Defense				
Air Force	●	●	●	○
Army	●	●	●	●
Navy	●	●	●	●
Washington Headquarters Services				●
Non-Defense				
Agriculture	●	●	●	●
American Battle Monuments Commission				●
Commerce	●	●	●	●
Commodity Futures Trading Commission				
Corps of Engineers (civilian functions)	●	●	●	●
Education				●
Energy	●	●	●	◐
Environmental Protection Agency				●
Federal Communications Commission				
Federal Emergency Management Agency				●
General Services Administration (Public Buildings Service)			●	●
Government Printing Office				
Health and Human Services				●
Interior	◐	◐	◐	●
Justice	●	○	●	●
Labor		○	○	
National Aeronautics and Space Administration	○	○	○	●
National Archives and Records Administration			●	●
National Science Foundation			●	●
Peace Corps				●
Smithsonian				
State				◐
Tennessee Valley Authority	○	○	○	
Transportation			◐	◐
Treasury				
US Postal Service			◐	●
Veterans Affairs			○	

- Full submission
- ◐ Partial submission
- Submitted - not used
- (blank) No submission

Source: GSA Office of Governmentwide Policy.

Our analysis of the information provided by GSA and discussions with the four largest property-holding agencies in terms of building square footage—DOD, GSA’s PBS, VA, and USPS—illustrated some of the problems that have beset the worldwide inventory effort. For example:

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- GSA's PBS did not provide data to GSA's worldwide inventory staff in OGP in fiscal years 1997 and 1998. We also noted that PBS did not provide usable data on property it leased in fiscal year 2000.
 - VA data in the fiscal year 2000 worldwide inventory report reflected fiscal year 1995 data. According to GSA officials, VA did not report in fiscal years 1997, 1998, and 2000. In fiscal year 1999, VA submitted a file that GSA officials said did not have all the required data and was unusable. VA officials we interviewed in July 2001 were unaware that GSA was unable to use their fiscal year 1999 data. GSA officials said that they sent a letter to VA identifying the problems; however, GSA officials were unable to provide a copy of the letter, and VA officials said they could not recall receiving it.
 - USPS did not report to GSA for fiscal years 1997 and 1998. USPS reported data for fiscal year 1999, but according to GSA officials, its contractor was unable to reconcile the submission and used previous year data. GSA instead used prior year USPS data in its fiscal years 1997 through 1999 reports. GSA and USPS were unable to determine which prior year these data covered. USPS successfully sent an electronic file to GSA for the fiscal year 2000 cycle that GSA used to update the worldwide inventory report. However, in the report, GSA highlighted USPS as an agency that saw a large (34 percent) increase in space in 1 year. GSA officials acknowledged that this was an error because the figures GSA reported in fiscal year 1999 for USPS were actually from an earlier year.
 - The Air Force provided data to GSA for the fiscal year 2000 cycle in a commercial off-the-shelf database format. However, GSA officials said they were unable to read the data and compile it into the worldwide inventory and instead used fiscal year 1999 data for the Air Force in the fiscal year 2000 report. Although GSA told us that it notified the Air Force of the data problems by telephone, Air Force officials we interviewed in July 2001 said that they were unaware that GSA had problems with the data they had provided and said that GSA had not informed them of the problems.

GSA officials we interviewed expressed a general concern that the data they receive from some agencies often contain duplicate entries and are missing information. Although they could not quantify the extent of the problem with duplicate or missing data, GSA officials provided us with several examples, including properties that were in the inventory twice because there were variations in the name of the property. These officials said that they work with their database contractor to clean up the data they receive from agencies as much as possible. This involves correcting obvious omissions and deleting duplications that they are able to identify. As part of our review, we obtained the worldwide inventory from GSA's

database contractor to test its completeness. Our testing showed that data for basic data fields that GSA expects agencies to provide—including street address and zip code—were often missing. For example, the worldwide inventory tracks real property by installation and building. Each installation is made up of anywhere from as few as 1 to as many as hundreds of buildings.⁸ Of the 41,312 installations identified as government-owned for the purposes of the worldwide inventory, 89 percent lacked a complete street address in the worldwide inventory. Seventy-six percent had no zip code. GSA officials said that some of these data were missing because they were inadvertently deleted or moved during a recent upgrade of the software. At the end of our review, GSA officials said that they corrected the problem for the missing street addresses. In its written comments on this report, GSA said that the majority of incomplete address and zip code data remaining are a result of incomplete agency submissions.

The worldwide inventory and related annual reports also lacked certain key data that would be needed in order to meet some of the effort's key program objectives. For example, despite having the objectives to track space utilization and identify underutilized property, the inventory and related reports contained no information on such utilization. Further, despite having an objective to facilitate disposal of surplus property, the inventory and related reports did not contain information—which agencies may have available—on properties that may have been candidates for disposal or were going through the property disposal process. The inventory and related reports also did not contain other information that would be useful to decisionmakers, such as the security level, physical condition, age, or repair needs of the buildings. Combined with the problems discussed earlier related to unreliable data, the lack of certain key data, in our view, further limits the worldwide inventory's usefulness to decisionmakers for budgeting and strategic decisionmaking purposes.

In addition to the omission of certain key data, the annual reports GSA publishes using the worldwide inventory do not reflect the most recent status of the federal real property inventory. Yearly worldwide inventory reports are GSA's primary method of providing information on the government's real property to Congress, other decisionmakers, and the

⁸ An example of this is a military base, where the base will have a unique name and may have hundreds of buildings with different names that are tied to that installation.

public. However, GSA usually publishes the reports—one report for owned property and one for leased property—about 8 months after the end of the fiscal year. For example, the fiscal year 2000 report—which is intended to reflect property holdings as of September 30, 2000—was published in June 2001. However, the changing makeup of the federal real property inventory makes these reports considerably dated when they are issued. Officials from GSA and several of the reporting agencies said that a governmentwide inventory system with real-time capabilities would be more useful. GSA’s efforts to explore the development of an inventory with real-time capabilities are discussed later in this report.

We also had concerns about some of the statements in GSA’s recent worldwide inventory reports about data accuracy and completeness, as well as statements about our supposed involvement in the effort. The fiscal year 1997 through 2000 reports state that:

“Agency reports were carefully reviewed for accuracy, completeness, and conformance with instructions. Questionable items were resolved with agency representatives and the detailed inventory listings supporting the summary data in this report were certified by the respective agencies...” and,

“[GSA] collaborated with [GAO] in providing appropriate guidelines to federal agencies designed to assure consistent application of sound practices and adequate standards in accounting and reporting for owned and leased property.”

As previously mentioned, GSA officials said that they work with their contractor to clean up the data they receive from agencies as much as possible. However, the GSA official responsible for the worldwide inventory said that the first statement above on data accuracy and completeness overstates the extent of GSA’s review efforts. Regarding the statement about our involvement, we were unaware of any such collaboration and the GSA official did not know the basis for the statement. This official said that the language about data checking and our collaboration was passed down year after year in the report. We checked the fiscal year 1988 worldwide inventory report and found that it contained the same language. In its written comments on this report, GSA said that the collaboration referenced between GSA and GAO in the preparation of the worldwide inventory dated back to the initial report to Congress dated March 25, 1955. GSA officials said that they would delete or revise the language in future reports.

Worldwide Inventory Effort Has Experienced Problems for a Number of Reasons

On the basis of our analysis and interviews with agency officials, we identified a number of reasons for why the worldwide inventory effort has experienced problems. First, there was poor communication between GSA and the reporting agencies. Second, GSA and some of the reporting agencies had technical difficulties compiling the data for the inventory. Third, most of the agencies we contacted said that resource constraints have affected their ability to work with GSA to compile the inventory. Also, while GSA officials believe that the Property Act provides them with general authority to compile the inventory, they recognize that there is no specific statutory requirement for a worldwide inventory. GSA officials said that specific legislation requiring GSA to prepare a worldwide inventory and requiring agencies to provide reliable data would strengthen the effort.

Officials with GSA's OGP component⁹ told us that they generally notify agencies in writing when there are problems with the submissions to the worldwide inventory. However, they recognized that this approach might not have been working very effectively. Our work showed that there was poor communication between GSA and some of the major property-holding agencies during recent worldwide inventory efforts. As discussed earlier, VA officials we interviewed were unaware that GSA did not compile and publish their fiscal year 1999 submission, and Air Force officials were unaware that GSA had technical problems with their fiscal year 2000 submission. These two agencies alone account for roughly one-quarter of all federal real property in terms of building square footage. In contrast, USPS officials said that they had received a great deal of valuable help from the GSA staff during the fiscal year 2000 cycle. GSA acknowledged that it could have done more to communicate with some agencies, including VA and the Air Force.

Regarding the format that agencies use to provide the data, GSA has developed different options for data submissions. GSA has requested that agencies provide the data in a generic file format. This approach, according to GSA officials, allows them to more easily assemble the data into one single database. GSA guidance includes instructions for assembling the data, and agencies have the options of physically providing

⁹ In 1995, GSA created OGP to separate its policy and service delivery functions. As a consequence, OGP's Real Property Policy Division was established and was given responsibility for GSA's governmentwide real property policy activities. GSA's PBS continued its role in the day-to-day management of over 8,000 federal facilities GSA owns and leases.

GSA with a file or transmitting the data electronically. Agencies can also use special software GSA has developed for real property management, known as Foundation Information for Real Property Management (FIRM). Agencies can obtain FIRM from GSA free of charge, and GSA will provide assistance implementing the software. GSA has also worked with its database contractor on an effort that allows agencies to update information on their assets through the Internet. GSA officials told us that FIRM and the Internet updating method are mostly suitable for agencies with relatively smaller inventories that do not have their own real property management systems.

Despite these efforts, our work showed that GSA and some of the reporting agencies encountered technical difficulties compiling the data for the inventory. For example, staff from GSA's PBS said that software upgrades in their real property management system were a major reason why they were unable to submit data for fiscal years 1997 and 1998. These upgrades made it more difficult for them to extract the data GSA's OGP component needed for the worldwide inventory. PBS staff also said that the data OGP requests for the worldwide inventory come from three GSA systems, making the data difficult to compile. They were able to submit data on owned property to OGP for fiscal years 1999 and 2000 in a commercial off-the-shelf spreadsheet format, but, according to OGP officials, OGP staff had to manually enter the data into the worldwide inventory because they were unable to read the file. At VA, officials said that they manually collect the data from each hospital director, and headquarters staff compile the data in a commercial off-the-shelf spreadsheet format for GSA. GSA staff said that the file VA submitted for fiscal year 1999 did not have all the required data, but as we indicated earlier, VA officials were unaware that GSA had problems with the submission. As also previously mentioned, the Air Force's fiscal year 2000 submission was not used because GSA was unable to read the file. GSA's FIRM software did work for some agencies when it was introduced; however, GSA officials said that many agencies encountered problems with FIRM when they updated their operating system applications to Windows. The Internet application GSA developed has worked for smaller agencies, but agencies with large inventories, according to GSA, do not use it because each property file has to be entered individually.

Officials we contacted from some of the reporting agencies said that resource constraints negatively affected their ability to provide data to GSA each year or to fully ensure their accuracy. For example, according to a March 2000 GSA Office of the Inspector General (IG) report, staff downsizing and reorganizations in PBS have reduced resources available

for worldwide inventory reporting.¹⁰ VA officials told us that its budget resources were insufficient to provide data to GSA. USPS officials also told us that budget resource constraints were a factor in years when they were unable to provide data to GSA. Air Force and Marine Corps officials said staffing constraints have somewhat impeded the timeliness and completeness of their data validation procedures for the real property data they collect. However, they both expressed overall confidence in the data. Officials from GSA's OGP said that limited staff resources generally have prevented them from working with agencies to resolve problems with their submissions and limited their ability to follow up with agencies that do not submit data. Two GSA staff work part-time on the worldwide inventory effort. GSA staff said that the yearly deadline they face to publish the worldwide inventory report also compounds the resource problem. They said that there often is not enough time to work with agencies to resolve problems between the date when agencies submit data and GSA's publishing date. In its written comments on this report, GSA said that the ability of GSA, as the coordinating agency, and the individual agencies, as reporting agencies, to effectively compile the annual data report has always been subject to available resources. GSA went on to say that GSA and the reporting agencies would have devoted more effort to compiling data if there had been more dedicated resources available.

GSA officials also cited their lack of specific statutory authority to require agencies to submit data for the inventory as another problem. As previously mentioned, GSA compiles the inventory because, according to GSA guidance, the Senate Committee on Appropriations has requested that the government maintain such data; and Executive Order 12411—a 1983 order that deals with efficient space utilization—requires agencies to maintain property inventories. In addition, the Property Act gives the administrator of GSA general authority to survey government property. GSA issues guidance for the worldwide inventory effort that is published in the CFR. Although real property-holding agencies are expected to follow this guidance when providing data for the inventory, GSA officials said that having agencies provide reliable data for the worldwide inventory is essentially voluntary and having legislation requiring a worldwide inventory and requiring agencies to provide reliable data would be beneficial to GSA. Without specific statutory authority, GSA has limited

¹⁰ U.S. General Services Administration, Office of the Inspector General, *Review of Real Property Reporting for the Worldwide Inventory*, A000813/O/W/F00006 (Washington, D.C.: Mar. 23, 2000).

leverage or authority over property-holding agencies to require them to consistently provide current, accurate, and complete data on their real property assets. Such legislation could make the worldwide inventory a higher priority at the agency level and help the effort compete for resources. Recently proposed legislation, which will be discussed later in this report, would address these issues. GSA also has made revisions to the CFR guidance on worldwide inventory submissions. These revisions will also be discussed later in this report.

The March 2000 GSA IG report also identified several problems with the worldwide inventory. The IG report concluded that GSA had no assurance that the worldwide inventory reports provided accurate, timely, and complete data for identifying real property assets. In reviewing the fiscal year 1998 worldwide inventory reports, the IG also found that GSA's own PBS had not submitted its real property inventory data for several years. According to the GSA IG, the main reasons PBS did not adhere to its own agency's regulation included technical challenges with compiling the data and, as mentioned earlier, staff resource constraints. In addition, the report stated that GSA lacked authority to mandate accurate worldwide inventory reporting. The IG report also said that GSA had not attempted to determine who uses the worldwide inventory reports or for what purposes the reports are used. The IG concluded that without this information, GSA would have difficulty gauging the performance of the inventory effort and ensuring that it is a useful tool. In commenting on our report, GSA said that at the time of the IG report, user information was anecdotal based on user requests. Since then, GSA said the database has become available in an on-line format that provides for a more accurate understanding of the customer agencies being served. This on-line effort is discussed later in this report.

Some Major Real Property-Holding Agencies Have Faced Challenges Developing Quality Data

We noted during our review that real property data problems have not been isolated to the worldwide inventory. Some major real property-holding agencies that provide input to the worldwide inventory have faced challenges in developing quality data on their real property assets. Some of these problems were evident at DOD, the largest property-holding agency. In August 2001, DOD's Office of the Deputy Under Secretary of Defense for Installations and Environment issued a report that assessed DOD's real property information systems from a management standpoint.¹¹ The report

¹¹ U.S. Office of the Deputy Under Secretary of Defense for Installations and Environment, *Assessment of DOD Real Property Information Systems*, Aug. 8, 2001.

concluded that DOD's current real property information systems are not sufficiently timely, standardized, or easily accessible, thus hindering DOD's ability to make informed strategic facility budget and policy decisions about real property issues. More specifically, the report said that DOD real property data are

- incompatible across DOD components;
- inaccessible to key users; and
- inaccurate and incomplete, necessitating application of complex and inefficient business rules to use the data.

The report said that these shortcomings result in (1) wasted money as analysts expend excessive resources to produce and obtain usable information; (2) inconsistent analyses that undermine credibility inside and outside DOD; and (3) flawed decisions based on poor information, producing unintended consequences. The report recommended that the Office of the Deputy Under Secretary of Defense for Installations and Environment maintain a Web-accessible, consolidated DOD real property inventory database for use by all DOD activities and analysts and, in conjunction with the services and other defense agencies, create an incentive program for maintaining high-quality data and establish, publish, and enforce real property inventory data standards. DOD is moving to implement these recommendations and believes that the entire defense community will benefit from the advantages of an improved data system.

VA has recognized that it has problems with its real property information and has undertaken several efforts to make improvements. At the time of our review, VA was using a commercial off-the-shelf spreadsheet application to maintain data on its real property inventory. In an effort to compile data for this inventory, VA has surveyed its medical centers in recent years. In fiscal year 2000, this effort—which was referred to as the Capital Asset Baseline Assessment (CABA)—revealed that VA had 4,972 buildings instead of the 4,771 buildings VA identified in a similar effort in fiscal year 1997. Of the 201 additional buildings, VA was able to readily identify 51 of the buildings that were previously unaccounted for and believed that the remaining 150 were probably other structures, such as flagpoles and smoking shelters, that the medical centers included in their building counts. At the time of our review, VA was working with a consultant on a new effort to inventory the properties, known as the Capital Asset Realignment for Enhanced Service (CARES) effort. VA officials said that CARES includes site visits to ensure the accuracy of the data and may serve as the basis for developing a more advanced real property information system. Also, VA was in the process of contracting

for additional expertise in developing a more state-of-the-art capital asset management approach.

GSA's PBS has experienced significant, long-standing problems with the reliability and accuracy of its real property data. Over 10 years ago, we reported that GSA had a pervasive information problem that hampered its ability to manage its programs effectively and hold managers accountable for performance.¹² In our 1991 report on the deterioration and obsolescence of PBS's building inventory, we identified PBS's lack of complete data on needed repairs and alterations as a major reason for the problems.¹³ A subsequent report in March 2000 found that repair and alteration data problems still existed.¹⁴ In 1999, we reported that PBS knew it had data problems in its real property management system, the System for Tracking and Administering Real Property (STAR).¹⁵ We noted in the report that the GSA IG found that over half of the space drawings were inaccurate, and GSA's outside auditor found problems with controls over the integrity of PBS's rent and leasing data. Also, related to the rent that PBS charges agencies for occupying GSA-controlled buildings, the Federal Bureau of Investigation had to tell PBS that it was not being billed for \$3 million worth of space assignments and the Census Bureau was not being billed for new offices that PBS delivered. PBS has taken several steps in the last few years to address the reliability and accuracy of the STAR data, although we have not evaluated them.

On balance, it is important to note that some of the agencies we contacted had fairly advanced real property management systems. For example, four organizations have on-line real property data systems—DOD's Washington Headquarters Services (WHS), which manages DOD facilities in the Washington, D.C. area; the Army; the Navy; and USPS. WHS maintains an on-line computerized database of all vacant building space and occupied space in leased facilities. The database is regularly updated to reflect data

¹² U.S. General Accounting Office, *General Services Administration: Sustained Attention Required to Improve Performance*, GAO/GGD-90-14 (Washington, D.C.: Nov. 6, 1989).

¹³ U.S. General Accounting Office, *Federal Buildings: Actions Needed to Prevent Further Deterioration and Obsolescence*, GAO/GGD-91-57 (Washington, D.C.: May 13, 1991).

¹⁴ U.S. General Accounting Office, *Federal Buildings: Billions Are Needed for Repairs and Alterations*, GAO/GGD-00-98 (Washington, D.C.: Mar. 30, 2000).

¹⁵ U.S. General Accounting Office, *General Services Administration: STAR—PBS' New Program for Tracking and Managing Real Property*, GAO/GGD-00-12 (Washington, D.C.: Oct. 12, 1999).

on WHS's holdings, including space type, availability, and location. It is supplemented by a subscription to a commercial on-line database that maintains comparable data for all commercially available properties in the Washington, D.C. area. The Army's system, known as the Headquarters Executive Information Service, maintains many types of real property data that are instantly accessible. According to Army officials, the Army system has data quality and assurance control features that flag data that exceed specified parameters. The Navy's real property database has been maintained on-line with real-time capabilities since 1978, with selected installations having direct access since 1982. According to USPS officials, its real property inventory system, known as the Facilities Management System for Windows, can be instantaneously updated. USPS officials told us that error reports in their system are generated automatically when user fields are entered incorrectly. The Army and USPS systems also have the capability to electronically gather and automatically transmit data to GSA for the worldwide inventory.

Reliability of Real Property Data in the Government's Consolidated Financial Statement Also Problematic

We also noted that real property financial data that Treasury compiles annually have had reliability problems. The Chief Financial Officers Act of 1990 (CFO Act), as expanded by the Government Management Reform Act, required the annual preparation and audit of individual financial statements for the federal government's 24 major agencies.¹⁶ Treasury was also required to compile consolidated financial statements for the U.S. government, which we audit.¹⁷ In March 2001, we reported that—for the fourth consecutive year—we were unable to express an opinion on the U.S. government's consolidated financial statements for fiscal year 2000.¹⁸ Various material weaknesses¹⁹ related to financial systems, fundamental recordkeeping and financial reporting, and incomplete documentation continued to (1) hamper the government's ability to accurately report a significant portion of its assets, liabilities, and costs; (2) affect the

¹⁶ 31 U.S.C. § 3515 and 31 U.S.C. § 3521.

¹⁷ 31 U.S.C. § 331(e).

¹⁸ On March 29, 2002, Treasury issued its financial report containing the U.S. Government's consolidated financial statements for fiscal year 2001, and we again reported that we were unable to express an opinion.

¹⁹ A material weakness is a condition that precludes an entity's internal controls from providing reasonable assurance that misstatements, losses, or noncompliance material in relation to the financial statements or to stewardship information would be prevented or detected on a timely basis.

government's ability to accurately measure the full costs and financial performance of certain programs and effectively manage related operations; and (3) significantly impair the government's ability to adequately safeguard certain significant assets and properly record various transactions. Because the government lacked complete and reliable information to support asset holdings—including real property—it could not satisfactorily determine that all assets were included in the financial statements, verify that certain reported assets actually existed, or substantiate the amounts at which they were valued. Several problems with the completeness and accuracy of real property values reported on the financial statements at real property-holding agencies have surfaced in recent years. For example:

- In February 2001, the DOD Inspector General reported²⁰ that previously identified problems continued to affect the accuracy of amounts reported for real property within DOD. Controls necessary to accurately record additions, deletions, and capital improvements made to real property had not been fully implemented.
- The Department of the Interior auditor's fiscal year 2000 accountability report²¹ stated that the subsidiary ledgers for buildings and other structures and facilities did not have sufficient internal control procedures to ensure that account balances were stated in accordance with generally accepted accounting principles (GAAP).²² Examples included items with incorrect acquisition costs ascribed to them, items that had been demolished but not removed from the ledgers, and items that had not been included in the ledgers.
- The VA auditor's report on internal control over financial reporting²³ for fiscal year 2000 noted unreconciled differences between the general ledger and the Property Management System (PMS) subsidiary ledger during a

²⁰ U.S. Department of Defense, Office of the Inspector General, *Internal Controls and Compliance with Laws and Regulations for the DOD Agency-Wide Financial Statements for fiscal year 2000*, D-2000-070 (Washington, D.C.: Feb. 28, 2001).

²¹ U.S. Department of the Interior, Office of the Inspector General, *Fiscal Year 2000 Annual Departmental Report on Accountability, U.S. Department of the Interior*, 01-I-257 (Washington, D.C.: Feb. 28, 2001).

²² The Federal Accounting Standards Advisory Board (FASAB) promulgates GAAP for federal government entities.

²³ U.S. Department of Veterans Affairs, Office of Inspector General, *Audit of the Department of Veterans Affairs Consolidated Financial Statements for Fiscal Years 2000 and 1999*, 00-01702-50 (Washington, D.C.: Feb. 28, 2001).

system conversion for the Loan Guaranty Program, as well as an error in PMS that caused new postings to be recorded at up to four times the appropriate values.

We noted during our review that the value of federal real property reported in the consolidated financial statements of the U.S. government and the value in the worldwide inventory differed. Our analysis of the financial statements showed the cost of federal real property holdings at \$320 billion,²⁴ as of September 30, 2000. The worldwide inventory identified the cost²⁵ of federal real property as \$260 billion, as of September 30, 2000. We did not attempt to reconcile these amounts or identify the reasons for the difference because this was outside of the scope of our review. However, we noted that GSA recently issued revised guidance specifying that asset value data reported for the worldwide inventory should preferably originate from the same accounting records used to support agency financial statements. The purpose of this is to ensure that the guidance is consistent with current federal financial accounting principles. In commenting on this report, GSA said that one of the goals of its inventory retooling effort, which will be discussed later, is to allow for better reconciliation of data from the worldwide inventory with those provided in agency financial statements. Having data on asset value in the worldwide inventory that originate from the same source used to generate financial statements seems reasonable because these the financial statements are subject to audit in accordance with generally accepted auditing standards. However, as mentioned before, the financial statement data have also been problematic; therefore, under this approach, the worldwide inventory asset value data will be improved only to the extent that the federal government has adequate systems and controls to ensure the accuracy of financial data on its assets.

Better Data Are Needed for Effective Decisionmaking in the Real Property Area

We and others, including OMB, various state governments, and private sector entities believe that having quality information is essential to making sound and economical real property decisions. Inaccurate asset information impairs the government's ability to (1) know the assets it owns and their location and condition, (2) safeguard the assets from physical deterioration or loss, (3) account for acquisitions and disposals of

²⁴ The \$320 billion represents the gross cost of federal real property (buildings, structures, facilities, land and land improvements, and leasehold improvements) used in government operations.

²⁵ GSA defines cost as the total acquisition cost, including capitalized improvements.

such assets, (4) prevent unnecessary maintenance costs, and (5) determine the full costs of governmental programs that use these assets. Furthermore, we have reported that in leading organizations, having quality information on asset performance, condition, and cost is critical to making informed capital resource allocation decisions.²⁶ These organizations maintain asset and facility inventory systems that include the current condition of existing capital assets. The data and information provided by well-planned information systems give these organizations the ability to build comprehensive measures of performance, collect relevant data, and perform analyses that can be used to support strategic as well as operational budgeting initiatives.

In July 2000, we reported that the lack of quality governmentwide data makes it difficult for the government to select an optimal level of capital spending needed for the acquisition and maintenance of real property.²⁷ The lack of governmentwide data also impedes the government's ability to identify and dispose of real property assets that are no longer needed or cost-effective to retain. If the government does not have a good perspective on its property holdings because of poor data, it may be incurring costs needlessly, because some of its buildings and land could be put to more cost-beneficial uses, exchanged for other needed property, or sold. OMB has encouraged agencies to improve their capital planning processes, and an OMB policy analyst we interviewed said that the worldwide inventory should be improved because decisionmakers need such a tool. The OMB representative said that knowing the value of the property the government owns—as well as having quality information on the nature of the assets that the government is responsible for—would help decisionmakers formulate future budgets for replacing facilities and for repair and maintenance. He also said that trend data from the worldwide inventory could be useful for exploring real property management reform.

We noted during our review that some state governments have recognized the importance of having quality real property data. Although we did not evaluate these efforts, some states appear to have developed fairly advanced real property information systems. For example, according to an

²⁶ U.S. General Accounting Office, *Executive Guide: Leading Practices in Capital Decision-Making*, GAO/AIMD-99-32 (Washington, D.C.: Dec. 1998).

²⁷ U.S. General Accounting Office, *Federal Real Property: Views on Management Reform Proposals*, GAO/T-GGD-00-175 (Washington, D.C.: July 12, 2000).

official with the state of California, the California Department of General Services maintained regularly updated real property reporting systems to ensure that it met the needs of its customers. California was taking steps to ensure that its system contains necessary information to serve as a management tool. California has reported that since January 2001, it has made significant progress in developing a real-time access application for users. The new features were intended to allow state agencies to reconcile their inventories on-line. According to a Massachusetts state official, the Massachusetts legislature authorized a major new initiative to manage the state's real estate in 1999, appropriating funds to conduct a comprehensive condition survey of the state's capital assets and to obtain a software package to manage the data. This package was designed to help the state keep track of more than 5,000 buildings and 77 million square feet of office space the government owned throughout the state. The system was to be centralized and allow each state agency to update real property information on-line. According to information we obtained from the state of New York, New York's Real Property System was a fully integrated property inventory data management system that ran in the Windows environment. It had an open relational database architecture, which meant that the data could be easily exported to common spreadsheet or database products.

Quality data are essential to effective decisionmaking in the real property area, and the worldwide inventory is a prime candidate for fulfilling this role in the federal government. Having quality governmentwide data is especially critical because we have found pervasive management challenges in the federal real property area. Many of these challenges were tied to data weaknesses or were challenges that will be difficult to overcome without better management information. Some examples of this prior work include the following:

- *Federal facilities continue to deteriorate.* We reported in March 2000 that \$4 billion was needed for repairs and alterations in GSA-controlled buildings.²⁸ Some of the repairs were needed to better protect the safety of the occupants and the public.²⁹

²⁸ GAO/GGD-00-98.

²⁹ U.S. General Accounting Office, *Federal Buildings: Funding Repairs and Alterations Has Been a Challenge—Expanded Financing Tools Needed*, GAO-01-452 (Washington, DC.: Apr. 12, 2001).

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- *The federal government holds property that it no longer needs.* We reported in 1996 that the State Department had identified over 100 overseas properties valued at \$467 million for potential sale.³⁰ However, we identified other properties worth millions of dollars not on the list that appeared excess to State's needs or that had a questionable value. Since 1996, State had developed a more systematic process for identifying excess property that may be available for sale, but implementation of these new processes was still under way.
 - *Terrorism is a problem that will challenge the government's ability to protect employees, the public, and property.* Having quality information will be a critical part of ensuring adequate protection, but we have found that developing quality data related to security was a problem area. For example, we reported in October 1999 that GSA lacked accurate data on security upgrades to adequately track improvements that were made in the wake of the Oklahoma City bombing.³¹ In June 2000, we reported that GSA lacked performance goals and measures related to the adequacy of security in the buildings it controls despite prior concerns by the GSA IG and us that there were significant problems with GSA's building security program.³² GSA has since developed and begun implementing a new risk assessment methodology, as well as new results-oriented performance measures.
 - *DOD's real property management practices need improvement.* In 1999, we reported that DOD's management of its properties had concerned Congress because of the long-standing absence of accurate data for making funding decisions and increasing backlogs in infrastructure repairs.³³ We also reported that DOD did not have a comprehensive strategy for maintaining its infrastructure. As a result, there was little relationship between identified needs and the funds that were allocated for real property maintenance. In response to this report and concern by others, DOD began an overhaul of its real property management effort.

³⁰ U.S. General Accounting Office, *Overseas Real Estate: Millions of Dollars Could Be Generated by Selling Unneeded Real Estate*, GAO/NSIAD-96-36 (Washington, D.C.: Apr. 23, 1996).

³¹ U.S. General Accounting Office, *General Services Administration: Status of Efforts to Improve Management of Building Security Upgrade Program*, GAO/T-GGD/OSI-00-19 (Washington, D.C.: Oct. 7, 1999).

³² U.S. General Accounting Office, *Observations on the General Services Administration's Fiscal Year 1999 Performance Report and Fiscal Year 2001 Performance Plan*, GAO/GGD-00-148R (Washington, D.C.: June 30, 2000).

³³ U.S. General Accounting Office, *Military Infrastructure: Real Property Management Needs Improvement*, GAO/NSIAD-99-100 (Washington, D.C.: Sept. 7, 1999).

Actions Needed to Make the Worldwide Inventory A More Useful Tool

If GSA is to make the worldwide inventory a useful management tool, it will have to improve communication with participating agencies, enhance the technical capability to obtain reliable data from the agencies, establish effective data validation procedures, and work with agencies to obtain the necessary resource commitment to the effort. GSA recognizes that actions are needed and has undertaken a major effort aimed at improving the effectiveness of the worldwide inventory as a decisionmaking tool. With OMB's consent, GSA suspended the fiscal year 2001 reporting process and related summary reports—which would have been issued in mid-2002—to allow the necessary time for a comprehensive review of the worldwide inventory effort, including the processes and databases that support the worldwide inventory and the merits of a more advanced system. As part of this effort, which GSA referred to as a retooling of the worldwide inventory, GSA plans to move toward a technologically enhanced platform with the capability to track the federal government's real property assets in a real-time environment. This approach would be intended to complement the issuance of periodic reports on federal real property holdings. GSA officials pointed out, however, that moving to a real-time environment would only be possible to the extent that agencies adopt real-time capabilities in their systems.

GSA officials said they are working with reporting agencies to improve the worldwide inventory effort. To ensure that the worldwide inventory is a valuable real property asset management tool that decisionmakers and agency asset managers will find useful, GSA asked agencies to provide their views regarding current data fields and their level of importance to asset management. As discussed earlier, for the fiscal year 2000 reporting cycle, some agencies were able to update their data on the Internet. GSA and its contractor developed the worldwide inventory Internet application, which is an application tied to a database that can be accessed on-line via the Internet. The on-line application allows some agencies to enter and update their data in real-time. Although this application was initially used by agencies with smaller property inventories, it is GSA's intention—as part of the retooling effort—to enhance this platform so that all reporting agencies can easily use and provide current worldwide inventory information to federal real property stakeholders and the public in a real-time environment. GSA officials also said they are developing a tool that will allow agencies to extract data more easily from their databases for submission to the worldwide inventory effort. In commenting on this report, GSA added that ongoing agency input and cooperation were fostered during a kick-off users' group meeting held in November 2001 to inform agencies of plans to modernize the system. GSA said that at that meeting, agencies were invited to participate in a series of monthly focus

groups as a means to obtain their participation and buy-in and provide feedback to GSA. GSA also said that it was reviewing the worldwide inventory reporting requirements, reviewing a sampling of other large asset management systems currently in use by public and private entities, and adopting observed good practices.

GSA also issued an interim rule in November 2001 revising the CFR guidance related to the worldwide inventory. According to the interim rule, GSA revised the guidance so that it was written in plain language and contained a question and answer format to provide agencies with updated regulatory material that is easy to read and understand. As mentioned earlier, the revised guidance stipulated that data reported for the worldwide inventory should preferably originate from the same accounting records used to support agency financial statements. In an attempt to improve the quality of the data, the GSA guidance stated that agencies providing data must certify the accuracy of the real property information submitted. The revised guidance also specified the method of data submission available to agencies and required that agencies providing data must submit real property information in electronic format. Although GSA's guidance set out several requirements for agencies that provide it with data for the worldwide inventory, GSA officials emphasized that compliance with this guidance is essentially voluntary because GSA lacks specific statutory authority to require agencies to submit data.

GSA said it was aware that problems existed with the accuracy of agency inventory data and that it has worked on several legislative initiatives to correct deficiencies. GSA said that these legislative initiatives—which were developed and submitted by the administration—specifically address and would make GSA more accountable for the worldwide inventory effort. S. 1612³⁴ and H.R. 3947³⁵ would amend the Property Act and among other things, require the administrator of GSA to maintain a single, comprehensive descriptive database of all federal real property interests. The legislation would further require each federal real property-holding agency to establish a senior real property officer who, among other things, would be responsible for providing a listing and description of real property assets under that agency's control to GSA. These bills would make exceptions for classified information. In the interest of facilitating agency reporting on a uniform basis, these bills would also authorize the

³⁴ Title III of the Managerial Flexibility Act of 2001, 107th Cong. (2001).

³⁵ The Federal Property Asset Management Reform Act of 2002, 107th Cong. (2002).

administrator to establish data and other information technology standards for use by federal agencies in developing or upgrading real property information systems. These bills would also require the administrator of GSA, with OMB and the heads of federal agencies, to develop asset management principles for the federal government and follow specific conditions under which agencies can enter into partnerships with the private sector related to real property. Provisions dealing with the worldwide inventory were also contained in S. 2805,³⁶ the Federal Property Asset Management Reform Act of 2000. S. 2805 was not enacted; however, we testified in July 2000 in support of the bill's provisions dealing with the worldwide inventory. According to GSA officials, legislation requiring a governmentwide real property inventory and requiring real property-holding agencies to provide reliable data would go a long way toward improving the quality of data in the worldwide inventory, as well as strategic decisionmaking. In commenting on this report, GSA also emphasized the importance of having a senior real property officer at each agency to improve worldwide inventory reporting.

GSA's actions are steps in the right direction. However, GSA will face formidable challenges in developing a reliable, timely, and useful database on the government's real property assets. Our work showed that GSA had difficulty compiling data from some real property-holding agencies using a standard file format; thus successfully integrating data from across agencies into a database that has real-time capabilities could be a major undertaking. As part of this effort, GSA will be challenged to find ways to address the cost associated with designing and implementing a quality real property database. Furthermore, GSA will be challenged to work effectively across government with the many real property-holding agencies, Congress, OMB, and Treasury to identify the types of governmentwide data that would be most useful to promoting (1) effective knowledge sharing among federal agencies about each others' real property holdings and (2) better budgeting and strategic decisionmaking about the government's real property assets by OMB and Congress. Another challenge for GSA will be to work with participating agencies to get their real property databases to produce common data, including reliable data on asset value from accounting records used to support agencies' financial statements, that are needed to make the worldwide inventory an effective and valued resource.

³⁶ 106th Cong. (2000).

If the worldwide inventory is to become a valued resource that decisionmakers look to for comprehensive, current, and reliable data on the government's vast and diverse real property inventory, a well-formulated approach for making improvements will be a critical necessity. Given past problems GSA has experienced compiling the worldwide inventory on a yearly basis and the challenges it faces in developing a more advanced approach, GSA will have to exercise strong leadership to keep the initiative on track. GSA will have to work with Congress, OMB, Treasury, and major real property-holding agencies to develop a cost-effective strategy for designing and implementing this new system. At a minimum, this strategy will have to address such issues as agency communication, technical capabilities, resources, and data validation procedures. Regarding data validation, GSA will have to address the issue of how best to have agencies report reliable data that originate from the same accounting records used to support agencies' financial statements, as specified in GSA's revised worldwide inventory guidance. As part of the strategy, GSA will also have to

- work closely with participating agencies to clearly identify expectations and the process that will be used to improve the worldwide inventory,
- consider the costs associated with implementing a new approach, and
- establish results-oriented goals and targets so that progress and performance can be measured.

To guide the initiative and allow all the key players to fully understand the objectives and scope of the effort, it would be useful for GSA to provide Congress, OMB, Treasury, and the property-holding agencies an action plan that identifies the major tasks to be completed with time frames, estimated costs, and related results-oriented goals and targets.

Conclusions

The federal government's valuable inventory of real property is vast and diverse, with assets around the world, including office buildings, military bases, hospitals, embassies, and postal facilities. In the coming years, quality data will be a critical tool for addressing a wide range of significant issues related to real property, including deteriorating federal facilities, unneeded and underutilized space, and protecting people and facilities. Despite these challenges, we found that decisionmakers do not have access to quality data on what real property assets the government owns; their value; whether the assets are being used efficiently; and what overall costs are involved in preserving, protecting, and investing in them. Also, real property-holding agencies cannot easily identify opportunities to use underutilized properties at other agencies that may suit their needs. For years, GSA's worldwide inventory has been the only central source of

descriptive data on governmentwide real property assets. The purpose of the worldwide inventory was to compile the type of data that key decisionmakers and officials in real property-holding agencies could use to make well-informed decisions on the significant issues they face. However, for a variety of reasons, GSA has been unable to successfully maintain a reliable, timely, and useful worldwide inventory. Compounding the problem is that some major real property-holding agencies have faced various challenges in maintaining quality data on their assets and basic financial data on real property in the government's consolidated financial statements have been unreliable.

Attempting to strategically manage the government's vast and diverse portfolio without quality data puts the government's real property operations at risk and can be likened to navigating the oceans of the world without the benefit of oceanographic charts. GSA recognizes the importance of having quality data and has recently embarked on a comprehensive initiative to overhaul the worldwide inventory. However, if GSA is to be successful in compiling reliable, timely, and useful data on federal real property, it will have to exercise strong leadership and develop and implement a cost-effective strategy for this initiative. GSA will be challenged to work effectively across government with the many real property-holding agencies, Congress, Treasury, and OMB to identify and compile reliable, useful data in a manner that major stakeholders agree is cost-effective. Another challenge for GSA will be to work with participating agencies to get their real property databases to produce common data that are needed to make the worldwide inventory an effective and valued resource. GSA will also be challenged to obtain reliable data on asset value from accounting records used to support agencies' financial statements. In addition, there is concern that (1) GSA does not have the needed statutory authority to specifically require other agencies, whose participation has varied, to provide data and (2) agencies may not have the resources to effectively comply with this initiative. Given past problems GSA has experienced and the many players involved with this initiative, a well-formulated plan for making improvements will be a critical necessity. Furthermore, providing GSA with specific statutory authority to maintain a worldwide inventory and to require agencies to submit reliable data could strengthen GSA's central role, help improve the quality of data in the worldwide inventory, and lead to agencies giving higher priority to the inventory when making resource allocation decisions.

Recommendations for Executive Action

We recommend that the administrator of GSA exercise strong leadership and work with Congress, OMB, Treasury, and real property-holding agencies to design a cost-effective strategy for developing and implementing a reliable, timely, and useful governmentwide real property database. At a minimum, the strategy should address interagency communication; technical capability to provide the common data needed to make the worldwide inventory an effective and valued resource; resource issues; and data validation procedures, including steps to be taken to implement the part of GSA's revised worldwide inventory guidance that calls for agencies to report reliable cost data that originate from the same accounting records used to support agencies' financial statements. To better ensure the success of this initiative, we are also recommending that GSA (1) work closely with participating real property-holding agencies to clearly identify expectations and the process that will be used for improving the worldwide inventory; (2) establish results-oriented goals and targets so that progress and performance can be measured; and (3) provide Congress, OMB, Treasury, and real property-holding agencies with a detailed action plan that lays out the major tasks to be accomplished with time frames, estimated costs, and related goals and targets to measure results.

Matter for Congressional Consideration

Congress should consider enacting legislation requiring GSA to maintain an accurate and up-to-date governmentwide inventory of real property assets and requiring real property-holding agencies to submit reliable data on their real property assets to GSA.

Agency Comments

On March 27, 2002, GSA's deputy associate administrator in OGP told us that GSA generally agreed with the thrust of the report and its recommendations. On this date, GSA's administrator also provided detailed written comments, which are discussed below and throughout the report; these comments are included as appendix II. On March 28, 2002, DOD's deputy under secretary of defense (installations and environment) provided written comments and concurred with the report's content and results. DOD also offered some other comments regarding the recommendations for executive action, which are discussed below, and provided some technical comments, which we incorporated where appropriate. DOD's written comments are included as appendix III. On March 25, 2002, the OMB policy analyst responsible for GSA and familiar with the worldwide inventory said he agreed with the report's message and provided technical comments, which we incorporated where appropriate. In commenting on the report, the OMB representative

expressed some concern about GSA's ability to have agencies report reliable cost data that originate from the same accounting records used to support agencies' financial statements. On the basis of this comment and a subsequent discussion with GSA's deputy associate administrator in OGP, we decided to specify that GSA should address this issue as part of the strategy that we recommended. By e-mail dated March 27, 2002, VA's GAO liaison told us that VA would work closely with GSA as it improves the worldwide inventory. USPS's GAO liaison and a senior staff accountant from Treasury notified us that they had no comments.

GSA Comments

In GSA's general comments related to the worldwide inventory and its efforts to address the problems, GSA stated that the accuracy, reliability, and usability of the real property data contained in the worldwide inventory database have long been a concern. GSA stated that when OGP was established in 1995, the responsibility for real property data collection was moved to the new organization. This was done in part to separate the inventory data collection responsibility from GSA's operational organization, PBS, and place it within the organization whose role is to focus on enhancements to the federal government's real property assets at large. GSA went on to say that the new office's efforts began with the development of a series of asset management principles, which provide guidance on life-cycle costing and effective asset management and use.

As an outgrowth of the asset management principles, GSA said that it has aggressively pursued reforms to the Property Act in order to promote efficient and effective stewardship in federal asset management. GSA said it submitted to Congress major legislative proposals, which were discussed earlier in the report, to amend the Property Act and to provide accountable management structures for federal agencies that hold property, provide a wide range of new tools and authorities, and ensure strategic planning processes for real property that effectively support agencies' missions. GSA highlighted a provision of these legislative proposals related to the establishment of senior real property officers at property-holding agencies. These officers would be the single points of contact for managing the agencies' real property assets and for providing accurate, reliable, and usable real property data for the worldwide inventory database.

GSA also highlighted OGP's major retooling of the worldwide inventory that was discussed earlier in this report and said that these efforts included conducting a "zero-base review" of the worldwide inventory reporting requirements, reviewing a sampling of other large asset

management systems currently in use by public and private entities, and adopting observed good practices. GSA pointed out that this retooling effort was launched and continues with the collaboration of federal customer agency partners. The goal is to develop a revised tool that will help individual agencies to better manage their real property assets and that will be capable of producing reliable current information about federal real property holdings. In addition to these general comments, GSA also provided several specific comments to clarify the report, which we addressed in the body of the report, as appropriate, or evaluated in appendix II.

DOD Comments

In its written comments, DOD referred to the report's recommendations for executive action. DOD stated that it supports initiatives to improve the reliance, timeliness, and usefulness of real property inventory information. It also stated that representatives from DOD were already participating with GSA in redesigning the worldwide inventory Internet application. Also, DOD said that it had several projects under way to improve the reliability, timeliness, and usefulness of DOD's real property data and that DOD is sharing the results with GSA.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we will not distribute it until 15 days from its issue date. At that time, we will send copies of the report to the appropriate congressional committees, the director of OMB, the administrator of GSA, the secretary of defense, the secretary of veterans affairs, the postmaster general, and the secretary of the treasury. Copies will also be made available to other interested parties and others on request. Contacts and staff acknowledgments for this report are included in appendix IV. If you or your staff have any questions, please contact me at (202) 512-8387 or notify me at ungarb@gao.gov.



Bernard L. Ungar
Director, Physical Infrastructure Issues

Appendix I: Objectives, Scope, and Methodology

Our objectives were to determine (1) whether the worldwide inventory has reliable and useful data on the government's real property assets and (2) what actions, if any, may be needed to make the worldwide inventory a useful tool for strategically managing and overseeing these assets. To meet our first objective, we conducted research to identify sources of governmentwide real property data. On the basis of this research, we determined that the worldwide inventory of federally owned real property maintained by the General Services Administration (GSA) was the only central source of descriptive information on federal real property. To gain an understanding of the worldwide inventory and related annual reports GSA publishes, we interviewed responsible GSA officials from GSA's Office of Governmentwide Policy (OGP)—the office in GSA that has responsibility for the inventory. We also obtained and analyzed the annual reports for fiscal years 1997 to 2000 and GSA's guidance for worldwide inventory reporting. We obtained information from GSA officials on real property-holding agencies' performance providing data to GSA for inclusion in the inventory and related annual reports.¹ We then analyzed this information and determined—for the 4-year period covering fiscal years 1997 to 2000—whether each agency had reported to GSA and if GSA included the agency's data in the inventory and related reports. We also discussed technical issues and any related problems with GSA officials and GSA's contractor for the worldwide inventory.

We also did detailed work at the four agencies that, according to the worldwide inventory, hold the most property in terms of building square footage. The four agencies were the Department of Defense (DOD), Department of Veterans Affairs (VA), GSA's Public Buildings Service (PBS), and United States Postal Service (USPS). At these four agencies, we interviewed responsible officials about their interactions with GSA's OGP component for the worldwide inventory effort. At DOD, we separately interviewed officials from the three military services (Army, Air Force, and Navy); the U.S. Marine Corps (USMC); and Washington Headquarters Services (WHS), which manages DOD's real property in the Washington, D.C., area. According to GSA officials, the Air Force, Army, Navy, U.S. Army Corps of Engineers' civilian functions, and WHS each report separately to GSA for the worldwide inventory. According to GSA officials,

¹ For the purposes of this report, we are defining agencies to include other entities such as the U.S. Postal Service, an independent establishment in the executive branch, and the Tennessee Valley Authority, a wholly owned government corporation. We focused our review on the 31 major real property-holding agencies that GSA tracks for the purposes of the worldwide inventory.

USMC data are included with the Navy's submission. At GSA, we interviewed officials from PBS about their efforts to provide data to GSA's OGP. At USPS, we interviewed facilities program support officials from the Office of Facilities in USPS headquarters and USPS facilities system staff in St. Louis, MO. At VA, we interviewed officials in VA's Office of Facilities Management at VA headquarters. Although we are defining real property as land and facilities, we agreed with our requesters to focus our work on facilities and facilities-related issues for this report.

Through interviews with these officials, we were able to determine the process whereby reporting agencies provide their real property data to GSA for the worldwide inventory. We focused our attention on analyzing the process whereby data from different sources are compiled into one database, how the data are validated, and how the agencies communicate with GSA. We discussed the level of staff resources devoted to the effort and agencies' perspectives on the process. We reviewed reports and other available descriptions of each of the agency's databases, including Inspectors' General work on real property data issues. In assessing the reliability of the real property data in the worldwide inventory database, we asked GSA officials to provide examples of database errors. We also obtained the worldwide inventory in Oracle 8.0 database format on compact disk from GSA's contractor. We performed a limited reliability and validity check of the worldwide inventory database by testing key fields, such as name, address, zip code, and geographic location of government installations for missing entries or data that were incorrectly formatted. We also did a general comparison of asset cost data in the worldwide inventory and asset cost data in the consolidated financial statement that the Department of the Treasury (Treasury) compiled for fiscal year 2000. We did not attempt to reconcile these data.

We also obtained information and the views of agency officials on several topics related to the worldwide inventory. These topics included the usefulness of the worldwide inventory, what types of data should be included in the worldwide inventory database, a description of the real property reporting process and agencies' real property databases, validity checks that are done on data for the worldwide inventory, and human capital issues related to real property management and worldwide inventory reporting. In addition to officials from GSA and some of the reporting agencies, we discussed the worldwide inventory with an Office of Management and Budget (OMB) policy analyst knowledgeable of real property issues.

To identify information on the importance of having quality real property asset data, we reviewed several recent GAO reports and testimonies, Office of Management and Budget (OMB) guidance, and reports done by the National Research Council and Joint Financial Management Improvement Program. We obtained and analyzed publicly available information on real property management issues from state governments including California, Massachusetts, and New York. We also contacted officials from the states of California and Massachusetts. We selected these states because literature research indicated that they were actively involved in developing real-time property management databases. In addition, we reviewed and analyzed our prior work on the major challenges that agencies face in the real property area and reviewed relevant laws, regulations, and proposed legislation.

To meet the second objective, we interviewed GSA officials to identify the current efforts GSA has under way to make the worldwide inventory a useful tool for strategically managing and overseeing real property assets. GSA officials provided us with a summary of a focus group meeting they held in November 2001 with agencies that report to GSA for the worldwide inventory. The purpose of the focus group was to discuss GSA's immediate needs and the management actions that would be necessary to modernize the worldwide inventory and make certain it is a valuable real property asset management tool. We also interviewed officials from GSA's contractor about the capabilities of the new worldwide inventory Internet application and the potential transition to a technologically enhanced platform for tracking real property governmentwide. We received comments on a draft of this report from GSA, DOD, OMB, and VA. USPS and Treasury had no comments. The comments we received are discussed near the end of the letter and at the end of appendix II. GSA's and DOD's written comments are included as appendixes II and III, respectively. We did our work between June 2001 and February 2002 in accordance with generally accepted government auditing standards.

Appendix II: Comments from the General Services Administration

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

See pp. 30.



GSA Administrator

March 27, 2002

Mr. Bernard L. Ungar
Director, Physical Infrastructure Issues
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Ungar:

The General Services Administration has reviewed the General Accounting Office's (GAO's) draft report entitled "Federal Real Property: Better Governmentwide Data Needed for Strategic Decisionmaking" (GAO-02-342).

We appreciate GAO's efforts to focus attention on the value of accurate real property data to the effective management of assets governmentwide. The enclosed detailed comments are offered to clarify the report.

We appreciate the opportunity to comment on your draft report. If you have any questions or require further information, please contact David Bibb, Deputy Associate Administrator, Office of Governmentwide Policy, at 202-501-0856.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen A. Perry".

Stephen A. Perry
Administrator

Enclosure

U.S. General Services Administration
1800 F Street, NW
Washington, DC 20405-0002
Telephone: (202) 501-0800
Fax: (202) 219-1243
www.gsa.gov

AGENCY COMMENTS
U.S. GENERAL SERVICES ADMINISTRATION

This enclosure will provide general comments on the report and will then make specific recommendations to improve the report.

General Comments:

The accuracy, reliability, and usability of the real property data contained in the Worldwide Inventory database have long been a concern of the General Services Administration (GSA). When the Office of Governmentwide Policy (OGP) was established in December 1995, the responsibility for real property data collection was moved to the new organization. This was done in part to separate the inventory data collection responsibility from GSA's operational organization, the Public Buildings Service; and place it within the organization whose role is to focus on enhancements to the Federal Government's real property assets at large. The new office's efforts began with the development of a series of Asset Management Principles, which provide guidance on maximizing life cycle costs and the effective management and use of those assets.

As an outgrowth of the Asset Management Principles, since 1998 the General Services Administration has aggressively pursued reforms to the Federal Property and Administrative Services Act of 1949 (Property Act) in order to promote efficient and effective stewardship in Federal property asset management. After developing its plans and clearing them through OMB and the Executive Branch, in 2000 and 2001, GSA submitted to the Congress major legislative proposals to amend the Property Act to provide accountable management structures for Federal landholding agencies, prepare accurate and descriptive information on Federal agency real property holdings, provide a wide range of new tools and authorities, and ensure strategic planning processes for real property that effectively support Federal agency missions. These bills, authored by GSA, were introduced in 2000 as S. 2805, in 2001 as S. 1612, and in 2002 as HR 3947. GSA has continued to work with the Congress to secure passage of this needed legislation. On March 14, 2002, the House Committee on Government Reform unanimously passed HR 3947. We will continue to work with the Congress in an effort to obtain enactment into law.

Also, the legislative proposal provides for a Senior Real Property Officer within each Federal landholding agency, who would be the single point of contact for managing that agency's real property assets and for providing accurate, reliable and usable real property data as part of the Worldwide Inventory database. Heretofore, there has not been such a single point of contact, and the creation of a Senior Real Property Officer would remedy this situation and improve the management of Federal real property assets and the accuracy, reliability and usability of the Worldwide Inventory data.

See p. 31.

See p. 26.

In addition to specifically support this effort, the Office of Governmentwide Policy began a major retooling of the Worldwide Inventory in February 1999. That initiative is underway today. Work so far has included conducting a Zero-Base Review of the Worldwide Inventory reporting requirements; reviewing the data elements that are needed to both support effective real property asset management and to comply with national accounting standards; reviewing a sampling of other large asset management systems currently in use by public and private entities; and adopting observed good practices.

This retooling effort was launched and continues with the collaboration of Federal customer agency partners, with the goal of developing a revised tool that will help individual agencies to better manage their real property assets and that will be capable of producing reliable current information about Federal real property holdings.

Specific Comments:

Now on p. 3.
See comment 1.

Page 3 in paragraph 1 - The major problem was not poor communication between GSA and the reporting agencies, but a lack of dedicated available resources to commit to collecting and verifying Worldwide Inventory data.

Page 4 - End of second paragraph under "Results in Brief" beginning with "we" and ending with "GSA," replace current text and insert the following new paragraph:

See comment 2
and p. 3.

"We are also asking that Congress consider enacting legislation, such as the legislation already submitted to the Congress by GSA, to require that Federal landholding agencies be accountable to maintain and submit accurate descriptive information on Federal agency real property holdings to GSA to facilitate the preparation of reliable and uniform worldwide inventory reports. Since early 1999, GSA has pursued several legislative proposals including S.2805, the "Federal Property Asset Management Reform Act of 2000," and S. 1612, the "Managerial Flexibility Act of 2001."

Now on p. 6.
See comment 3.

Page 6, Footnote - We began reviewing the Worldwide Inventory process in February 1999 by instituting a major retooling of the Worldwide Inventory.

Now on p. 6.
See comment 4.

Page 7 - The Worldwide Inventory database does provide the best-centralized source of information on Federal real property holdings as mentioned in the first bullet. While the remaining bulleted items are potential products of a more robust Worldwide Inventory database, these are not currently viewed as the intention or purpose of the current reporting system.

See p. 10.

Page 10 - The report states that USPS submitted data in fiscal year 1999. The data were then provided to the contractor supporting the Worldwide Inventory

See p. 10.

that year. The contractor was unable to reconcile the data submission, and as a result used previous year data for the Report.

Page 11 - The Air Force data submitted for fiscal year 2000 could not be accessed, so the contractor used information from the previous year. The agency was notified by telephone and not by correspondence.

See p. 11.

Page 11 - Many street address and zip codes were not correctly coded upon initial data entry into the system, while other data did not appear because of software upgrades. This unreported data has since been restored to the database. The majority of incomplete address and zip code data remaining are a result of incomplete agency submissions.

See p.12.

Page 13 - The collaboration referenced between the General Services Administration and the General Accounting Office in the preparation of the Worldwide Inventory dates back to the initial Report to Congress dated March 25, 1955.

See p. 15.

Page 14 - The ability of GSA, as the coordinating agency, and the individual land holding agencies, as reporting agencies, to effectively compile the annual data report has always been subject to dedicated available resources. Hence, GSA and the reporting agencies would have devoted more effort to compiling data if there were more dedicated resources available.

See p. 16.

Page 17 - The March 2000 IG report cited a lack of knowledge in regard to users of the inventory data. At the time of that report, user information was anecdotal based on user requests. Since then, the database has become available in an on-line format that provides a more accurate understanding of the customer agencies being served.

See p. 21.

Page 23 - As a part of the previously mentioned Zero-Base Worldwide Inventory Review, one of the goals of the retooling is to allow for better reconciliation of data from the Worldwide Inventory with that provided in agency financial statements.

See comment 5 and p. 26.

Page 28 - In the section entitled "Recent legislation initiatives," replace the existing paragraph and insert the following new paragraphs:

"GSA is aware that problems exist with the accuracy of Federal landholding agency inventory data submitted for the Worldwide Inventory reports, and since early 1999 has worked on several legislative proposals to correct deficiencies in these reports. In April 2000, GSA legislation was submitted to Congress (S. 2805) that would require that the head of each landholding agency collect and maintain a comprehensive descriptive listing of the agency's real property holdings, and transmit the information to GSA. Furthermore, GSA would be authorized to establish data and other information technology standards that

Federal agencies would use to develop and upgrade their real property information systems to ensure uniform reporting of Government property inventory. A Senior Real Property Officer (SRPO) would also be established under GSA's proposal. Each real property holding agency would appoint an agency SRPO executive that would, among other asset management responsibilities have accountability for ensuring that the agencies' descriptive facility information and data are included in the comprehensive Governmentwide property inventory. However, Congress adjourned before the session could take further action to enact the bill.

In October 2001, GSA legislation was submitted by the Administration to Congress (S. 1612) that was similar to S. 2805. The Act provides many identical provisions for improving the accuracy of information and data in the Worldwide Inventory. The Act would strengthen the agencies' reporting requirements for real property data under their custody and control, and reaffirm the need for a SRPO in each Federal landholding agency. The SRPOs would continuously monitor the agencies' real property assets, and maintain a descriptive listing of their real property assets, and provide this information to GSA for inclusion into a Governmentwide listing of all Federal real property interests."

Page 32 -The last sentence of paragraph 1 should be revised to begin, "Furthermore, the proposed GSA Property Reform Act language calls for providing GSA with specific authority..."

Page 37 - Ongoing agency input and cooperation were fostered during a kick-off User's Group meeting held in November 2001 to inform agencies of the plans to modernize the system. At that meeting, agencies were invited to participate in a series of monthly Focus Groups, as a means to obtain customer agency participation and buy-in and to provide ongoing feedback to the project development team. These Focus Group meetings have taken place monthly starting in December 2001.

See comment 6.

See p. 25.

The following are GAO's comments on GSA's letter dated March 27, 2002.

GAO Comments

1. GSA said that the major problem was not poor communication between GSA and the reporting agencies, but a lack of dedicated available resources to commit to collecting and verifying worldwide inventory data. In the report, we identified four problems, one of which was resource issues at GSA and the reporting agencies. However, we also noted that reporting agencies—namely the Air Force and VA—said they were unaware that their worldwide inventory submissions were not used in certain years. These two agencies alone account for roughly one-quarter of all federal real property in terms of building square footage. Thus, we determined that the lack of communication between GSA and the reporting agencies was another reason for the range of problems we observed.
2. We did not substitute the text GSA suggested; however, we added information to the results in brief recognizing that GSA has pursued reform legislation.
3. GSA suggested that we identify its efforts to retool the worldwide inventory in a footnote that dealt with the revised worldwide inventory guidance. GSA's retooling efforts are discussed in full elsewhere in the report, and we chose not to add this information to the footnote.
4. GSA stated that the objectives of the worldwide inventory that we identified were not viewed as the purpose of the current system but are potential products of a more robust worldwide inventory database. As we stated in our report, these objectives were contained at 41 C.F.R. Part 101-3, which was the guidance that agencies were expected to follow for the fiscal years that were within the scope of our review. Although GSA has recently revised these objectives, the newer objectives GSA referred to have not yet been applied to a worldwide inventory reporting cycle. The objectives we identified were in place for the most recently completed cycle, fiscal year 2000.
5. GSA suggested an alternative to our discussion of recent legislative initiatives, but we did not substitute GSA's suggested paragraphs. Instead, we included some of the additional information GSA provided on its role in developing reform legislation and on the creation of senior real property officer positions at property-holding agencies.

-
6. We did not adopt GSA's suggestion related to the last sentence in the conclusion because it represents our own independent assessment regardless of any pending legislation.

Appendix III: Comments from the Deputy Under Secretary of Defense (Installations and Environment)



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

Mr. Barry W. Holman
Director
U.S. General Accounting Office
Washington, DC 20548

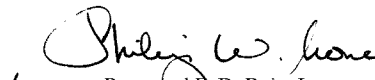
Dear Mr. Holman:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report "Federal Real Property – Better Governmentwide Data Needed for Strategic Decisionmaking" dated February 28, 2002 (GAO Code 543000). The Department of Defense concurs with the content and results of the subject report, but offers the following comments and suggestions.

In reference to the recommendations for executive action, the Department of Defense supports initiatives to improve the reliance, timeliness and usefulness of real property inventory information. Representatives from the Department of Defense are already participating with the General Services Administration (GSA) in redesigning the Worldwide Inventory Internet Application. DoD continues to work with GSA to improve its efforts to maintain an accurate worldwide inventory. Internally, within the Department of Defense, we have initiated several projects to improve the reliability, timeliness and usefulness of the Department of Defense's real property data and are sharing the results of these efforts with GSA.

Some additional comments for report clarification and accuracy have been provided separately.

Sincerely,


Raymond B. DuBois, Jr.
Deputy Under Secretary of Defense
(Installations and Environment)



See p. 30.

See p. 32.

Appendix IV: GAO Contacts and Staff Acknowledgments

GAO Contacts

Bernard L. Ungar (202) 512-8387
Gerald Stankosky (202) 512-5758

Staff Acknowledgments

In addition to those named above, Cynthia Bascetta, Christine Bonham, Brad Dubbs, Walter Gembacz, Barry Holman, Barbara Johnson, Jerome Sandau, Anne Kidd, Michael Koury, Mark Little, Susan Michal-Smith, Mary Mohiyuddin, Judy Pagano, Addison Ricks, David Sausville, Jonathan Tumin, and McCoy Williams also made key contributions to this report.

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