

NOMINATION OF DENISE T. ROTH

HEARING

BEFORE THE

COMMITTEE ON
HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
ONE HUNDRED FOURTEENTH CONGRESS

FIRST SESSION

NOMINATION OF DENISE T. ROTH, TO BE ADMINISTRATOR, U.S.
GENERAL SERVICES ADMINISTRATION

JULY 23, 2015

Available via the World Wide Web: <http://www.fdsys.gov/>

Printed for the use of the
Committee on Homeland Security and Governmental Affairs



U.S. GOVERNMENT PUBLISHING OFFICE

98-882 PDF

WASHINGTON : 2016

For sale by the Superintendent of Documents, U.S. Government Publishing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

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NOMINATION OF DENISE T. ROTH
THURSDAY, JULY 23, 2015

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

The Committee met, pursuant to notice, at 10:05 a.m., in room 342, Dirksen Senate Office Building, Hon. Thomas R. Carper presiding.

Present: Senators Lankford, Ernst, Carper, and McCaskill.

OPENING STATEMENT OF SENATOR CARPER

Senator CARPER. The Committee will come to order.

Senator Lankford and I are going to co-chair this hearing for our nominee today.

Denise, we welcome you.

I do not know if you have anyone in your family that is here with you. Do you have anyone in your family that is here with you?

Ms. ROTH. I do, Senator. My husband is here, Charles Roth.

Senator CARPER. She told me about you earlier in our interview. She said your middle name was Lucky. [Laughter.]

Ms. ROTH. He says the same.

Senator CARPER. And I would agree. People say that about my middle name, too.

Today, our Committee convenes to consider the nomination of Denise Turner Roth to be Administrator of the General Services Administration (GSA).

We welcome you, Ms. Roth, today, and your husband, before our Committee, and we thank you for your willingness to serve as our Administrator. We thank your family for their willingness to share you with the people of our country.

The General Services Administration has a mission that is near and dear to my heart and, I think, the hearts of many of us on this Committee. That mission is to help other agencies do more for less. And by helping other agencies with contracting, information technology (IT) solutions, and property management, GSA is a catalyst for both reducing expenses and improving performance.

And we take a governmentwide approach to management instead of letting agencies all operate in stovepipes, we really can save a lot of money. For example, when we leverage the buying power of the Federal Government through the Strategic Sourcing Initiative, we can save billions in what we spend on supplies and other items, from toilet paper to technology, I like to say.

In fact, the Comptroller General of the General Accountability Office (GAO), Gene Dodaro, who has sat in that seat many times, reminded our Committee that for every additional percent of Fed-

eral contracting we can do through strategic sourcing we could save \$4 billion.

Another issue where GSA plays a vital role in saving taxpayer dollars is real property management. That is a subject that Senator Lankford's predecessor, Tom Coburn, and I worked on for many years with your predecessor, Denise.

Last month, this Committee heard from the Commissioner of the Public Buildings Service at GSA, Norman Dong, and Mr. Dong testified on actions the GSA is taking to consolidate space, improve space utilization, and support the Office of Management and Budget (OMB) in the governmentwide effort to reduce the Federal footprint. I am encouraged by the work underway to address this long-standing issue. It has been a source of constant sorrow for me and, I know, for Dr. Coburn.

The National Strategy for the Efficient Use of Real Property and the Reduce the Footprint policies provide a framework to enhance agency management of real property, reduce the footprint, and save taxpayer dollars. However, much more needs to be done to remove this issue from GAO's high-risk list, including work here in the Congress, on much of which we are responsible for.

I look forward to hearing from Ms. Roth today for her thoughts on real property reform and look forward to working with her as we contemplate legislation addressing this later this year.

I like to say, as they say at Home Depot, you can do it; we can help. And we want to make sure we are helping in this regard.

Ms. Roth has served as Deputy Administrator of GSA since February 2014 and has served as Acting Administrator of GSA since March of this year, when her predecessor, Dan Tangherlini, left the agency—somebody for which I had great affection and admiration. Hated to see him go.

He said you will not miss me for a day because the person that is coming along after me is better yet, sort of like John the Baptist like laying the groundwork for his successor, the main event.

But we will not even have to wait for a year to hit the ground running because you have already been running and have been carrying the baton on the innovations at GSA that Dan and others had started.

Ms. Roth has also had great management at the local level, having served in the Administration of Mayor Tony Williams here in the District of Columbia, a very good mayor, and then later as Assistant City Manager and then City Manager of Greensboro, North Carolina, which is located just south of the town I grew up in, Danville, Virginia.

I also note from my colleagues that Ms. Roth has the strong support of her predecessor, Mr. Tangherlini. He is someone who is widely respected on both sides of the aisle here in this Committee and in the Congress.

In getting to know Ms. Roth, I believe she will carry on with Dan's pragmatic, nonpartisan approach to find practical solutions to some of the very real problems that we continue to face.

Ms. Roth, I look forward to hearing from you; we look forward to hearing from you, about your vision for GSA and a discussion of the property, contracting, and other management challenges across the government that GSA can help address.

And, with that, I would like to yield to Senator Lankford for any comments that he would like to add.

OPENING STATEMENT OF SENATOR LANKFORD

Senator LANKFORD. Thank you.

I would like to welcome Ms. Roth as well.

We have had the opportunity to be able to sit and visit and be able to talk through things and the plans, and I look forward to continuing that conversation and look forward to hearing your testimony today.

I welcome your husband here and all the other guests and the folks that are around you from GSA.

So I am glad that you are here and look forward to the conversation.

I yield back. Was that a long enough statement for you?

Senator CARPER. Usually, it takes that long for us to clear our throats in the Senate. [Laughter.]

I am really impressed. Is it still Thursday? It is still Thursday, and we have both given opening statements; that is good.

Our Committee rules require that all witnesses at our nominations hearings give their testimony under oath. So I am going to ask you, Ms. Roth, to stand, to raise your right hand, and to take this oath. Please raise your right hand.

Do you swear the testimony you will give before this Committee will be the truth, the whole truth, and nothing but the truth; so help you, God?

Ms. ROTH. I do.

Senator CARPER. Thank you.

[Pause]

Just a very brief further introduction, if I could, of our nominee: Denise Turner Roth is the Acting Administrator and Deputy Administrator of the General Services Administration. Prior to joining GSA, as you heard, she spent 5 years as the Assistant City Manager and then City Manager of Greensboro, North Carolina, overseeing the day-to-day operation of the city of over a quarter of a million people.

Ms. Roth, we are happy to have you here today. We look forward to hearing your statement.

And feel free to reintroduce Lucky. Feel free to do that or anyone else in the audience.

Before you speak, let me just ask: Do we have anyone in the audience who serves at GSA, anybody who is part of the team at the General Services Administration? If so, just raise your hand.

[Show of hands]

OK. Thank you.

All right. You are recognized. Please proceed.

**TESTIMONY OF DENISE T. ROTH,¹ TO BE ADMINISTRATOR, U.S.
GENERAL SERVICES ADMINISTRATION**

Ms. ROTH. Thank you, Senator.

Good morning, Senator Carper, Senator Lankford, and Members of the Committee who I am sure will come soon, as well. I am honored to be here today.

Senator CARPER. Actually, sometimes it is a good sign on the attendance.

Ms. ROTH. OK.

Senator CARPER. When the room is full, you might want to be worried.

Ms. ROTH. I wanted to acknowledge them before they came.

Senator CARPER. You can feel lucky, too, so far. [Laughter.]

Ms. ROTH. Last year, I joined the General Services Administration as Deputy Administrator. The organization was in an ongoing period of significant and much-needed change. In response to serious challenges at the agency, a series of reforms had been initiated to improve oversight, strengthen controls, reduce costs, and refocus the agency on its core mission. As Deputy Administrator, I was responsible for executing many of these reforms.

Since March of this year, I have served as Acting Administrator, and I have worked to seize the tremendous opportunities we have as an organization to introduce new technologies into the government, change the way we utilize Federal workspace, and modernize acquisitions.

If confirmed as Administrator of GSA, I will continue to oversee the implementation of these reforms; I will work to ensure GSA is a proactive Federal partner, bringing cost savings solutions directly to agencies rather than waiting for them to call; and I will forge a path where GSA can better partner with local communities to support economic development.

I have been honored to serve at GSA for the last 17 months, and with your approval, I hope to have the honor of continuing to serve.

I would welcome the opportunity to answer any of your questions today.

Thank you.

Senator CARPER. Short but sweet. Thank you for that statement.

Before I yield to Senator Lankford for questions, I need to ask three questions we ask of all nominees, that are just simple questions. I think you may have heard these before but if you will just please answer briefly after each question.

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

Ms. ROTH. No.

Senator CARPER. No. 2, do you know of anything, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

Ms. ROTH. No.

Senator CARPER. All right, one last question. Do you agree, without reservation, to comply with any request or summons to appear

¹ The prepared statement of Ms. Roth appears in the Appendix on page 33.

and testify before any duly constituted committee of Congress if you are confirmed?

Ms. ROTH. I do.

Senator CARPER. Very well.

Senator Lankford is going to go ahead and start us off with our first round of questions, and I will jump in right after he is finished.

James, go ahead.

Senator LANKFORD. Thank you, Senator.

Let me ask about measuring success. That is one of the challenges for anyone who steps in the role. You have been around it, and you have been around the office. You know the operation well.

When you step into a leadership role, a year from now there will be questions to say, have you been successful? Five years from now, there will be questions to say, how were you successful?

What metrics will you use to say this is how we know if GSA is succeeding? And then I would like to know kind of the steps that you would like to take to get to that spot.

But, first, let me just talk about the metrics. What are the things that you look at and say, if we can get these things done, we are succeeding?

Ms. ROTH. Thank you.

There are a couple of areas. Obviously, GSA, in our mission, has a strong focus on real property management, acquisitions, and technology services. Within each of those realms, there are areas that we need to be very focused on in terms of ensuring that we are achieving success.

So from real property, from my perspective and the team's perspective, in part, that is our commitments within the operational agreements we make as an organization. It is a commitment in terms of reducing the footprint overall and supporting agency activity.

Senator LANKFORD. OK. Let me stop you for just a second? But I want you to keep going on it.

I would tell you that Senator Carper has worked on this for a long time, and Senator Coburn, as he mentioned before, had worked on it for a long time. Multiple GSA Directors have worked on the real property issue.

What I would like to know is the metrics of: How do you know you are succeeding when others have struggled with this same issue?

Are you looking at 5 percent reduction? Is it the cost per square foot goes down? Is it the number of square feet goes down?

Kind of, what is the target for you to know that we are not just working on it, but we are actually making progress on this? So what do you look at as the main metric there to evaluate that?

Ms. ROTH. There are a few targets that are built in there. One of the ones I pointed to was the operational agreements. This is probably the laser-focus area in which we can see if the agencies that have set out a reduction target overall, from their reduction plans are actually achieving that with each activity that they are taking place across the portfolio, across the country.

So I would say, if I had to pick one, that one is giving us the best chance at really identifying are we actually applying the policy

itself to the actual activity, but there are other places that play into that.

Some of the areas that we will be talking about, I am sure, is around disposal as well as the activities related to the cost itself in the market. How much are we using our existing properties versus the leasing activity that is occurring?

But if I were to pick one in that area, it would be the operational agreements because that gives us the best visibility.

Senator LANKFORD. OK. Let's talk about leasing versus buying. This has been an ongoing conversation as well.

There is a piece of property we are going to use for 20 years, 10 years, 15, years. It may be more efficient to buy that than it is to lease it, but most budgets are not built-in for buy; they are built in for a lease as far as the year-to-year payments on that.

How do we struggle with that, and what can you do to help us as a government deal with that issue?

Ms. ROTH. I think in the overall—and what I would add to that is our existing property as well. And to the extent that we are actually capitalizing on the ultimate utilization rates of those properties is a key part to that.

When we find ourselves in a place that a lease is going to take us out to the same level of buying, it is not the right place to be.

And I think that we should continue to talk about what are the options and alternatives that we can use as a Federal Government. Right now, our primary areas of focus are either buying or leasing, and buying outright, and that does create a hardship. So to the extent that we can capitalize on what we have existing in those markets, to offset that overall cost, is helpful as well.

Senator LANKFORD. OK. That will be something that we will look for in the days ahead—a legislation proposal or a set of ideas of how do we get to there.

Obviously, with military construction, we have a base military budget. Then we have a military construction budget that is separate, knowing that these items, military bases, are not something we necessarily want to lease all the time. We want to be able to own it, be able to operate it.

But that is different, for instance, than if you just transition over to the Federal Aviation Administration (FAA). That control tower that we assume we are going to use for the next 30 years is often leased property.

Ms. ROTH. Yes.

Senator LANKFORD. We are going to use that year after year. We are probably going to occupy that, and no one else is going to use that control tower but us.

Ms. ROTH. Right.

Senator LANKFORD. So should we purchase that, or should we lease that?

Those are questions that we are going to have to work together on, and we are going to need some recommendations, and those legislative proposals to come back would be very important to us.

Ms. ROTH. I look forward to working with the Committee on this topic. I think it is very important and actually could give us other tools in the tool chest, as it were.

Senator LANKFORD. OK. That would be great.

Let me talk about a unique perspective here for you and your background. You really do approach this with a really interesting background, coming from a city manager's perspective in the past. But as you know well as a city manager, everyone wants to have Federal property in their city because they are good neighbors.

As a Federal Government, we, on the whole, not always, but we, on the whole, take care of our properties, watch out for them, have very strict rules on how we are going to use it.

And cities, very often, do not want to see Federal properties go away because when that moves into private hands or when it moves into not being used then the building gets rundown and becomes a problem.

So, from a city manager perspective, you were fighting to keep Federal properties there. Now from GSA's perspective and the leadership of that, you are now working to tell city managers, no, we are leaving, or we are taking these five buildings and we are condensing into one, and such.

How are you going to handle that, just in the shift of the two perspectives for you?

Ms. ROTH. I do not think they have to necessarily be in conflict.

From that city manager perspective, part of the other information that would be helpful is that the vacancy will be happening because it can create opportunities. There are many places that the Federal Government has actually been able to acquire property that could be very beneficial assets for a local community. And to the extent that we can help them understand what those tools are, understand what their long-term economic strategy and goals are, and work in concert with them, it is beneficial.

We generally have a sense long-term where we are going to go. Right now, we are working on those 5-year efficiency plans. That is going to give us a sense of where those vacancies could occur.

Knowing that early on, as a city manager, would have helped me be in a much more proactive position.

Senator LANKFORD. So just earlier notification but still an urgency to be able to say we have to resolve this real property issue?

Ms. ROTH. As well as helping the city understand what rules and regulations from a GSA perspective they could take advantage of, such as the disposal process and the role that they can play there. There are a number of areas that really favor local communities that they could take advantage of.

Senator LANKFORD. OK. So any leader has a responsibility for morale of the people that are around. I think you have heard about a Las Vegas conference that was handled with GSA several years ago, which was a real shot at the morale of some really great folks that are at GSA. The challenge you will have in leadership is stepping in and being able to lead when there is still the spotlight on the organization, saying, how are you handling morale?

What is a way that you are going to incentivize positive morale and a sense of engagement among your staff?

Ms. ROTH. I have had the chance to travel around and see most of our regions except for one, and what I find is that people are very committed they have going here at GSA. To the extent that we can actually recognize that work, and recognize it as it is hap-

pening and the benefit it has to the overall mission and goal of GSA, I think it is the right space to be in.

None of us want to be back at the places we were in 2012, and we are really pulling toward what is it that we can do to support the strength of GSA going forward.

And I think a lot of it is really playing the role that we are meant to play with supporting other Federal agencies. To the extent that we are playing, we are at the table, we are seen as a resource, and we are actually moving our gears and really challenging both our perspective, as well as how we work within our mission, is what is making us stronger. And so I think that is where we need to focus and that really gets our group rallied.

Senator LANKFORD. That is great. Yes, nothing breeds morale better, and a strong morale, than success.

Ms. ROTH. Yes.

Senator LANKFORD. When people feel like they are accomplishing something, they are getting something done, it just continues to feed. And so anything that you can do to help the success of the agency as a whole, and help the individuals within the agency feel like they are not trapped in the bureaucracy of trying to move papers around, but they are successful and they are actually moving some things, breeds a tremendous amount of encouragement across the organization. So I look forward to your renewed, fresh leadership in that area.

It has been a great organization, and I look forward to seeing it continue to grow. So keep pushing your folks and finding the ways to have efficiency.

Ms. ROTH. Great. Thank you, Senator.

Senator LANKFORD. I yield back. Thank you.

Senator CARPER. Thank you, Senator Lankford.

The Senator from Oklahoma has heard me tell this story a time or two before, but I am going to repeat it. It just follows up on what he just said.

I usually ride back and forth on the train to Washington every day because I live in Delaware, and a year or two ago, I was driving from the Young Mens Christian Association (YMCA) in Wilmington to the train station to catch the train.

I listen to National Public Radio (NPR) news at the top of the hour, at 7. And this one day they offered a news story about an international survey in which they had surveyed literally thousands of people across the world, and they asked them, what is it that you like most about your job? That was the question.

What do you like most about your job? And lot of people said—not half, but a lot of people said, I like getting paid; I like a paycheck.

Some people said, I like having benefits, like health care, a pension, or sick leave.

Some people said they like the folks they work with or the environment in which they work.

But to his point, the answer that most people gave was they felt the thing they like most about their work was that what they were doing was important and that they were making progress.

That is what most people felt. The work they were doing was important, and they are making progress.

The work that you do at GSA is incredibly important, and I think on a number of fronts we are making progress. We are talking about one of them here today. We are making some; we need to make more.

When Dr. Coburn and I—I came here a couple years before he did, but we had really the privilege of leading a Subcommittee of this Committee, called Federal Financial Management (FFM). And we realized early on we were just one little Subcommittee and we could not have much effect on making better use of taxpayers' dollars if it was just our Subcommittee that was working on it.

So we learned how to partner with GAO. And then we learned how to partner with OMB. We learned how to partner with the Inspectors General (IGs) across the government. We learned how to partner with nonprofit groups that were concerned about waste in government. And finally, I learned—he probably figured this out sooner than I did—we learned how to partner with GSA.

And then we got the opportunity to lead this full Committee, and it has really put our motivation and our aspirations for how to get better results for less money on steroids.

But you play a huge role in this, an outsized role that I did not really fully grasp until recent years.

I love what Senator Lankford is talking about with respect to metrics, and I would just urge you to take what he said, take it to heart, and be thinking about how do we measure success.

How do we measure success, if we are not keeping score?

What did Vince Lombardi used to say? If we are not keeping score, we are just practicing.

Ms. ROTH. Yes.

Senator CARPER. So it is incredibly important that we keep score and keep everybody honest, including ourselves and the folks we lead. That is great advice from us to you.

I do not know how long Senator Lankford is going to be able to stay here. This would be helpful for me and maybe for him. I want to just move off-subject just for a minute or two.

You played a leadership role early on, working for Mayor Williams here, for the District of Columbia.

Ms. ROTH. Yes.

Senator CARPER. Senator Lankford and I are big Golden Rule believers; treat other people the way we want to be treated. It is a guiding force in his life, and it certainly is for me.

Legislation that I have introduced here would make it possible for people in the District of Columbia to actually be represented with voting members in the Senate and the House. I offered that legislation. We have a number of co-sponsors. And I do not know that it is going to become law anytime soon.

I am troubled by the fact that the folks here pay taxes, they serve in the military, and they have many responsibilities of citizenship, but they do not get a vote in the House or Senate. That just does not seem right to me.

And there are different ways to fix it. So earlier I had supported an idea of letting the folks in the District vote for either a U.S. Senator in Maryland or a U.S. Senator in Virginia and have their own delegate, not just a delegate but a U.S. Representative with

a vote in the House. I thought that might be a good compromise. It did not happen.

So whether or not we make progress on the legislation I have introduced this year, or reintroduced this year, talk to us just for a minute, putting on your old hat from your work in the District of Columbia. What are some things that the Congress can do, this Committee can do, in terms of the Golden Rule, treating the District of Columbia citizens in the way that we would want to be treated, particularly with respect to budget autonomy and the ability to do things?

Right now, we are sitting on judicial nominees. We reported them out of committee. We have been sitting on them in the Senate for 2 years. Very well-qualified people. And it is just wrong.

But just give us a minute, if you will, on some things that we might want to focus on, short of statehood or whatever, that just would be consistent with treating other people the way we want to be treated.

Ms. ROTH. Sure. Well, thank you for this unique opportunity. I am actually fifth generation Washingtonian as well.

Senator CARPER. Are you?

Ms. ROTH. So this is an interesting question.

As I reflect, I would say that there are areas that oftentimes are policy areas that Congress is considering that could be beneficial and worthwhile in the District of Columbia.

And I think that to the extent that you as a Committee continue to invite in the leadership of the District of Columbia, in terms of identifying those policy opportunities and really testing them and seeing their success or failure, and being open to that, I think is beneficial.

We have here—and I have been impressed. I have been gone for over 10 years and to come back to see the commitment, the level of commitment of the residents, the quality of life improving, a community where there was no community previously, is tremendous. And it says to me that there are people here that are really and truly investing in their communities.

So to the extent that, if there was a committee of D.C. leadership—and we have quite a few leaders, as you point out, that live in the City or have the City as their home base, that can evaluate policy opportunities that we may want to try on a small scale here before seeking them out throughout the country. I think it could be a great partnership for the District in terms of it being a true Nation's Capital, at the same time being a partner with Congress.

Part of the relationship there has always been about trust as well as what is the role that the District plays in supporting the national leadership that comes here every year and makes our national policy. So, to the extent that that relationship can build, I think it would be a good thing and we could see some interesting policy come from that.

Senator CARPER. OK. I have some direct questions that pertain to your nomination for this position I want to ask, but let me just ask Senator Lankford if he has more questions.

You are welcome to jump in.

Senator LANKFORD. Actually, I would enjoy the conversation, but I am heading to an Appropriations hearing. There is a rumor out

that the Senate is working on appropriations again, and so I am trying to get down there to that Committee.

Senator CARPER. OK.

Senator LANKFORD. So I appreciate the conversation, though, as well.

Senator CARPER. Thank you for all your contributions, for your presence today.

Senator LANKFORD. No, thank you.

Senator CARPER. Let me come back to the matter at hand, and that is your nomination to head up GSA. Let's talk a little bit about priorities.

Sometimes I say to my staff and others, make me a guided missile, not an unguided missile.

And we all need to be guided missiles. If we are just scattershot, we are not going to get, at the end of the day, nearly as much done as we should.

Just share with us maybe three or four of your top priorities as Administrator.

What would be maybe your approach to measuring—back to Senator Lankford's question, but what would be your approach to measuring how well GSA is doing in carrying out those priorities?

Ms. ROTH. Thank you.

Well, as I talk about really the next steps and my vision for GSA, they do come into three areas—operational excellence, economic catalyst, and proactive partnership.

Senator CARPER. Say those again slowly.

Ms. ROTH. Operational excellence, economic catalyst, and proactive partnership. I think these themes build on the strengths of GSA and our current mission.

And just to give you a moment on each, in terms of operational excellence, there have been quite a bit of reforms, as I referenced earlier, that have started, that have been put in place in relation to the agency, especially around consolidation of some of our operational activity. For us to continue to see that through and ensure that that effort is successful, as well as right-size for the operations of the organization, I think it is important.

The previous Administrator, Administrator Tangherlini, set out on a path in 2012, and I think that it is the right direction, and so really trying to ensure that the nuts and bolts of that activity is followed through is a key priority for me.

In terms of economic catalyst, GSA is represented across the Nation in many communities. And as we were talking about earlier, I think if we are very proactive in terms of what our planning is within those communities as it relates to buildings and properties that we are managing, and work alongside the communities that are there, we can see some great opportunities, such as projects such as Volpe in Massachusetts, the transportation project. And I think there is many other examples of that across our portfolio.

I really would like to see us take a strategic approach to, as we are planning, either to dispose of property or to capitalize on existing property, to really engage local communities on what their plans are and how we can overlap and leverage from public and private activity.

And from proactive partnership, we can see that with many of our agency partners all of us actually are struggling to ensure that we are keeping our administrative costs down and that we are really delivering the services for the American people and the taxpayer.

To the extent that we look ahead, utilizing the data that we have about these agencies, and help them be more strategic in how they approach their current management, I think would help make them successful. So if that is from property acquisition technology, back office management, we frequently are engaging with all of the agencies around Federal Government. We have a good insight in terms of what they manage, how much they are managing, who they are managing for, and I think we can use that data to proactively go to them with the potential solutions.

So those are the main areas I really focus on.

And in terms of performance management—actually, we did not have this discussion earlier, but one of my main passions is really around performance management. And to the extent that we are clear on the front end, as we go into a fiscal year (FY) or a calendar year, as it be—what are our goals that we want to look back on 12 months from now and be successful? And how we are measuring that along the way is very important.

So I continue to ensure to carve out the time both for setting those goals with the senior leadership team but also tracking that activity, month to month, quarter to quarter. And it is only then that we can really get to the right place of understanding are we being successful in the path that we set as well as evaluating did we set the right path because sometimes that is the case as well.

And to the extent that being a Deputy I was able to be closer to that, as Administrator not as close, but ensuring I have a team that is supporting me, that has that same focus and vision and is helping to run that play is important to me as well.

Senator CARPER. All right. And I want to welcome Senator Ernst.

Nice to see you this morning. You are always great and faithful in your attendance.

I have learned. I had a number of jobs. We have all had a number of jobs in our lives.

I started work when I was really a pretty young kid, but I had the chance to serve a lot of uses—a naval officer; I had a chance to be Treasurer of my State, Congressman, Governor, and now a Senator.

But in those jobs—and, frankly, in jobs I had before that in high school and college—I learned a lot, things that inform me to this day. Working with my mom in my grandfather's mom-and-pop supermarket in Beckley, West Virginia, when I was a kid growing up—just all kinds of lessons that were helpful, hugely helpful for me, from those sources.

I want you to go back, not all the way back to your childhood and your earlier work, but I want you to talk about the work you did in the District of Columbia. I want you to think back on your years when you were the Assistant City Manager in Greensboro and then the City Manager in Greensboro and how you experienced a number of the management challenges that are not dissimilar from what you are going to be facing in this role.

What were some of the lessons learned from those, whether it was your work in the District or whether it was your work in Greensboro, that you think will inform you in these new responsibilities on the outside chance you actually get confirmed for this job?

Ms. ROTH. Thank you.

Well, I will say there have been a few management challenges and experiences, as well as successes, that I learned from over the years.

In general, there is a couple of themes that I keep with me. One is to be clear as I come into a role in terms of what my expectations are and how I expect that we can get there, and then understand and share in the values with the leadership that are there in terms of their perspective of that as well.

I have also learned to trust my instincts from the front end. So if there is a—especially where it comes to management challenges, if there is an area where something is not working, whether it is personnel or otherwise, recognize that early on and be willing to deal with it head-on has been an important strategy for me.

Quite frankly, ultimately, when you let things linger, they do not get better is what I have learned.

So that has been very important, as well as understanding and trusting the people that are around you. Ultimately, everyone has the right seat for themselves to be in and has strengths in one aspect or another. Understanding where those strengths are, ensuring that they are doing work that plays to that strength, and then trusting them to do the work, and holding them accountable to it is another important tenet that I keep as a manager as well.

Senator CARPER. Before I turn it over to Senator Ernst, a couple of months ago I was reading through my clips at the end of the day, and I came across an article about a survey taken of, in this case, senior-level Federal employees, senior supervisors. And several thousand of them were interviewed, and they were asked—kind of going back to what Senator Lankford was asking about—morale. They were asked, what can be done to improve your morale as senior leaders within the Civil Service?

And some people said, they work really hard; they would like to not have to work quite as long, have more time with their families.

Some people said, more pay would be good.

But the majority of people said they would just like to be thanked.

Imagine that. I would just like somebody to say, thank you.

And what I do when I go through—the morale in the Department of Homeland Security (DHS) is not high. In some parts it is, but in a lot of parts it is not. They have tough jobs.

But like when I go through airports, at Transportation Security Administration (TSA), what I have done is started—when people are doing a clearly good job, dealing with a lot of challenges, I will just say: I am Tom Carper. I serve on the Senate Committee on Homeland Security. I just want to thank you for what you do.

And I cannot tell you how many TSA people say—nobody has ever thanked me before.

So I always urge leaders, obviously, to personalize it, but maybe the three most important words we can say is "I love you," a lot. I say that a lot to people.

But the other three words that are really important are "please" and "thank you."

And I would urge you to—you probably do that already, but I would urge you to keep that in mind and in your heart as you go forward.

Ms. ROTH. Thank you.

Senator CARPER. Senator Ernst.

OPENING STATEMENT OF SENATOR ERNST

Senator ERNST. Thank you, Senator Carper. I appreciate it.

He is always very gracious with his compliments as well.

Ms. Roth, thank you for being here today.

I really do appreciate your work at the local level as well. I think starting out in local government is always a great advantage as you move on to higher levels of responsibility. So, thank you for that. I think that speaks very well for you.

Thank you for being here.

You have talked a lot with a number of different members on some different issues, but I know you have stated in your written testimony also that you really do want to work very closely with the Inspector General.

Senator CARPER. Senator, can I interrupt?

Senator ERNST. Yes.

Senator CARPER. We have some Future Farmers of America (FFA) back here that traveled down from Delaware. I just need to pop back and welcome them, and Senator, I will be right back.

Senator ERNST. You pop right out and visit with those Future Farmer of America.

Senator CARPER. Thank you.

Senator ERNST. I know how important agriculture is.

Senator CARPER. Yes, you do. [Laughter.]

Senator ERNST [presiding]. Take your time, Senator Carper.

I apologize for that, Ms. Roth.

Ms. ROTH. No, that is good.

Senator ERNST. FFA is very important.

So I just would like, in your words, how would you work with the Inspector General to ensure that some of the mistakes that have been made in the past with impermissible spending—of course, we have all seen, all the media from years past. But what will you do to increase that transparency, work with the Inspector General, just to ensure that these types of mistakes do not happen again?

Ms. ROTH. Thank you.

I think our partnership and joint relationship with the Inspector General has been a central tool for our organization. And the Acting Inspector General and I meet regularly, currently, at least monthly, if not more frequently, and are in frequent communication.

Something that we want to ensure for the organization is that everyone understands that it is their responsibility and duty to acknowledge and recognize if something is not working well in the organization that they need to speak up. We want that relationship

to be transparent. We want the employees to not feel any barriers when it comes to going to the IG or working with the IG, as well as responding to their investigations and inquiries or general requests for information.

So to the extent that I can work with their team in the IG's office, with both being in front of our senior leadership but as well as our two-downs, as I call them, but our sort of middle-level manager, and creating those opportunities is what we seek and are actively doing that in partnership. I see that as a central tool for us to see, quite frankly, the things we cannot see at the top level often.

Senator ERNST. That is very good. I appreciate that.

And you seem to be very engaged, not only with the leadership but also with those that work in the organization, and I appreciate that very much.

I will go back to what Senator Carper was saying, as making sure that you express your gratitude to those that are doing a great job within the organization. So I believe that is extremely important. So, thank you for that.

Thank you for your frequent communications with those that you work with. That is one of the greatest problems, I think, we face in the Federal Government—that we are not communicating. And that is the bottom-line key to success. So, thank you for doing that.

I will move to a different topic, and it is about the surplus firearm donation program, and this is one that is little-known or little-talked-about, I think, but is very important.

On June 12 of this year, the GSA Office of the IG released a report investigating GSA's surplus firearm donation program, and in this particular report the IG found that the program's data management controls were inadequate. Additionally, the inventory records were not complete or accurate, and that increased the risk that donated firearms are unmonitored and vulnerable to theft, loss, mismanagement, or unauthorized use. So the IG made several recommendations to improve that process.

If you can, can you please provide information on the steps that have been taken by GSA to increase the safety and recording processes of the program, if you happen to know those, if you can detail those for us?

Ms. ROTH. I can give you a few in general.

One is really we have strengthened our data management activity within GSA, and in the office in particular, our Office of Governmentwide Policy, we have a data team there. And our ability to understand the tools that are available for tracking similar types of activities and deploy them is very strong at this stage, and so I think we have a good team there that is going to help that office improve their tracking of that type of property.

I think it is an essential thing that we understand where it goes because we do remain and continue to have responsibility for that property even though we allow for the use of it.

Senator ERNST. And has that been computerized? I think that was one of the original complaints, too—that many of the inventory records were done by paper.

Ms. ROTH. They are working on that currently.

Senator ERNST. OK.

Ms. ROTH. They have had experience with this. So I feel very confident that they will be able to put a good system in place as well as working with the State agencies that are the main contacts for this office in particular, for that type of disposal, and ensuring that we have a tracking through that office as well, as they are further down the road, providing that equipment to local law enforcement entities.

Senator ERNST. OK. Very good.

Ms. ROTH. So it is both practices.

Senator ERNST. Yes, this is an important program. I think we need to make sure that it is being managed correctly.

Ms. ROTH. Yes.

Senator ERNST. It sounds like the steps are being implemented.

I would love to have future updates on that particular program if you would be willing to provide those to the Committee.

Ms. ROTH. Absolutely. We will definitely give an update, at least in the next 90 days, in terms of where we are with the program and where we are expecting it to go.

Senator ERNST. Fantastic. Thank you so much.

And, Ms. Roth, then if confirmed as Administrator, what do you see as the greatest challenges right now that are facing GSA, and how do you see those challenges in your role moving forward?

Ms. ROTH. There is a couple of areas that we are very focused on, and some of them we have talked about today, and I am sure we will continue to talk about them.

In terms of our property disposal activity as well as property management, I think that there are very good activities that are in place now with us talking with the Committee as well as with OMB, in looking both from a policy perspective but as well as how we are managing to reduce the footprint perspective. There are some very strong ideas and efforts in place, and I think that is giving us stronger data to be able to manage, too.

We are currently going through, in terms of our acquisitions area, what we call Multiple Award Schedules (MAS) transformation, and I think that that is going to help us in terms of supporting small businesses as well as greater visibility and understanding of the buying activity that is happening through our schedules.

Senator ERNST. OK.

Ms. ROTH. And, hopefully, we are improving that for both our customers as well as the private sector.

And then something that we have talked about, obviously, this morning has been employee engagement. In this respect, we have been very focused on what we call our Employee Viewpoint Survey.

And this year we have actually taken some very strong steps from a senior leadership perspective to engage and be more proactive over how we are engaging with employees, and right now we are going through a series of sharing those strategies with our—among the senior leadership team in evaluating how successful they were, and we did quarterly evaluations along the way.

So we feel that that is the right direction, but we have more work to do in that respect.

Senator ERNST. OK. I think that is fantastic.

I am just going to quickly followup and thank you for your time.

Senator CARPER [presiding]. You do not have to quickly. You can take your time.

Senator ERNST. I have another hearing ongoing right now.

So, Ms. Roth, thank you very much for your testimony today. I am excited to learn as you progress through the confirmation hearing. And, again, working with the folks in GSA, I am excited to hear how that goes.

You mentioned a word just a minute ago—"customer." I love that, that you acknowledge that there are customers out there.

And one thing I think is extremely important is that even though it may be other Federal agencies, or whatever those people might be, they are our customers and we need to make sure that we are working well with them.

So, thanks for your time today, your testimony. I look forward to moving on your confirmation, Ms. Roth.

Ms. ROTH. Thank you, Senator. Thank you.

Senator CARPER. Senator, thank you so much. Thanks so much for just being such an active participant in this Committee.

Senator ERNST. Lots of flattery. [Laughter.]

Senator CARPER. Actually, it is true.

When I came here to the Senate about 15 years, 14 years ago, I had some idea of how it operated and what you needed to do to be successful here, how the place ran, and the rules, and so forth. One of the things I anticipated, or knew before, was this place runs in part on relationships.

And one of the things that grows out of relationships is trust. Around here, if you trust somebody, you can get a lot done. If you do not have much trust, it is hard to get anything done.

Another thing that is important is integrity. I do not know who it was; maybe it was Alan Simpson, the Senator from Wyoming, who used to say, integrity, if you have it, nothing else matters.

So those are the things that help guide me.

I just remember every day how much more we could get done here if we had trust and to build trust, the kind of trust that I think I enjoyed with Senator Coburn, who was here for many years. And his successor, Senator Lankford, is going to be a great addition to our Committee. I think Senator Ernst is going to be a real star here, too.

But trust in relationships is so important.

I had breakfast this morning with one of our new Senators and just had a chance just to get to know him better.

But what are some things that you learned in the short time that you have been at GSA? Maybe revelations. Maybe some things that just you kind of anticipated before but you were not really sure of. Just give us some early lessons that you have gleaned.

Ms. ROTH. One thing that has been of interest, and I have shared this with others, is how much time our employees and management team spend thinking about other agencies. And I think they would be surprised to know it, in fact, but a lot of our work is built on how well we are doing at supporting the activities of other agencies.

And having that perspective has really been eye-opening for me. I knew that GSA had a long stretch, or reach, in terms of its mission and goal, but to really get inside of the organization and see

how much time and how much knowledge our agency has about the ongoing around the Federal Government in general has been very eye-opening overall.

I was fortunate, and I really benefitted from starting as Deputy Administrator and having a chance to work with the previous Administrator because it did give me a strong platform of understanding of both where the agency had been in terms of some of the challenges I saw coming in but, also, the opportunities.

And the areas that we have really focused on, such as with acquisitions and being creative about how we are creating acquisition tools for other agencies, is something that I am not sure could be replicated anywhere else. So that is another example, as well.

I have just been, I guess, overall just impressed with the level of reach that we have and the level of proactive efforts that are in place there.

Senator CARPER. A friend of mine told me about a conversation he heard of, and I guess it was at the National Aeronautics and Space Administration (NASA), one of the NASA installations down at Cape Canaveral a couple years ago.

And someone that he knew had visited NASA and was there in the evening. And it is a sprawling operation—a lot of people who work there during the day, not so much at night.

And he was walking through one of the spaces and came across a custodian, and he said to the custodian, hello. And he said, what do you do here?

And the custodian said, I am helping to put a man on the moon.

And that speaks to me of a real sense of team and purpose, that the custodian felt that he was part of the team to put a man, in that case, on the moon.

Talk to us about a sense of team, creating a sense of team and a sense of purpose at GSA. How do you build on the work that Dan Tangherlini began with the reorganization effort that he launched?

And do that in the context of building a sense of team and purpose. Will you do that?

Ms. ROTH. Sure. And we have—it actually is almost like a new team in some ways. We have had some management changes overall, and I think you would find among our team that we all have the same vision in terms of how do we both become—continue to become more efficient for our support around government and overall, and how do we support across each other.

So, if you came to our space, you would see that we have an open workspace. And from my vantage point, where I actually sit, I can make eye contact with the Public Building Service Commissioner, and I can make eye contact with the Acquisitions Commissioner. And it has allowed for us to go down this path and journey together, as it were.

So, as I have a concept in terms of maybe a direction that we can take with buildings, or some questions I have about how we are moving forward with certain policies and efforts, I can walk across the room because I can see that they are there, and we can go into a huddle room and talk and collaborate and share very easily in that respect.

I think that has been one of the strongest aspects of our team overall because we all came in around the same time, and so we have been building together.

So in terms of building a sense of team, we have also spent quite a bit of time together as well. So we have three-a-week senior team meetings as well as a larger weekly senior team meeting, and we are sharing our goals in general.

There has probably been a time where GSA could be seen as more isolated and siloed in its management. Now that management activity is very much collaborative. And it has produced efforts such as what we call Total Workplace, in which we are able to bring to others that are other agencies the resources that we have that cut across the Buildings Commission as well as the Acquisitions Commission.

So our team has been able to strengthen in terms of how we collaborate, and that collaboration leads to real policy that we can apply, as well.

Senator CARPER. Before I turn to Senator McCaskill, let me just raise an issue you have already discussed with Senator Lankford during the time he was here, and that is the National Strategy for Property.

And I have been pleased with how both the Bush and the Obama Administrations have taken an evermore-active role in property management. We talked about that some already.

And you have spoken to this, but I want to revisit it again. How can we ensure that the good work in property reform, spearheaded both by the last administration and by this administration, continues on into the next administration, the next year and a half, and beyond?

I feel one of our jobs here is oversight. And for years we get—as Senator McCaskill knows, every 2 years we get, at the beginning of a new Congress, GAO's high-risk list.

And people say, what is that?

And I say, it is the high-risk areas where we are going to waste money if we are not careful at where we are wasting money.

For years, our real property management has been on their high-risk list. And one of my goals while I am here in the U.S. Senate is to get it off. And it is not something I can do or Dr. Coburn can do or Senator McCaskill or others can do by ourselves. So it is a real team effort.

And I really hope to see from you a kind of—"fervor" is probably the wrong word, but I am going to use it.

Passion. Passion for us to continue the work that has begun and to take it to the next level. There is such a great opportunity to save money here.

The other one is strategic sourcing. There are huge opportunities there.

But just talk to us about your passion for continuing to build on the work that has been done on saving money by better management in the way we use and acquire our space.

Ms. ROTH. Thank you.

One of the key aspects there is data integrity as well as data transparency. And to the extent that we continue to build on our real property database, working with other agencies in terms of

how we are defining the assets themselves and the attributes of the assets, I think it is key for us to understand what is really the volume and world that we are working with and managing, as well as the process itself.

And I know that we are talking with the Committee regularly about what are some options, potentially, for improving and streamlining on the process of property disposal, as well as how do we work with GSA, work with other agencies on their disposal planning and activity.

The national real strategy planning effort is going to give us strong insight, and we are working very closely with OMB on this effort. But from this effort, we are getting from agencies their plan for both their current assets as well as the disposal of any assets that come out of that, as well as real Reduce the Footprint targets.

And, with that, we can have stronger data in terms of applying and overlapping that information with our portfolio planning activity overall.

So I think that we are in a very rich place in terms of taking advantage of the tools that we have, of the information that we know, and really moving in a strong way going forward.

I think this is a huge responsibility for all of us at this stage and one that we want to spend as much time as we can both defining success and getting there, as well.

Senator CARPER. Thanks.

We have been joined by Senator McCaskill, a person who is as passionate about these issues as anybody I know and who is a great member of this team, and we are delighted to yield to her at this time.

OPENING STATEMENT OF SENATOR MCCASKILL

Senator MCCASKILL. Welcome.

Ms. ROTH. Thank you, Senator.

Senator MCCASKILL. And congratulations on your appointment.

I have worked extensively, and sometimes combatively, with your predecessors, not Mr. Tangherlini but prior to that. You may be aware of the history, way before the conferences in Las Vegas, we had done hearings about really bad bonus situations, really bad off-the-cuff hiring of PR experts when there was a bump, and immediately, the default position was let's hire somebody for a ridiculous amount of money to tell us what to say in Kansas City.

And I do not do this other than the fact that I think GSA is one of the agencies that gets less oversight than other agencies because what you do is not as transparent to everyone, especially American citizens. You really are, in a way, the business center—

Ms. ROTH. Right.

Senator MCCASKILL [continuing]. For government, particularly when it comes to real estate but also for other things.

And so I have a tendency to like focusing on areas that maybe do not get enough focus, which is one of the reasons that I am sure I am on some list over there, that I am always on you guys about what you are doing.

So let me start with the Federal Acquisition Database. I cannot tell you how many hearings I have sat in this room for on the Federal Acquisition Database.

In 2009, the Federal Government had more than a dozen databases relevant to contracting, and contracting is something that I have spent an awful lot of time on. These databases were managed by five different agencies and supported by eight different contractors. I think anybody who is listening to those facts realizes we had a problem.

In an effort to bring it all together, there is an attempt being made to integrate all of these databases and envision one system where everyone will have a portal to access the scoping, letting, and managing of contracts, particularly the awarding of contracts, the systems for award management.

Now, unsurprisingly, like most IT projects everywhere and particularly in the Federal Government, this one has seen cost estimates double and deadlines fall by the wayside.

I know there has been some progress, and I appreciate that this is a huge undertaking. I know that GSA has done a whole lot of stakeholder outreach and that you have technical experts in charge of the acquisition program.

But we are 6 years into this effort. If this were private sector, this would be failure. Six years is a long time, and my understanding is we are still not there yet.

So are there still legacy systems being operated by agencies other than GSA?

Ms. ROTH. There would be; yes is the short answer.

Senator McCASKILL. And at Dan Tangherlini's confirmation, I asked him about this. I am hoping I do not have to ask too many more. But I asked for the timeline for completion, and he was pretty noncommittal.

Do you have any sort of timeline for the retirement of legacy systems and full GSA oversight of the contractor information database?

Ms. ROTH. The system, as you know, as it is being built out, is in an iterative stage. And so we are building as we go and testing and ensuring that what we build onto it is actually being successful. Its completion date at this stage is—I believe it is 2018, but it will be dependent upon how successful each stage is.

I think that there was likely a lot of time lost on the front end, sort of putting all of those efforts together and then turning on the switch, just to find out that it was not going to work well.

Some of the efforts that have been put in place at the agency, both in terms of the changing of the management structure as well as taking a different development approach, I think are important parts to it actually being successful as we make those transitions. And it is something that we have learned more about, obviously, over the past year, and we have been able to see that success happen but also watching it closely. And I think that we have stronger oversight in terms of how well the project is actually producing.

Senator McCASKILL. What about a timeline?

Ms. ROTH. Well, as I said, the completion date at this point is 2018, but we continue to watch and monitor the development of the system itself.

Senator McCASKILL. What part of 2018?

Ms. ROTH. I cannot say as I sit here, Senator, but I will definitely followup.

Senator MCCASKILL. I am going to withhold judgment on your confirmation until I get a date. Now that date may not end up being the date, but I just have the sense—I mean, this is 2018.

We have been at this for 6 years. You are telling me it is going to be another 2½ years. Eight and a half years? To integrate databases?

Ms. ROTH. The only thing that I can say is that——

Senator MCCASKILL. And by the way, just so everybody understands, the cost has gone from 96 million to 181 million, that we know of right now.

So is it more than 181? In the long run, is it going to be more than 181 if we are going to 2018?

Ms. ROTH. I will definitely assure you that this is a very important item, and I will certainly followup with your office and make sure that we are being very clear in terms of what we are expecting from timelines as well as the cost overall. We, obviously, have been very inefficient. It has not hit the success that we need it to hit. And we are addressing that.

Senator MCCASKILL. Contractors are making a lot of money off this deal, and I just do not sense that there is urgency.

And I have tried to be cajoling. I have tried to be inquisitive. I have tried to be knowledgeable. And none of that has worked. I think I have to just get downright mean to get a date and to get a price and to hold people to it.

Ms. ROTH. Sure.

Senator MCCASKILL. This just would not happen in the private sector; it would not happen. And there really is not a good excuse for it to happen here, not when we double the price.

And it is incredibly important that we integrate these data systems because it is everybody's excuse for bad contracting. Invariably, when we find a bad contract, they go, well, we just do not have transparency, and we have bad data, and blah, blah, blah.

And if we have this system, it kind of rips away a lot of the excuses for bad contracting that costs our country billions every year. This is real money.

So you are just kind of unlucky to be at the end of a long line of GSA Administrators who I feel like have never been as focused on this as they should be. I know it is about putting out fires every day.

Let me also ask you about the Office of Personnel Management (OPM) Credit Monitoring Contract. Do you know if OPM made any effort to procure those services from a contractor on the GSA schedules before they went to a one-source contract following the breach at OPM? Do you have any knowledge about that?

Ms. ROTH. I am not sure, Senator. I know that there were some staff-level conversations, but ultimately, the process that OPM took in that respect I am not aware.

Senator MCCASKILL. Well, if you would check for us, we would like to know that. We are trying to figure out how a company that had been identified as having very bad behavior in Afghanistan changes its name, is currently under investigation for over \$135 million in overpayments at the Department of Defense (DOD), and still gets a sole-source contract to fix the breach at OPM.

It is a little troubling to me. I know we needed something to happen quickly. But to hire a company that has that kind of track record on a sole-source basis?

So I am trying to backtrack and see what effort did they make to do due diligence, and whether or not they tried to access standing contracts on this that are available on the GSA schedule. It would be very helpful for me as I try to make the Office of Personnel Management uncomfortable like I am making you uncomfortable today.

Ms. ROTH. Yes, Senator.

Senator McCASKILL. I know that the Chairman and the Ranking Member are going to focus on this in the hearing, but I think that we need to understand—I know we are going to have a hearing on this next week.

We need to understand how the State Department is getting a green light on a security training facility that is going to cost \$170 million extra because they want it close to D.C. That is a lot of money, \$170 million, to be close to D.C.

I know we want to get to the bottom of it next week, but whatever information you can get to this Committee prior to that hearing as to what role GSA has or does not have, in terms of your ability to say no, or to stop, or to go: Wait a minute. What kind of cost-benefit analysis are we doing on proximity to D.C. with that kind of price tag?

I know that this Committee would appreciate it as we prepare for that hearing.

Thank you, Mr. Chairman.

Ms. ROTH. Thank you, Senator.

Senator CARPER. And, thank you for your passion.

When I was a Congressman, I used to hold a bunch of town hall meetings, and sometimes 20 or 30 people would come; sometimes 100 people would come. We did a lot of them.

And at one of my most memorable town hall meetings was a lady who said—Claire, she said—we had a discussion on budgets and spending and so forth, and she said: I do not mind paying taxes. I just do not want you to waste my money.

That is what she said: I do not mind paying taxes. I just do not want you to waste my money.

And one of my takeaways—I remember that to this day, and I have had a passion for not wanting to waste money.

Senator McCaskill is a former State auditor. She shares that passion. Dr. Coburn and Senator Lankford and others, we do not want to waste money, and we are passionate about it, and we try to use our passion to infuse our passion into people who sit at this desk—

Ms. ROTH. Yes.

Senator CARPER [continuing]. And to provide leadership across the Federal Government.

And I would just say to you I mentioned the word “passion” before. I would urge you to show and demonstrate and exhibit real passion for these issues. It is all well and good to be cool, calm, and collected, but we also need to be, from time to time, passionate.

Senator McCASKILL. Sometimes maybe we are too passionate.

Senator CARPER. Well, keep that in mind.

Ms. ROTH. Sure.

Senator CARPER. Let's talk about strategic sourcing.

Ms. ROTH. Yes.

Senator CARPER. And maybe you can talk to us about the subject I discussed a lot with Dan Tangherlini and something about which he had a lot of passion.

But when GAO took a broad look at strategic sourcing in 2013, it found that leading private sector companies managed about 90 percent of their spending through what we call strategic sourcing. But the four Federal agencies that GAO examined, I think they only managed maybe 5 percent, collectively, through strategic sourcing. Five percent.

And let me just ask what progress have we made since then, and what next steps would you plan for further increasing strategic sourcing?

And are there some instances where it just makes no sense? Maybe there are.

But where are we making some progress? What are the next steps that you plan for increasing strategic sourcing? And if there are some areas it does not make any sense, give us some examples of what those might be?

Ms. ROTH. Well, in terms of strategic sourcing, we have really been working very strongly on this effort, with OMB certainly, and actually believe that it is a very important opportunity for the Federal Government overall to leverage its buying power. And so to the extent that with—internally, we have organized our acquisition activity around categories, known as Category Management, and an important structural approach to strategic sourcing as well.

And something that we believe is very vital here is the increase of knowledge, both for us internally and then making that available to the Federal agencies that we work with. It can be very helpful for us.

In terms of strategic sourcing, if there is any place that we are missing opportunity for efficiencies, it is an approach to buying power. And what we find is that every time that we improve on, as well as pursue, a strategic sourcing effort across Federal Government, we are seeing those cost savings.

So this is an area that we actually are stepping out very strongly on. As I said, we have organized our teams around, meaning identifying management leads internally, ensuring that we are—that our teams that have the training and staff that have the training are aligned in the right way, and then also working across the board with other agencies as well.

And something else that plays into this is the acquisition gateway that we are putting in place, which is also another tool that we believe is going to help agencies have a stronger understanding around the prices, both market data as well, as well as knowledge around the items that they look to pursue and purchase.

But having strategic sourcing means that we are utilizing our borrowing power, leveraging from that, and really driving the market to ensure that we are getting the products and pricing that we need to get to the best value.

Senator CARPER. When you get push-back, or we will say a lack of passion, for pursuing strategic sourcing, what are some of the excuses that you get, and how do you deal with that?

Ms. ROTH. Well, I think oftentimes we will hear that the products are too different in order to afford to actually have the strategic sourcing, that they are too varied a population that is actually managing or selling, or vendors that are selling these products.

But, ultimately, we have found support, as well, from the private sector in terms of pursuing this approach. It is an approach that makes sense in terms of any large entity.

And the Federal Government itself is spending millions on similar types of products and items, year over year, and not getting the best value out of it.

So we do have some voices that are detractors from that. But understanding what the needs are for the marketplace, as well as for agencies, and really speaking to that and making the items and products available is a key part.

Senator CARPER. OK. Thanks.

Senator McCaskill is passionate about a number of things, including contracting, and we have talked with her. I promise you, when you come back before this Committee, you will hear about it again.

Ms. ROTH. Yes.

Senator CARPER. So just make sure that you really button down and continue to do good work there.

And I would urge you to get back to her in writing and maybe personally.

Ms. ROTH. Yes.

Senator CARPER. Just to say: you raised this issue, and this is what we are going to do; this is my deadline.

I find it is very helpful for myself and for my family, for the folks I work with, to set goals, deadlines, and then just try to make sure that we are accountable to that.

So you probably do the same thing, and I would urge you to do it in the area that she has raised.

I am going to just go back and talk a little bit about—and we have already dealt with this a little bit, but I just want to revisit it again if I could.

In your opening statement, you gave a broad overview of the procurement initiative that is called—I think it is called Category Management that GSA is working on with OMB.

Can you give us a concrete example of how this initiative would work with a particular good or service? What will be different with the way that an agency buys something through Category Management? And what results should the taxpayers see?

Ms. ROTH. Sure. In terms of Category Management, it is probably best in terms of the agencies themselves. It is understanding that it is not solely about pricing although lower prices is what we expect out of the process overall. But in terms of the knowledge of the decisions that individuals are making as they make purchasing decisions is, I think, the key opportunity here.

We have within our organization, as I referred to earlier, organized our activities around the main 10 categories, and one of our earlier examples is office supplies as well as professional services.

With professional services, we have identified a senior management lead who has a strong knowledge both about contracting as well as the activities in professional services. That means that she is in a position of both understanding where the market is currently, as well as where it is going, and ensuring that her team is doing that research.

The more work that we can do on the front end for that category means that the contracting professionals from other agencies can rely on that information and use those various sources. So they will have items such as prior contractual agreements. They will see the tools around the Federal Government that are available. They will have access to information regarding purchasing activity as well as prices paid on certain items, as well.

So, from a tool perspective, it is a very strong opportunity for the other Federal agencies that are looking to purchase anything from—what did you say earlier? Toilet paper to—

Senator CARPER. Technology.

Ms. ROTH. Technology, that is right. It is a strong opportunity in that respect.

And us organizing the team and the staff through that same vantage point means that we will have stronger data on the front end and be able to make quick purchase but also more informed purchases.

And OMB is seeking to develop the policies that are stretching that across government, and we have the Acquisitions Council who is really leading that effort across government, as well.

Senator CARPER. All right. Thanks.

Maybe the last question I am going to ask deals with Presidential transition.

I remember once being at a summit in Central America, hosted by the President of Costa Rica, and who later won a Nobel Peace Prize. And he had invited the presidents of all the Central American countries to come, about 20 years ago, to try to figure out how they could live in peace. They had all kinds of guerilla wars and insurrections and attempts to overthrow other countries' governments. And Oscar Arias Sanchez was his name.

And we had just a terrific 2 or 3-day summit.

And Jim Wright, who was Speaker of the House, asked some of us from the House to go down and monitor, just to be their observers, Democrats and Republicans, and I was privileged to be one of them.

I will never forget talking to one of the presidents who was there. I do not know if it was Guatemala or El Salvador or Honduras, one of those countries.

And he said to me these words; at the end of the summit, he said, in America you have elections every 4 years. Somebody wins; somebody loses. And you just have a transition, and the next person becomes president. That is it.

He said, we have never done that. We have never had a peaceful transition from one president to the other in the history of our country.

Well, since then they have, but it was a long time to get there.

What did Winston Churchill say about democracy? The worst form of government devised by wit of man, except for all the rest. Think about that.

We have a couple of people, actually good friends of mine, who are highly admired public servants, who spend a fair amount of time not just thinking about Presidential transitions but working on them. And one of them is a fellow named Ted Kaufman.

Ted used to be Chief of Staff to Joe Biden when Joe was our Senator from the State of Delaware. And when he went off to become Vice President, our Governor nominated and appointed to be interim Senator for 2 years, Vice President Biden's former Chief of Staff, Ted Kaufman, and he served as Senator for 2 years, interim Senator before Chris Coons was elected.

But Ted Kaufman, one of the things he worked on those 2 years he was here was Presidential transition, to make sure we do a better job so that we do not wait until like the day after the election and say, now what we do, but we actually start working months and months ahead of time to better ensure that there will be a smooth transition given all the challenges that we face in this country and this world.

A fellow who used to be Governor and succeeded me as Chairman of the National Governors Association (NGA), one of my best friends from those days, Mike Leavitt, former Governor of Utah, former Secretary of Health and Human Services (HHS), but Mike was the head of the transition team for Mitt Romney leading up to the election of the last president and did a whole lot of work, led a whole lot of work on that team in case Governor Romney had won. Then they would have been better able to assume the new responsibilities.

But Senator Johnson, our Chairman of our Committee, and I have sponsored a bill inspired by the works of former Senator Ted Kaufman and former Governor/former Secretary Mike Leavitt, and we actually named the legislation after them. It attempts to perfect and improve on the earlier work of Senator Kaufman. Several of the provisions clarify and strengthen the role that GSA has long played in helping to coordinate transition efforts.

And this may not be something you spend a whole lot of time thinking about given everything you are learning and getting your head around in your role as acting head of GSA. But can you give us any thoughts about where GSA is today in standing up its transition team? What role do you expect that will play, that you will play as Administrator, in ensuring that the transition planning goes smoothly regardless of who the next president might be?

Ms. ROTH. Yes. I believe the transition opportunities that we have at GSA, in the legislation that was set out over 50 years ago at this point, is a great opportunity for us.

And we kicked off our efforts a few months ago in terms of bringing in a senior executive who previously has worked in several capacities in GSA and has a strong track record of execution and success. And, in fact, yesterday we had a town hall with our local office, at our main office, central office, as well as our National Capital Region, with the staff, with the staffs in general.

I think this is a tremendous role that we play and tremendous opportunity to ensure that as the Federal Government changes

hands that that is done in a way that is streamlined for the American public. And so there are some very critical efforts there, but I think the themes of early planning, organized planning, and learning from the past is very key.

And we have been fortunate that we do have some senior executives who have gone through this process, who continue to share their knowledge with the organization, as well as bring in new employees that have not had the experience but teaching them as well.

I think that anything we can do to start those processes as early as possible, be clear about what the path forward is, and really have a strong project plan is key. And so we have started that effort, and it is going well. And we have some more social interactive tools that are allowing for us to engage and inform the agency, as well, for setting expectations.

Senator CARPER. All right. Good. I have one last question, maybe two, but the first will be I am just going to ask you to think out loud for us about what you might have learned, what takeaways you may take out of the room because of the interaction you had with our colleagues here today, what are maybe some things that have been reinforced in your mind, if you are confirmed and have the chance to serve as our Senate-confirmed Administrator at GSA.

The other would be just to say I am going to give you a chance, as I did all witnesses when I was Chairman—and Senator Johnson now does this as the current Chairman—and that is just to give you a couple minutes to say any concluding words or thoughts that you would like to put on the record before we wrap this up and head for the rest of our day.

But, first of all, what have you gained from this today and then maybe just any other thoughts you have that you would like to close with?

Ms. ROTH. Thank you, Senator.

I think it is clear from today that we continue to have a very strong partnership with the Committee and that we have very thoughtful, as well as passionate, members that we can work with and rely on but that are very interested in our policies and our activities, which is very important for us in terms of, yes, we will do the executing, but we do need partnerships around policy.

I have heard all of the messages from our conversation today and will ensure that these remain at the top of my list of activities.

And, especially, I think the point was really brought home with the conversation with Senator McCaskill around the fact that we have had inefficiencies in terms of how government is managed overall, and we need to deal with those. We need to have solutions that are clear, that are thoughtful on the front end, so that they are not continuing to be wasteful and that we are aggressive in following through. And I think that is an important message that has come from today.

And I look forward to the continued partnership with this Committee.

In concluding, I would just want to reiterate my commitment to the mission that we have at GSA, and that is to provide the best value in real estate, in acquisition, and technology services for the Federal Government and the American people. I think that we

have a very strong mission that really does help to move the efforts of Federal Government overall. And to the extent that we can be successful and clear in where our efforts are, it will help the Federal Government across the board.

I am committed as a senior leader in Federal Government to the roles that we play with our Federal partners and customers, but as well as the communities in which we impact. And I want to be at the forefront of having really reshaped and defined that relationship with the Federal Government and local government that we have had in the past.

So I want to thank also the Senators, Senator Carper as well as the Committee, as well. I have had a chance to meet with a number of the Members, and it has been very important for me to understand their perspective and what I need to focus on.

And then, finally, I want to thank my staff, as well as family and friends, that have been very helpful through this process. Having made the transition to come back to Washington with my family and having the opportunity to serve this government, this president, the American people is a tremendous opportunity, and I will take that effort seriously every day.

Senator CARPER. Good. Thank you for those words.

Ms. ROTH. Thank you.

Senator CARPER. Last couple of thoughts. When Jeh Johnson was confirmed as the Secretary of Homeland Security, he made a point of visiting Capitol Hill and to meet with the committees, chairs, ranking members in the House and in the Senate, on the many committees and subcommittees that have oversight—way too many committees and subcommittees that have jurisdiction over the Department of Homeland Security. It was a smart move on his part.

And some folks knew him from before, given his work as legal counsel at DOD, but a lot of people did not know him well. And it just gave a chance to get to know him better and develop that sense of trust.

I talked earlier that it is so important to have a sharing of priorities. It can only help.

I would urge you to call Jeh Johnson if you are confirmed. I would call him the first week after you are confirmed and just say, a guy from Delaware told me that you did a very nice job just reaching out.

He would literally be maybe in one of the House office buildings, walking down the hall, going to meet with somebody, and he went by an office of someone who he knew was on one of his committees or subcommittees, on which DHS was part of their jurisdiction. He would just go in unannounced, to say, I was just passing by and just wanted to say hi.

And if the member was there, they would, say, chat for a few minutes. If not, at least they would know that he cared enough to stop. It means a lot.

Ms. ROTH. Thank you.

Senator CARPER. And another person pretty good at that is this guy named Tangherlini. You know him pretty well, and you may want to pick his brain on that, too.

In the end, this place runs not entirely, but a lot, on relationships and trust. And there is work that we can do to help engender

that and build that, and there is work that you can do, too, and I hope you will do that.

Our staff has given me—first of all, I want to thank our staffs, both on the Majority side and on the Minority side, for their work in working with you and preparing for this hearing.

Ms. ROTH. I would like to thank them as well. It has been an important guidepost, and I appreciate everyone's help.

Senator CARPER. Oh, good. See, you can never say "thank you" too much.

Ms. ROTH. Yes, sir.

Senator CARPER. You know that.

I think our nominee has filed responses to biographical and financial questionnaires answered pre-hearing questionnaires submitted by the Committee, had her financial statements reviewed by the Office of Government Ethics. And, without objection, this information will be made part of the hearing record,¹ with the exception of financial data which are on file and available for public inspection in the Committee offices.

And the hearing record will remain open until noon tomorrow—that is July 24, 12 p.m.—for the submission of statements and questions for the record.

You will have an opportunity to respond to the questions, and I would just urge you to do that promptly and fully, either in writing or in some cases I would do it in person. That can only help expedite this consideration.

I turn to my colleagues to my left and my right and see if they have any further statements. I hear none.

And, with that, we are going to adjourn for today and wish you good luck and Godspeed. Thank you.

Ms. ROTH. Thank you, Senator.

Senator CARPER. This hearing is adjourned.

[Whereupon, at 11:31 a.m., the Committee was adjourned.]

¹ The information of Ms. Roth appears in the Appendix on page 37.

A P P E N D I X

Statement of Ranking Member Thomas R. Carper

"Nomination of Denise T. Roth to be Administrator,

U.S. General Services Administration"

July 23, 2015

As prepared for delivery:

Today our Committee convenes to consider the nomination of Denise Turner Roth to be Administrator of the General Services Administration. I welcome Ms. Roth before our Committee and thank her for her willingness to serve as Administrator.

The General Services Administration (GSA) has a mission that is near and dear to my heart, and that is to help other agencies do more for less. By helping other agencies with contracting, information technology solutions, and property management, GSA is a catalyst for both reducing expenses and improving performance.

When we take a government-wide approach to management – instead of letting agencies all operate in stovepipes – we really can save a tremendous amount of money. For example, when we leverage the buying power of the federal government through the strategic sourcing initiative, we can save billions in what we spend on supplies and other items. In fact, earlier in the year, the Comptroller General of the Government Accountability Office, Gene Dodaro, reminded our Committee that for every additional percent of federal contracting we can do through strategic sourcing, we could save \$4 billion.

Another issue where GSA plays a vital role in saving taxpayer dollars is real property management. Last month, this Committee heard from the Commissioner of the Public Buildings Service at GSA, Mr. Norman Dong. Mr. Dong testified on actions GSA is taking to consolidate space, improve space utilization, and support the Office of Management and Budget in the government-wide effort to reduce the federal footprint.

I am encouraged by the work underway to address this longstanding issue. The National Strategy for the Efficient Use of Real Property and the Reduce the Footprint policies provide a framework to enhance agency management of real property, reduce the footprint, and save taxpayer dollars.

However, much more needs to be done to remove this issue from the Government Accountability Office's High Risk List, including work here in Congress. I look forward to hearing from Ms. Roth today for her thoughts on real property reform and look forward to working with her as we contemplate legislation addressing this issue.

Ms. Roth has served as Deputy Administrator of GSA since February of 2014, and has served as Acting Administrator of GSA since March of this year, when her predecessor, Dan Tangherlini, left the agency. We will not even have to wait for her to hit the ground running because she already is running, and carrying the baton on the innovations at GSA that Mr. Tangherlini had started.

Ms. Roth also has great management experience at the local level, having served in the administration of Mayor Tony Williams here in the District of Columbia, and then later as Assistant City Manager and then City Manager of Greensboro, North Carolina. I also note for my colleagues that Ms. Roth has the strong support of her predecessor, Mr. Tangherlini. He is someone who is widely respected on both sides of the aisle on this Committee. In getting to know Ms. Roth, I believe she will carry on with Dan's pragmatic, non-partisan approach to finding solutions to problems.

Ms. Roth, I look forward to hearing about your vision for GSA and a discussion of the property, contracting and other management challenges across the government that GSA can help address.

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STATEMENT OF
DENISE TURNER ROTH
ACTING ADMINISTRATOR FOR U.S. GENERAL SERVICES ADMINISTRATION
BEFORE THE
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

July 23, 2015

Good morning Chairman Johnson, Ranking Member Carper, and Members of the Committee. I appreciate the opportunity to be here today.

Last year, I joined the U.S. General Services Administration (GSA) as Deputy Administrator. The organization was in an ongoing period of significant, and much needed, change. In response to serious challenges at the agency, a series of reforms had been initiated to improve oversight, strengthen controls, reduce costs, and refocus the agency on its core mission.

As the Deputy Administrator, I was responsible for executing many of those reforms. I was charged with a wide array of oversight responsibilities from ensuring that revised travel and conference policies were followed to implementing a complex realignment and consolidation of major portions of the organization. While significant progress has been made, I am deeply committed to continue on this course of reform and press ahead with all of these important efforts. If confirmed, I will maintain my focus on continued execution of our ongoing reforms. These operational reforms are necessary to position GSA to successfully carry out its important mission: delivering the best value in real estate, acquisition, and technology services to government and the American people. This mission, always essential, is more important than ever before.

Since March of this year, I have served as Acting Administrator, and I have worked within the agency to seize the tremendous opportunities we have as an organization to introduce new technologies into the government, change the way we utilize the federal workspace, and modernize acquisitions. To most effectively accomplish this mission, GSA needs to proactively use our knowledge of the agencies we support to help them come up with the best solutions to support the American people.

In acquisitions, we know that agencies often develop their own solutions, either because they feel their requirements are so unique that existing solutions cannot meet them, or because they are not aware of good solutions that may currently exist. That is why I want to make sure that GSA is at the center of new efforts to dramatically improve the way the government purchases products and services by providing visibility into all of the solutions available to our Federal partners. We are moving forward with a government-wide effort known as Category Management. It is a proven approach used extensively by other public and private entities, and will enable the federal

government to buy smarter and more like a single enterprise. Under new initiatives such as Category Management, the federal government will identify core categories of spending, and develop specialized levels of expertise, share best practices, provide streamlined solutions, and manage supply and demand for each of the categories. The objective is to increase efficiency and effectiveness while reducing costs and redundancies.

To date, the Office of Management and Budget, in partnership with GSA, has identified ten government-wide categories of commonly purchased items as part of a larger move towards Category Management. The ten categories represent \$270 billion, or two-thirds, of the total federal government spend on common goods and services. A key preliminary step in Category Management is to understand the spending in each category. By bringing visibility to all of the acquisition solutions currently available in each of these categories, the Federal government will be able to reduce costly and duplicative contract vehicles; push agencies to adopt the best acquisition solutions that currently exist; and set up new and better acquisition vehicles where needed or where there is a gap.

I want to make sure that GSA continues making progress in hosting the available acquisition solutions in a far more searchable and usable form through the Common Acquisition Platform, or Acquisition Gateway. This website will be the government's go-to source for informative, agnostic, and reliable acquisition support and services. As one signal of the different approach GSA is taking to this effort, the site is being delivered in an agile manner, incorporating user-centric design so we can quickly respond to the needs of the acquisition community. These solutions are provided by Category in searchable "hallways" that group similar listings for ease of use and review. As more information is populated on available vehicles and the pricing achieved through them, the government will be able to be smarter and more deliberate in its acquisitions.

I also have heard questions from partner agencies about the pricing of GSA's acquisition vehicles. That is why it is one of my priorities that the agency is focused on transforming its 60-year old, Multiple Awards Schedule (MAS) program, to meet the current needs of Federal agencies. We are looking to provide government buyers with more competitive prices by reducing price variability across MAS contracts. We are doing this by looking at the current prices of identical products offered by suppliers through the MAS program to identify outlier pricing, and then working with MAS contractors to reduce the range of prices offered to government buyers.

This also is part of the reason I am interested in providing greater price transparency through our proposed transactional data rule, which will require vendors to report the price the federal government paid for an item or service. Understanding better what the government buys and the different prices that the government pays for similar products and services is vital to get the best value and reduce price. Using this information, GSA and partner agencies can negotiate better

prices and make more cost-effective acquisition decisions. By working with contractors to bring all offered prices into a reasonable range and providing transparency on these prices, GSA will ensure that MAS continues to be a competitive and widely used program for faster, easier, less-costly purchases and the vehicle of choice for both industry and government.

By providing greater transparency on the acquisition vehicles available to agencies, better technology to make transactions easier and more accessible, real pricing information on products and services, and continuously improving our acquisition offerings, GSA can provide significant value to government and the American people.

We also know that agencies struggle to come up with the best, most cost-effective solutions for developing information technology solutions. That is why we have established a digital delivery team of coders and designers, known as 18F, with the aim of making the government's digital and web services simple, effective, and easier to use for the American people. These individuals are bringing the leading practices of the private sector to the public sector: developing in an agile manner, building prototypes rapidly and putting them in the hands of users for feedback; measuring success not in terms of completion of a system, but through customer use; and scaling what works iteratively. Using this talent, we are working with agencies to help them build and deliver IT solutions that are more citizen-friendly, more responsive, and more cost-effective.

I want to continue working to ensure that GSA is also leading efforts to open government data to entrepreneurs and other innovators to fuel development of products and services that can drive economic growth. GSA operates Data.gov, the open government portal, which enables easy access to and use of more than 90,000 data collections from over 180 government agencies. By facilitating information transparency and access, GSA allows anyone, whether an individual or a business, to take public information and apply it in new and useful ways. A snapshot of the power of open data can be seen on Data.gov/Impact, which provides a list of companies leveraging open government data to power the economy.

By providing the tools and resources agencies and the public need, GSA can encourage better development of information technology across the Federal government.

In real estate, GSA has opportunities not only use of our knowledge of agencies to drive better solutions for them, but also has an opportunity to leverage our position in communities to act as a catalyst for economic development. GSA has a major presence in communities across the country, often determining where hundreds of jobs may be located or relocated. While these selections are driven by a competitive process focused on delivering the best value to the Federal government, we also must recognize the impact that such moves can have on communities. By partnering with State and local government, we can ensure that we are considering areas that align with that locality's long-term development goals.

Working with partner agencies, I often see challenges in developing the best, most achievable plans for optimizing an agency's real estate portfolio, as well as finding the resources to move forward on these plans. That is why I will continue working to make sure GSA plays a critical role in implementing the Administration's new Reduce the Footprint initiative. Utilizing data reported annually by agencies into the Federal Real Property Profile, agencies are currently developing initial plans for divestment of unneeded real estate. Over the next several weeks, GSA will work with all of these agencies to review these goals and offer additional ideas. These plans will bolster our efforts to identify new opportunities for consolidation and disposal, and I am committed to our goal of working more proactively with agencies to pursue projects that will more effectively achieve space reductions.

With a concerted focus on getting rid of unneeded real estate, applying all the tools available to us, and considering the long-term development goals of communities, GSA can be a part of driving significant savings and promoting economic growth across the country.

Leading at GSA starts with continuing to improve our internal operations. Utilizing this foundation of operational excellence, GSA can leverage the information we have about the agencies with which we work to proactively encourage adoption of acquisition, technology, and real estate solutions that provide the best value to government and the American people.

I have been honored to serve at GSA for the last seventeen months and, with your approval, I hope to have the honor of continuing to serve.

REDACTED

HSGAC BIOGRAPHICAL QUESTIONS FOR EXECUTIVE NOMINEES

1. Basic Biographical Information

Please provide the following information.

<i>Position to Which You Have Been Nominated</i>	
Name of Position	Date of Nomination
Administrator of General Services Administration	May 21, 2015

<i>Current Legal Name</i>			
First Name	Middle Name	Last Name	Suffix
Denise	Neomi Turner	Roth	Ms.

<i>Addresses</i>					
Residential Address (do not include street address)			Office Address (include street address)		
			Street: 1800 F Street, NW		
City: Washington	State: DC	Zip: 20003	City: Washington	State: DC	Zip: 20405

<i>Other Names Used</i>						
First Name	Middle Name	Last Name	Suffix	Check if Maiden Name	Name Used From (Month/Year) (Check box if estimate)	Name Used To (Month/Year) (Check box if estimate)
Denise	Neomi	Turner		X	May 1974	Est X Jan 2011

<i>Birth Year and Place</i>	
Year of Birth (Do not include month and day.)	Place of Birth
1974	Washington, DC

<i>Marital Status</i>					
Check All That Describe Your Current Situation:					
Never Married <input type="checkbox"/>	Married <input checked="" type="checkbox"/>	Separated <input type="checkbox"/>	Annulled <input type="checkbox"/>	Divorced <input type="checkbox"/>	Widowed <input type="checkbox"/>

<i>Spouse's Name (current spouse only)</i>			
<u>Spouse's First Name</u>	<u>Spouse's Middle Name</u>	<u>Spouse's Last Name</u>	<u>Spouse's Suffix</u>
Charles	Martin	Roth	Mr.

<i>Spouse's Other Names Used (current spouse only)</i>						
N/A						
<u>First Name</u>	<u>Middle Name</u>	<u>Last Name</u>	<u>Suffix</u>	<u>Check if Maiden Name</u>	<u>Name Used From</u> (Month/Year) (Check box if estimate)	<u>Name Used To</u> (Month/Year) (Check box if estimate)
N/A	N/A	N/A	N/A	N/A	N/A	N/A

<i>Children's Names (if over 18)</i>			
<u>First Name</u>	<u>Middle Name</u>	<u>Last Name</u>	<u>Suffix</u>
N/A	N/A	N/A	N/A

2. Education

List all post-secondary schools attended.

<u>Name of School</u>	<u>Type of School</u> (vocational/technical/trade school, college/university/military college, correspondence/distance/extension/online school)	<u>Date Began School</u> (month/year) (check box if estimate)	<u>Date Ended School</u> (month/year) (check box if estimate) (check "present" box if still in school)	<u>Degree</u>	<u>Date Awarded</u>
George Mason University	University	Aug. 1992	May 1998 ^{Est X}	BA Gov't & Politics	May 1998
UNC Greensboro	University	^{Est X} Aug. 2004	Dec. 2005	13 credits earned / No degree received	N/A
UNC Chapel Hill	University	July 2013	Aug. 2013	Certificate program	Aug. 2013

3. Employment

(A) List all of your employment activities, including unemployment and self-employment. If the employment activity was military duty, list separate employment activity periods to show each change of military duty station. Do not list employment before your 18th birthday unless to provide a minimum of two years of employment history.

<u>Type of Employment</u> (Active Military Duty Station, National Guard/Reserve, USPHS Commissioned Corps, Other Federal employment, State Government (Non-Federal Employment), Self-employment, Unemployment, Federal Contractor, Non-Government Employment (excluding self-employment), Other)	<u>Name of Your Employer/Assigned Duty Station</u>	<u>Most Recent Position Title/Rank</u>	<u>Location</u> (City and State only)	<u>Date Employment Began</u> (month/year) (check box if estimate)	<u>Date Employment Ended</u> (month/year) (check box if estimate) (check "present" box if still employed)
Other Federal employment	Rep. Jim Moran	Legislative Correspondent/Office Manager	Washington, DC	Est X Aug. 1994	Est X Aug. 1999
City Government	District of Columbia City Government	Public Space Manager	Washington, DC	Aug. 1999	Jan. 2003
Other Federal employment	Rep. Brad Miller	District Liaison & Campaign Manager	Greensboro, NC	Feb. 2003	Jan. 2007
Non-Government Employment	Greensboro Partnership	VP Government Affairs	Greensboro, NC	Jan. 2007	Nov. 2008
City Government	City of Greensboro	City Manager & Assistant City Manager	Greensboro, NC	Nov. 2008	Jan. 2014
Federal Government	General Services Administration	Deputy Administrator	Washington, DC	Feb. 2014	present
Federal Government	General Services Administration	Acting Administrator	Washington, DC	Mar. 2015	present

(B) List any advisory, consultative, honorary or other part-time service or positions with federal, state, or local governments, not listed elsewhere.

Answer: N/A

<u>Name of Government Entity</u>	<u>Name of Position</u>	<u>Date Service Began</u> (month/year) (check box if estimate)	<u>Date Service Ended</u> (month/year) (check box if estimate) (check "present" box if still serving)
N/A	N/A	N/A	N/A

4. Potential Conflict of Interest

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

Answer: N/A

Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration or execution of law or public policy, other than while in a federal government capacity.

Answer: In my capacity as VP of Governmental Affairs, I was the lobbyist for the local economic development group and chamber of commerce. We worked to influence state appropriation funding for public/private partnerships projects located in the city. We also opposed and supported state and local policies that adversely impacted our members (primarily members of the business community). In addition, as City Manager, I worked to support and oppose state policies that would adversely impact the city (mostly funding related items impacting the revenues of the city).

5. Honors and Awards

List all scholarships, fellowships, honorary degrees, civilian service citations, military medals, academic or professional honors, honorary society memberships and any other special recognition for outstanding service or achievement.

Answer:

- Triad Business Journal 40 under 40 award recipient. This award 'honors 40 remarkable individuals, all under the age of 40, who have distinguished themselves in their careers and community and also hold promise of great things to come'.
- Bestowed with the 'Key to the City' upon departure from the City of Greensboro. The key is only given with unanimous consent by each member of the Greensboro City Council.
- Recognized as FedScoop DC Top 50 Women in Tech 2015

6. Memberships

List all memberships that you have held in professional, social, business, fraternal, scholarly, civic, or charitable organizations in the last 10 years.

Unless relevant to your nomination, you do NOT need to include memberships in charitable organizations available to the public as a result of a tax deductible donation of \$1,000 or less, Parent-Teacher Associations or other organizations connected to schools attended by your children, athletic clubs or teams, automobile support organizations (such as AAA), discounts clubs (such as Groupon or Sam's Club), or affinity memberships/consumer clubs (such as frequent flyer memberships).

<u>Name of Organization</u>	<u>Dates of Your Membership</u> (You may approximate.)	<u>Position(s) Held</u>
National Forum for Black Public Administrators	2009-2013	Member
Women's Professional Forum	2008-2013	Member
Int'l City/County Manager Association	2009-2013	Member
National Association for Advancement of Colored People	2003-2007	Member
Bennett College for Women	Nov. 2014-Present	Trustee

Action Greensboro	Nov. 2012-Dec. 2013	Board Member
Future Fund	Jan. 2007-Dec. 2010	Member
UNC Greensboro	Jan. 2007-Dec. 2009	Board of Visitors
Family Services of the Piedmont	Jan. 2007-Dec. 2009	Board Member
Greensboro Historical Museum	Jan. 2006-Dec. 2008	Board Member

7. Political Activity

(A) Have you ever been a candidate for or been elected or appointed to a political office?

Answer: No

<u>Name of Office</u>	<u>Elected/Appointed/ Candidate Only</u>	<u>Year(s) Election Held or Appointment Made</u>	<u>Term of Service (if applicable)</u>
N/A	N/A	N/A	N/A

(B) List any offices held in or services rendered to a political party or election committee during the last ten years that you have not listed elsewhere.

<u>Name of Party/Election Committee</u>	<u>Office/Services Rendered</u>	<u>Responsibilities</u>	<u>Dates of Service</u>
Guilford County Democratic Party - Democratic Women of Guilford County	Member	N/A	2003-2008
Democratic African American Leaders of North Carolina	Member	N/A	2003-2006
Brad Miller for Congress	Campaign Manager	Managed campaign activity	2006

(C) Itemize all individual political contributions of \$200 or more that you have made in the past five years to any individual, campaign organization, political party, political action committee, or similar entity. Please list each individual contribution and not the total amount contributed to the person or entity during the year.

Answer: N/A

<u>Name of Recipient</u>	<u>Amount</u>	<u>Year of Contribution</u>
N/A	N/A	N/A

8. Publications and Speeches

(A) List the titles, publishers and dates of books, articles, reports or other published materials that you have written, including articles published on the Internet. Please provide the Committee with copies of all listed publications. In lieu of hard copies, electronic copies can be provided via e-mail or other digital format.

<u>Title</u>	<u>Publisher</u>	<u>Date(s) of Publication</u>
See attached.	See attached.	See attached.

(B) List any formal speeches you have delivered during the last five years and provide the Committee with copies of those speeches relevant to the position for which you have been nominated. Include any testimony to Congress or any other legislative or administrative body. These items can be provided electronically via e-mail or other digital format.

<u>Title/Topic</u>	<u>Place/Audience</u>	<u>Date(s) of Speech</u>
See attached.	See attached.	See attached.

(C) List all speeches and testimony you have delivered in the past ten years, except for those the text of which you are providing to the Committee.

<u>Title</u>	<u>Place/Audience</u>	<u>Date(s) of Speech</u>
See attached.	See attached.	See attached.

9. Criminal History

Since (and including) your 18th birthday, has any of the following happened?

- Have you been issued a summons, citation, or ticket to appear in court in a criminal proceeding against you? (Exclude citations involving traffic infractions where the fine was less than \$300 and did not include alcohol or drugs.) Answer: No
- Have you been arrested by any police officer, sheriff, marshal or any other type of law enforcement official? Answer: No
- Have you been charged, convicted, or sentenced of a crime in any court? Answer: No
- Have you been or are you currently on probation or parole? Answer: No
- Are you currently on trial or awaiting a trial on criminal charges? Answer: No

To your knowledge, have you ever been the subject or target of a federal, state or local criminal investigation?
Answer: No

- If the answer to any of the questions above is yes, please answer the questions below for each criminal event (citation, arrest, investigation, etc.). If the event was an investigation, where the question below asks for information about the offense, please offer information about the offense under investigation (if known).

A) Date of offense:

- a. Is this an estimate (Yes/No):

B) Description of the specific nature of the offense:

C) Did the offense involve any of the following?

- 1) Domestic violence or a crime of violence (such as battery or assault) against your child, dependent, cohabitant, spouse, former spouse, or someone with whom you share a child in common: Yes / No
- 2) Firearms or explosives: Yes / No
- 3) Alcohol or drugs: Yes / No

D) Location where the offense occurred (city, county, state, zip code, country):

E) Were you arrested, summoned, cited or did you receive a ticket to appear as a result of this offense by any police officer, sheriff, marshal or any other type of law enforcement official: Yes / No

- 1) Name of the law enforcement agency that arrested/cited/summoned you:

- 2) Location of the law enforcement agency (city, county, state, zip code, country):

- F) As a result of this offense were you charged, convicted, currently awaiting trial, and/or ordered to appear in court in a criminal proceeding against you: **Yes / No**
- 1) If yes, provide the name of the court and the location of the court (city, county, state, zip code, country):
 - 2) If yes, provide all the charges brought against you for this offense, and the outcome of each charged offense (such as found guilty, found not-guilty, charge dropped or "nolle pros," etc). If you were found guilty of or pleaded guilty to a lesser offense, list separately both the original charge and the lesser offense:
 - 3) If no, provide explanation:
- G) Were you sentenced as a result of this offense: **Yes / No**
- H) Provide a description of the sentence:
- I) Were you sentenced to imprisonment for a term exceeding one year: **Yes / No**
- J) Were you incarcerated as a result of that sentence for not less than one year: **Yes / No**
- K) If the conviction resulted in imprisonment, provide the dates that you actually were incarcerated:
- L) If conviction resulted in probation or parole, provide the dates of probation or parole:
- M) Are you currently on trial, awaiting a trial, or awaiting sentencing on criminal charges for this offense: **Yes / No**
- N) Provide explanation:

10. Civil Litigation and Administrative or Legislative Proceedings

Since (and including) your 18th birthday, have you been a party to any public record civil court action or administrative or legislative proceeding of any kind that resulted in (1) a finding of wrongdoing against you, or (2) a settlement agreement for you, or some other person or entity, to make a payment to settle allegations against you, or for you to take, or refrain from taking, some action. Do NOT include small claims proceedings.

Answer: No

<u>Date Claim/Suit Was Filed or Legislative Proceedings Began</u>	<u>Court Name</u>	<u>Name(s) of Principal Parties Involved in Action/Proceeding</u>	<u>Nature of Action/Proceeding</u>	<u>Results of Action/Proceeding</u>
N/A	N/A	N/A	N/A	N/A

In addition to those listed above, have you or any business of which you were an officer, director or owner ever been involved as a party of interest in any administrative agency proceeding or civil litigation? Please identify and provide details for any proceedings or civil litigation that involve actions taken or omitted by you, or alleged to have been taken or omitted by you, while serving in your official capacity.

Answer: N/A

<u>Date Claim/Suit Was Filed</u>	<u>Court Name</u>	<u>Name(s) of Principal Parties Involved in Action/Proceeding</u>	<u>Nature of Action/Proceeding</u>	<u>Results of Action/Proceeding</u>
N/A	N/A	N/A	N/A	N/A

(C) For responses to the previous question, please identify and provide details for any proceedings or civil litigation that involve actions taken or omitted by you, or alleged to have been taken or omitted by you, while serving in your official capacity.

11. Breach of Professional Ethics

(A) Have you ever been disciplined or cited for a breach of ethics or unprofessional conduct by, or been the subject of a complaint to, any court, administrative agency, professional association, disciplinary committee, or other professional group? Exclude cases and proceedings already listed.

Answer: No

<u>Name of Agency/Association/ Committee/Group</u>	<u>Date Citation/Disciplinary Action/Complaint Issued/Initiated</u>	<u>Describe Citation/Disciplinary Action/Complaint</u>	<u>Results of Disciplinary Action/Complaint</u>
N/A	N/A	N/A	N/A

(B) Have you ever been fired from a job, quit a job after being told you would be fired, left a job by mutual agreement following charges or allegations of misconduct, left a job by mutual agreement following notice of unsatisfactory performance, or received a written warning, been officially reprimanded, suspended, or disciplined for misconduct in the workplace, such as violation of a security policy?

Answer: No

12. Tax Compliance

(This information will not be published in the record of the hearing on your nomination, but it will be retained in the Committee's files and will be available for public inspection.)

REDACTED

REDACTED

13. Lobbying

In the past ten years, have you registered as a lobbyist? If so, please indicate the state, federal, or local bodies with which you have registered (e.g., House, Senate, California Secretary of State).

Answer: State of North Carolina (2007 thru 2008).

14. Outside Positions

Answer: ☒ See OGE Form 278. (If, for your nomination, you have completed an OGE Form 278 Executive Branch Personnel Public Financial Disclosure Report, you may check the box here to complete this section and then proceed to the next section.)

For the preceding ten calendar years and the current calendar year, report any positions held, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

<u>Name of Organization</u>	<u>Address of Organization</u>	<u>Type of Organization</u> (corporation, firm, partnership, other business enterprise, other non-profit organization, educational institution)	<u>Position Held</u>	<u>Position Held From</u> (month/year)	<u>Position Held To</u> (month/year)
N/A	N/A	N/A	N/A	N/A	N/A

15. Agreements or Arrangements

Answer: ☒ See OGE Form 278. (If, for your nomination, you have completed an OGE Form 278 Executive Branch Personnel Public Financial Disclosure Report, you may check the box here to complete this section and then proceed to the next section.)

As of the date of filing your OGE Form 278, report your agreements or arrangements for:

(1) continuing participation in an employee benefit plan (e.g. pension, 401k, deferred compensation); (2) continuation of payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment.

Provide information regarding any agreements or arrangements you have concerning (1) future employment; (2) a leave of absence during your period of Government service; (3) continuation of payments by a former employer other than the United States Government; and (4) continuing participation in an employee welfare or benefit plan maintained by a former employer other than United States Government retirement benefits.

<u>Status and Terms of Any Agreement or Arrangement</u>	<u>Parties</u>	<u>Date</u> (month/year)
N/A	N/A	N/A

16. Additional Financial Data

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

REDACTED

REDACTED

SIGNATURE AND DATE

I hereby state that I have read the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

 June 10, 2015

This 10th day of June, 2015

UNITED STATES OFFICE OF
GOVERNMENT ETHICS**REDACTED**

JUN - 2 2015

The Honorable Ron Johnson
Chairman
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

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

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

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

Sincerely,

David J. Apol
General Counsel

Enclosures

REDACTED

May 22, 2015

Kris E. Durmer
Designated Agency Ethics Official
General Services Administration
Office of General Counsel
1800 F Street, NW
Washington, DC 20405

Dear Mr. Durmer:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Administrator of the General Services.

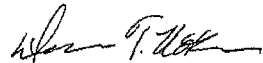
As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Upon confirmation, I will resign from my position on the board of trustees of Bennett College for Women. For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties in which I know Bennett College for Women is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I understand that as an appointee I must continue to abide by the Ethics Pledge (Exec. Order No. 13490) that I previously signed and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.

I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,

A handwritten signature in black ink, appearing to read "Denise T. Roth", written in a cursive style.

Denise Turner Roth

**U.S. Senate Committee on Homeland Security and Governmental Affairs
Pre-hearing Questionnaire
For the Nomination of--- Denise Turner Roth to be
Administrator, General Services Administration**

I. Nomination Process and Conflicts of Interest

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

I believe that the President nominated me to serve as the Administrator of the General Services Administration due to my nearly 20 years of public service working to further economic development and efficient administrative changes. In particular, I believe that my time serving as the Deputy Administrator under Administrator Tangherlini helping to execute the agency's reforms, and serving as the Acting Administrator since he left, made me a logical choice to be nominated to serve as Administrator.

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

Upon confirmation, I have agreed to resign from my position on the Board of Trustees at Bennett College.

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

None.

4. What specific background and experience affirmatively qualify you to be Administrator of GSA?

During nearly 20 years of public service, I have furthered economic and administrative change in large, complex organizations and at multiple levels of government. I served multiple Members of Congress in various roles. I also have served in multiple positions in City government both here in the District of Columbia and Greensboro, North Carolina; most recently, I was the City Manager in Greensboro, NC, where we reorganized city departments and divisions to improve service delivery and promote efficiency. I have also served since March of last year as the Deputy Administrator and now Acting Administrator at GSA, where I have focused on improving performance throughout the agency and executing the agency's ongoing reform efforts.

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

I have committed to myself and this Administration, and commit to this Committee and Congress, to hold to the highest standards of ethics and integrity, and to work diligently to fulfill GSA's important mission of delivering the best value in real estate, acquisition, and technology services to government and the American people.

II. Background of the Nominee

6. What experiences have you had in managing a large real estate portfolio or in managing large-scale acquisitions, or that are relevant to these two major functions of GSA?

As Deputy Administrator and Acting Administrator at GSA, I have been involved in the management and operations of the entire agency. In particular, as the Deputy Administrator, I managed GSA's operating divisions, and worked to reduce overhead and execute the recent reforms we have put in place. I also was responsible for executing the agency's long-term performance planning and annually assessing it. Through these efforts, we set metrics for each of GSA's major divisions, and in particular the goals on acquisition and real estate. This hands-on experience at GSA, both executing major changes within the organization and defining its long-term priorities, has prepared me well to take the helm of the agency and understand where the challenges and opportunities are throughout the organization.

I also was City Manager of Greensboro, NC, where I was responsible for more than 3,000 full-time employees and execution of a \$459 million budget. In that capacity, I managed the budget, capital construction, personnel, and acquisition activities of the City. Much of the work at the City was similar to the important activities of GSA, from engaging small businesses to prioritizing investment needs to delivering the best value with public dollars. Due to this role, I also have first-hand experience of going through the process of effectively executing a building or acquisition project and know where the pitfalls and challenges can be. As I prepared to leave, the City of Greensboro was beginning approximately \$100 million worth of construction projects. From this experience, I also learned the value of engaging appropriate stakeholders as projects move forward.

I also served as Vice President of the Greensboro Partnership. In that position, I brought both private and public parties to the table to drive investment for a project. This helped me understand the characteristics of a valuable project, the steps that the government in particular must take to pursue these types of investments, and the important work we can accomplish when all parties are at the table working together.

7. What experiences have you had either directly managing or overseeing a large number of employees?

As mentioned, I was the City Manager in Greensboro, NC, where I was responsible for more than 3,000 employees and a \$459 million budget.

I have also served at GSA both as Deputy Administrator and Acting Administrator. As the Deputy Administrator, I managed GSA's operating divisions, which were in the process of consolidating due to the agency's reform efforts. As Acting Administrator, I have maintained a focus on responsibly executing these reforms, while also managing the strategic planning, performance management, and budget development process for the organization.

8. What lessons have you learned as Acting Administrator at GSA?

I have learned the importance of recruiting and retaining talent; the need to communicate the vision and mission of the organization to employees across the agency, including all of GSA's regional offices; and the crucial, continued focus on performance management and accountability.

III. Role and Responsibilities of the Administrator

9. What do you view as the greatest challenges of the Administrator?

Some of the greatest challenges facing GSA's Administrator are maintaining a high level of performance across the organization; building a strong and compelling vision that the organization can rally behind; pushing the organization to do more in this moment to assist the federal government in saving money through the use of modern technology and proactive pursuits; and demonstrating and delivering value from GSA's programs.

10. What do you anticipate being the greatest challenges you would face as Administrator in comparison to Acting Administrator, and how would you seek to prepare for those challenges?

I view as the greatest challenge the relatively short amount of time remaining in the Administration to make a positive, long-lasting impact to the operations, transparency and efficiency of the organization. That is why it will be important to maintain a clear set of priorities, chief among these to continue to execute on the reforms we have put in place.

11. What is your view of the role of the GSA Office of the Inspector General?

I view the role of the GSA Office of the Inspector General as absolutely critical to the success of GSA's operations, and vital to rooting out fraud, waste, and abuse in the organization. The Inspector General performs a variety of roles for the organization, including doing preaward audits to ensure we get the best value out of our contracting. I view the Inspector General as a partner (along with Congress). I maintain an open line of communication with the Acting Inspector General and intend to do so with the new Inspector General if confirmed, and I want to stress my commitment to responding seriously and substantively to all issues raised by the Inspector General.

12. If confirmed, how do you plan to maintain a positive working relationship with the Acting Inspector General (or Inspector General when new leadership is confirmed)?

In my current capacity as Acting Administrator, I have maintained a positive working relationship with the Acting Inspector General by ensuring that we have monthly routine interactions where I can understand any ongoing concerns, provide updates on actions we have taken in response to recommendations, and hear about any new issues that need to be addressed. If confirmed as Administrator, I hope to maintain that relationship with the new Inspector General, upon her confirmation, in whatever manner she deems appropriate.

I also will continue to stress to employees in the organization that they should go to the Inspector General if they have any suspicion of fraud, waste, or abuse, and should respond in full and in a timely manner to any request for information that comes from their office.

13. Inspectors General from time to time make recommendations to the agency as a part of their report, audit, or investigation. If confirmed, do you commit to ensuring that all such recommendations are reviewed, responded to, if necessary, and, unless the agency justifies its disagreements with the recommendations, implemented to the fullest extent possible within a reasonable time period?

Yes.

14. The Inspector General Act provides that Inspector General shall have access to "all records, reports, audits, reviews, documents, papers, recommendations or other material available to the applicable establishment which relates to programs and operations with respect to which that Inspector General has responsibilities under this Act." Do you believe there are any limitations on the documents the GSA Office of the Inspector General can access? Please explain.

I believe the Inspector General should have access to all the records, reports, audits, reviews, documents, papers, and recommendations needed to conduct their work under the Inspector General Act.

15. As the Administrator, what measures would you use to determine whether GSA is successful?

I believe that setting clear metrics to track the progress of the organization is critical to the organization's success. GSA's most important measures deal with my highest priority, which is to continue to execute our ongoing reforms. On that priority, I will continue to evaluate our progress on a continued frequent basis in reducing overhead and consolidating functions to improve oversight and accountability.

Beyond that, we are also tracking metrics on the value we deliver to partner federal agencies, particularly in savings, and I believe we must effectively hit those measures as well to be successful.

16. Under what circumstances do you believe direct communications regarding GSA matters between individual GSA employees (including whistleblowers) and Congressional offices is appropriate and desirable?

I am strongly supportive of whistleblowers communicating with whomever they believe appropriate, whether the Inspector General or Congress, to report any concerns they have.

I believe that direct communications between GSA and Congress is important to both Congress's ability to conduct appropriate oversight and GSA's ability to effectively execute on its mission.

a. Do you know of any impediments to such communications?

I have no personal knowledge of any such impediments.

b. Are there any steps that GSA has taken or that you believe GSA should take to enable such communications?

GSA will continue to stress to its employees that they are encouraged to report fraud, waste, and abuse to the Inspector General and Congress.

Should the Committee have any concerns or suggestions for improving communication, I would certainly welcome them.

IV. Policy Questions

Management

17. In your view, what are the critical challenges facing GSA?

The most critical challenge facing GSA is to successfully execute our ongoing organizational reforms focused on transparency in management, reporting structures and staff consolidation, while also utilizing our expertise to be more proactive government-wide in driving value in real estate, acquisition, and technology.

a. Of the critical challenges you noted above, what are the highest priority issues, and how would you address these issues as the Administrator?

My highest priority is to make sure our reform efforts are executed successfully. That means continuing to measure and track the organization's progress on a variety of measures, from divesting of non-core activities like the financial management line of business, to hitting our targets for reduced overhead, to successfully completing the consolidation of our CxO functions. If confirmed, my focus will be on these efforts.

Beyond that, I want to ensure that GSA is utilizing its expertise to proactively engage and encourage agencies to make money-saving decisions that provide better value. That could mean everything from a consolidation opportunity in a local community to a better acquisition vehicle for a significant investment from a partner agency. I will be working with the commissioners of GSA's major business lines to ensure that these organizations are focused on this engagement and establishing meaningful metrics to track our progress in helping agencies make better decisions.

18. What do you believe are the qualities of an effective manager?

I believe that an effective manager maintains high standards of integrity, ethics, and excellence; sets a clear vision for success and holds everyone (including themselves) accountable to success; and is able to motivate a team through an optimistic and positive approach.

a. How would you describe your management style?

My management style is to present a positive and compelling vision that gives a sense of mission and purpose as well as engaging the leadership team in defining success. Additionally, I establish clear metrics in support of that vision that keep the organization focused and that allow the management team to track where we are succeeding and where we need to improve.

b. What are the most important lessons you have learned about management in previous management positions you have held?

I have learned that positive, optimistic thinking is vital to leading an organization; that you should believe in the capabilities of your team and your organization; that you cannot succeed without the data needed to make the right decisions; that each member of the team understand their role and are held accountable for the role they play in the organization; and that it is important to identify the right people for the right roles.

c. What qualities do you look for in assembling a management team?

I look to surround myself with positive, forward-thinking problem solvers who see challenges as opportunities to better the organization and who stay focused on the mission and purpose of the organization.

d. What is your approach to delegating work and responsibilities to others?

I first look to establish the highest priorities of the organization. I focus my time and attention on those priorities. Then, I look to delegate the other critical activities of the organization to the leaders who report to me. For all of these priorities, I look to ensure that there are clear metrics, and data that can be transparently tracked, so that we can determine where we are making progress and where we are not and need to make adjustments.

19. In your opinion, what is the number one management challenge at GSA right now and how do you plan to address it?

The number one management challenge is to execute our reforms in a way that inculcates cultural change so that they will last beyond this Administration. Based on my experience, I believe this will happen by continuing to present a clear and compelling vision, ensuring the leadership is committed and engaged in the changes and closely monitoring the measures we have put in place to track our progress, including surveys of our employees.

20. If confirmed, how would you handle disciplinary issues?

a. How would you respond to underperforming individuals within your office and the agency at large?

It is essential that underperforming individuals are informed early in the process that they are not meeting performance expectations and directed on what they should do to correct that performance issue. If the individual does not improve performance, appropriate disciplinary action should be taken. Where employees still do not meet expectations in delivering value to the American people, I expect my managers to hold those employees accountable using all appropriate means. A successful disciplinary and performance program includes clear success

measures, assistance and guidance to achieving goals and regular review of employee performance.

b. Please explain your views on when it is appropriate to put an employee on paid administrative leave and for how long.

In my personal view, administrative leave should be used sparingly, and managers should look to resolve the disciplinary review quickly. It is a disadvantage for the organization to have individuals in an administrative leave status for extended periods of time. Extended administrative leave undermines the morale of the organization, is costly to the organization and keeps it from progressing forward.

It is important for managers to work closely with the General Counsel's office and Office of Human Resources Management to make sure they understand and are using the most appropriate option under the law to address employee issues.

21. The previous Administrator of GSA performed a review of performance awards at GSA that led to cutting the budget for Senior Executive Service bonuses.

a. Are you satisfied with current use of bonuses at GSA? Please explain.

Over the past few years, as part of a top-to-bottom review effort, GSA eliminated several major awards programs and limited the use of performance awards, in order to ensure that awards are only given for exceptional performance in support of the American people.

Overall, I am satisfied that these actions have helped to ensure that performance awards are far more limited and given to top performers in the organization.

b. What action, if any, do you plan to take to address the issue of bonuses at GSA?

I intend to focus on effective use of performance management across the organization. In short, that means an organization where employees understand what is expected of them, managers are both held accountable and hold employees accountable for that performance, and, most importantly, that the organization is focused on metrics that deliver results for the American people.

If those fundamentals are in place, then GSA can be confident in its performance awards program.

c. What is your opinion of the current SES performance management system at GSA?

I believe that GSA has made strides in ensuring that performance awards are given for results delivered for the American people. We have also eliminated undue awards programs and become compliant with government-wide standards. However, we must continue to do more to

ensure that effective principles of performance management, particularly in holding employees accountable for delivering results, are adhered to across the organization.

22. How often do you believe GSA should review and update its fee schedules? What sources would you consult to inform your decision of which fees are appropriate to modify?

We must ensure that GSA sets fees only to recapture costs, as required in the law, and to make high-priority investments in support of federal agencies. In response to GAO and OIG audits, GSA has developed a set of criteria and methodology for performing in-depth reviews to develop cost and fee structures.

Additionally, my predecessor put in place new leadership at the Federal Acquisition Service (FAS) and asked them to assess the fee structure.

Based on that review, FAS has implemented a number of rate reductions to provide agencies with greater value and savings. For example, in FY 2014, the Fleet program reduced its base rate by 1 percent and issued a mid-year rebate to agencies totaling approximately \$12 million. In FY 2015, in response to low gas prices and high sales prices for used vehicles, the Fleet program reduced its base rate an additional 2 percent and issued a mid-year rebate to agencies totaling approximately \$128 million. The General Supplies and Services portfolio has transitioned business models to a lower-cost structure that has resulted in a reduction in rates. In FY2015, the Supply Chain Management program has reduced rates from approximately 30 percent to less than 20 percent and will achieve further reductions in FY 2016 to a stable 15 percent markup. In addition, in FY 2014, the Regional Telecom program reduced rates by 5 percent. With the transition to the new telecom contract, further reductions are anticipated as the transition is implemented.

However, I believe that GSA must continually assess its fee schedules, at least on an annual basis, to ensure we are only covering our costs and investments that support other agencies. We would welcome the views of Congress and this Committee as we do this.

23. What additional steps do you think could be taken to further incentivize cost savings behavior at every level in the agency, from senior executives to front-line employees?

I think there are additional opportunities for GSA to proactively leverage our position to drive even greater savings across government. While GSA has incorporated cost savings metrics into senior executive performance plans that cascade down to employees throughout the organization, I also want to ensure we build metrics on our organizational performance measures that assess the value we are providing to other agencies.

24. Do you believe that any further restrictions on conferences across the federal government are necessary? And are any limitations imposed after the conference scandal no longer warranted?

I believe that the federal government has made significant progress in reducing travel and conference spending. At GSA, I would keep the current structure in place which ensures senior level visibility and accountability into conference related travel, as well independent evaluation of that activity. It is important that we continue to see a direct link between conference travel and mission delivery; the current review processes helps to ensure that connection.

Real Property

25. Congress has encouraged the Federal Government to dispose of vacant and underutilized space as well as consolidate space.

a. What, if any, reforms would you suggest to reduce the federal government's real property footprint?

To reduce the federal government's real property footprint, I will focus on effective implementation of the many reforms currently underway.

First, I am committed to working closely with our partner agencies and the Office of Management and Budget (OMB) to implement the Administration's new National Strategy for Real Property and the associated Reduce the Footprint initiative. In the next couple of weeks, GSA and OMB will receive agencies' five-year efficiency plans and, after a thorough review, we will offer ideas for improvement. Reviewing these plans will bolster our efforts to identify new opportunities for consolidation and disposal, and I am committed to our goal of working more proactively with agencies to pursue projects that will more effectively achieve space reductions. Our current efforts in FY 2015 to identify disposal opportunities have resulted in three million square feet of space that can be eliminated from the federal footprint. The Reduce the Footprint Initiative should bolster this effort and I am committed to ensuring progress on this front.

Second, I will continue to aggressively pursue GSA's consolidation efforts to improve space utilization and decrease reliance on costly leases. In FY 2014, these efforts led to projects that will reduce the federal footprint by 507,000 square feet and save partner agencies \$17 million in annual rent costs. In this year's budget request, GSA more than doubled the investment requested for consolidation activities to achieve even greater savings and further reductions in our footprint.

Lastly, I will continue to pursue use of our flexible authorities so that we can reposition assets that are underutilized or that no longer effectively serve a federal need. These innovative approaches, including exchanging assets for construction services and other property, do not require upfront appropriations and can allow us to more quickly reposition an asset to provide better value to the taxpayer.

b. What is GSA doing to reduce its own footprint for its own needs as an agency?

GSA is looking at every tool available to optimize our inventory, reposition unneeded property, and reduce long-term real estate costs. Last year, GSA disposed of 12 of its own buildings, generating about \$1 million in proceeds and eliminating more than \$500,000 in annual operating and maintenance costs. We are also using innovative exchange authorities to dispose of underutilized and unneeded space, including the Cotton Annex in Washington, D.C. At our headquarters building, we have modernized the building to significantly improve its utilization, allowing us to consolidate out of leased space, saving \$24 million annually in lease payments. We will further improve our own utilization by consolidating our National Capital Regional office into our headquarters building.

I will continue to advance these efforts and make sure GSA is not holding onto any space that we do not need.

c. What, if any, reforms would you suggest to expedite the process for disposing of excess, underutilized, or surplus property?

We need to work with OMB and other partner agencies to drive more accurate and complete reporting from agencies so that we fully understand the federal government's real property inventory. Comprehensive, quality data will allow GSA to work with other landholding agencies to help improve decision-making and pursue cost-saving real estate investments.

Additionally, there are other reforms that could assist in disposing of excess, underutilized, or surplus property, such as:

- 1) Incentivizing disposal of properties. Federal entities such as the Coast Guard and the Forest Service which currently have the authority to retain proceeds have demonstrated much more progress with surplus property disposals relative to other agencies that cannot retain proceeds. Over the last five fiscal years, the Coast Guard accounted for 90 percent of the DHS properties disposed; and the Forest Services accounted for 94 percent of the properties which USDA disposed. Other entities within DHS and USDA do not have retention of proceeds and may lack the incentive to dispose of surplus property;
- 2) Streamlining some steps in the disposal process. For instance, GAO has recommended considering different ways to provide support to the homeless, rather than the mandatory screening currently required under law. This streamlining should be done in a thoughtful manner, so that non-monetary beneficial outcomes of federal property disposal could still be realized, and may require legislation; and
- 3) Addressing the upfront costs of property disposal. Often GSA hears from agencies that doing the necessary upfront work to get rid of unneeded property, whether relocating existing

employees or completing needed environmental clean-up, can slow the disposal of these assets, often due to a lack of funding to execute the upfront work.

26. GSA has broad responsibility for effectively managing federal real property. However, GAO has included federal real property management on its High Risk list each year since 2003. One area on which GAO has reported extensively is the GSA-maintained database of agencies' inventories of their real property, the Federal Real Property Profile (FRPP). According to GAO, inconsistent reporting by federal agencies raises questions about the FRPP's accuracy and reliability. What steps will you take to ensure that the FRPP is reporting accurate inventories of federal real property to assist in disposing of excess, underutilized, or surplus properties?

Complete and accurate data on what the government owns is critical to making better real estate decisions government-wide, and necessary for GSA to be successful as we work to more proactively assist agencies in making smarter asset management decisions.

I will work to improve the accuracy and reliability of the FRPP, including through clarifying data definitions and adding data elements to increase transparency; evolving the FRPP from a static database into a management tool that provides agencies with greater analytic capability to identify disposal and consolidation opportunities provides an incentive for them to improve data quality; requiring the certification of agency data submittals to the FRPP by agency Chief Financial Officers, elevating the importance of these data submittals; and improving the validation and audit process used by agencies prior to data submittal to the FRPP. I am also committed to continuing GSA's quarterly meetings with GAO, which are used to report on progress and to seek GAO's counsel for improved data quality and reporting.

27. As you know, the Administration recently announced the National Strategy for Real Property and the Reduce the Footprint policy. GSA plays a key role in implementing these policies through data management and analytics to identify real property efficiency opportunities and measure agency performance in reducing their footprint. What are some of the key challenges and opportunities for GSA as it works with OMB to implement the National Strategy and Reduce the Footprint? How do you plan to ensure that these initiatives will succeed?

The Administration's recent National Strategy for Real Property provides GSA with an opportunity to proactively engage with our partner agencies to identify opportunities for disposals, co-locations, and consolidations, and assist agencies in preparing their 5-year Real Property Efficiency Plans. Draft plans are due to OMB and GSA in July, and final plans are due in September. Having the opportunity to review the draft plans gives GSA, working cooperatively with OMB, the opportunity to identify a number of potential cost-saving opportunities for other landholding agencies. I am committed to the success of these initiatives and will make it a priority to ensure GSA and OMB leadership implementing these initiatives have defined strategies for oversight of implementation of the efficiency plans to make sure they are on track. I also welcome your oversight of these programs, and will work with you to make any improvements that will bolster the success of the National Strategy and Reduce the Footprint initiatives.

28. Short of legislative reforms to the congressional budget scoring process, what concrete steps will you take during your tenure to move away from leases to federally-owned properties where it makes sense?

I will continue to prioritize consolidating federal agencies from leased space into owned space. In FY 2014, by using the \$70 million in consolidation funds provided by Congress, we were able to reduce the federal footprint by 507,000 square feet and save partner agencies \$17 million in annual rent costs. This year, I will work to ensure that consolidation investments continues, and that we are ready to use whatever resources Congress appropriates in FY2016 to make additional progress on consolidation projects that will reduce our reliance on leased space.

In addition, I will work to ensure that GSA follows up with our partner agencies to ensure that the opportunities identified for co-location and consolidation are included in the agencies' Property Efficiency Plans, which are part of the new National Real Property Strategy.

Finally, I will work with Congress and other stakeholders to try to continue to advance important capital projects that will enable agencies to move out of expensive leased space and into federally owned space. One of the best examples of this type of project is the Department of Homeland Security (DHS) Consolidation at St. Elizabeths. Currently, DHS is spread out in more than 50 locations across the DC metropolitan area, mostly in leased space. Once complete, DHS will be able to consolidate out of these locations and onto the federally owned campus. Once complete, we will save taxpayers more than \$4 billion compared to the way that DHS is currently housed.

29. Do you think that the McKinney-Vento program can be improved both for federal agencies seeking to dispose of property and homeless assistance providers seeking to obtain access to excess federal property? Please explain.

It is my understanding that public benefit conveyances, including those under McKinney-Vento, are important to GSA. GAO, in looking at the relatively small percentage of properties that have been conveyed for homeless use, has recommended that Congress consider changes to this program that could perhaps streamline or improve the current process. I would welcome the opportunity to work with the Committee on this issue.

a. Overall, do you think that the McKinney-Vento program is an effective and efficient way for the government to assist the homeless?

Given that less than 1 percent of the properties reported to HUD as potentially available for homeless assistance were actually transferred for this purpose, it may be worth considering whether there is a more effective or targeted approach. I would welcome the opportunity to work with the Committee on this issue.

30. After a GAO report critical of extensive lease holdovers at properties leased by GSA, it appears that GSA has significantly reduced the number of lease holdovers. However, instead, GSA is simply entering into short term continuations of leases rather than renegotiate them or holdover. Do you think that this is a more cost-effective way to manage GSA's leases?

No. Reducing holdovers is an important goal, but short-term lease extensions are often another sign that we should have engaged in better and earlier planning prior to the expiration of a lease. Sometimes a short-term lease extension is a necessary precursor to a better long-term solution, like a consolidation into federally owned space. However, short-term extensions come with a cost premium, and we should seek competitive longer-term arrangements unless the extension is tied to a specific plan.

31. How will GSA evaluate whether the new FBI Headquarters will be of equal value to a square city block in downtown Washington, D.C. and the J. Edgar Hoover building that it is being exchanged for?

GSA and FBI have developed a procurement process that looks to maximize the value of the Hoover property. Typical of our projects, GSA relies on licensed, third-party and independent appraisals to help determine the value of properties for planning purposes.

St. Elizabeths Campus

32. In September of 2014, GAO made four recommendations to GSA and the Department of Homeland Security (DHS) concerning the St. Elizabeths consolidation project for DHS, including recommending that GSA and DHS work jointly to develop revised cost and schedule estimates for the remaining portions of the consolidation project that conform to GSA guidance for cost and schedule estimation. On June 24, 2015 the Committee favorably ordered reported S. 1638, the Department of Homeland Security Headquarters Consolidation Accountability Act of 2015. The bill would require DHS and GSA to provide Congress an update on the implementation of the Office of Management and Budget approved enhanced plan for the DHS headquarters consolidation project. Will you commit, if confirmed, to working collaboratively with DHS to provide the Committee the information that would be required under S. 1638, whether or not S. 1638 is enacted?

Yes, I welcome the opportunity to work collaboratively with DHS and the Committee to provide this information.

Strategic Sourcing, Contracting, and Acquisition

33. GAO has identified increased use of strategic sourcing as a means of saving tens of billions of dollars in federal procurement spending. Yet, use of strategic sourcing remains low in many agencies. What, if any, reforms would you suggest to increase the use of strategic sourcing? What do you believe GSA could be doing better to create new opportunities for strategic sourcing in the federal government?

GSA strongly believes in the value of strategic sourcing. With strategically sourced solutions like the third generation of Office Supplies contracts (OS3), we will be able to save the government \$90 million on the acquisition of common items like pens, paper, and printing items, while getting greater information on the spending of agencies that allow us to further drive down prices.

In partnership with OMB, we are moving forward with the next evolution of that effort through Category Management. It is a proven approach used extensively by other public and private entities, and will enable the federal government to buy smarter and more like a single enterprise. Under Category Management, the federal government will look at broader strategies to identify core categories of spend, and develop specialized levels of expertise, share best practices, provide streamlined solutions, and manage supply and demand for each of the categories. The objective is to increase efficiency and effectiveness while reducing costs and redundancies.

In December 2014, the Office of Federal Procurement Policy, with the help of GSA, divided the federal marketplace into ten government-wide categories of commonly purchased items as part of a larger move towards Category Management. The ten categories represent \$270 billion, or two-thirds, of the total federal government spend on common goods and services. These ten categories are as follows: (1) Information Technology, (2) Professional Services, (3) Security and Protection, (4) Facilities and Construction, (5) Industrial Products and Services, (6) Office Management, (7) Transportation and Logistics Services, (8) Travel and Lodging, (9) Human Capital, and (10) Medical.

A key preliminary step in Category Management is to understand the spending in each category. An accurate spend analysis will help us to understand current performance and opportunities, market trends, and will allow us to identify opportunities for strategic sourcing. Category Management initiatives may not always result in a new acquisition; instead, value may be achieved through better demand management practices, reductions in duplicative or suboptimal acquisition vehicles, or improved supplier performance. Strategic sourcing will continue to be one effective strategy that a Category Manager may implement to drive down total costs and improve overall performance for that category.

Through implementation of Category Management, GSA and OMB will be able to identify the best opportunities for new strategically sourced acquisition vehicles that can drive the best value for the federal government.

34. GSA has taken steps to improve transparency, minimize price volatility, and reduce duplicative contracts in Federal procurement through the use of Category Management, which is a strategy for dividing the federal marketplace into categories of commonly purchased items and developing a government-wide approach for each. Under this initiative, GSA is also developing a Common Acquisition Platform which will provide contracting officers with comprehensive information on contract vehicles, market trends, and transactional data. If confirmed, what steps will you take to ensure these initiatives proceed in a way that minimizes administrative cost increases for vendors?

The goal of Category Management is, in part, to provide greater visibility and transparency on federal spending patterns and contract vehicles available to the federal government. Through this increased transparency, agencies will be encouraged to use best-in-class acquisition solutions that provide more value to the government while also saving the time and expense of creating a duplicative contract vehicle for those same services.

However, these efforts can also benefit vendors. By having a window into agency spending patterns, vendors may be able to anticipate federal needs moving forward in a way that can inform their business decisions and allow the government to quickly and cost-effectively meet its needs.

GSA is keenly aware that we must maintain a balance between gathering the information that the federal government needs to continue to make better and more cost-effective purchasing decisions, and not unduly or hastily imposing new reporting requirements on vendors. For instance, GSA has proposed a new rule to collect transactional data on procurements across our government-wide acquisition vehicles. Understanding better what the government buys and the different prices that the government pays for similar products and services is vital to get the best value and reduce price variation (which can be as much as 300 percent). To balance this new reporting requirement, GSA is proposing to concurrently eliminate a burdensome reporting requirement that industry has indicated is challenging to implement.

While we understand this may not be viewed as a perfect solution by all stakeholders, it is a signal that GSA will look to find the right balance as we continue to move forward. We look forward to working further with Congress to ensure the government continues to buy smarter and more cost-effectively in a way that does not unduly burden vendors.

35. What steps do you think could be taken to strengthen the use of competition under interagency contracts awarded by GSA?

GSA must take additional steps to deliver better acquisition vehicles, demonstrate the value of our acquisition vehicles, and help agencies understand how to best utilize our acquisition vehicles.

Improving the competition between schedule vendors is an excellent way to quickly and efficiently get a good price and value for an agency. GSA provides training to agencies on the

best ways to obtain competitive quotes from Schedule vendors and other GSA contract holders. GSA manages the Federal Procurement Data System which provides the definitive reports used by government to measure competition levels across the federal government. The GSA Senior Procurement Executive is working on data visualizations to make the FPDS data more actionable by GSA offices and, eventually, for other agencies.

GSA also does procurement work for other agencies, and has extensive internal controls to ensure proper competition takes place as part of these interagency acquisition events. We also will continue to work with the Chief Acquisition Officer Council, the Federal Acquisition Institute and on an agency-by-agency basis to improve understanding about how to get the best value from GSA Schedules.

Through these and other efforts, I hope we can encourage agencies to make use of GSA's acquisition vehicles in the most effective way possible.

36. How can GSA avoid duplicative contracts for the same or similar services?

GSA and OMB are focused on avoiding duplicative contract vehicles, and utilizing the best acquisition vehicles possible for agency needs. This began with efforts to procure common goods and services using strategic sourcing. Since 2010 and with the support of the Strategic Sourcing Leadership Council, agencies have reduced contract duplication by up to 40 percent in some areas, and have saved more than \$417 million when government-wide strategic sourcing has been utilized.

Building on the success of strategic sourcing, GSA worked with OMB in the establishment of the Common Acquisition Platform, and the standing up of hallways under the Category Management program to gather information on acquisition vehicles for major categories of government spending. To become even more efficient, the federal government needs to shift the purchasing model from managing purchases and price individually across thousands of procurement units to managing entire categories of common spend and total cost through category management. This will help identify duplicative and unnecessary contract vehicles that can be eliminated. An example of this is GSA's effort to take advantage of shifting industry trends to consolidate over 80 GSA regional and national telecommunications contracts serving all federal agencies to the new Enterprise Infrastructure Solutions contract, resulting in dramatic reductions in contract duplication in the telecommunications subcategory alone.

37. What should be required of senior management in charge of awarding contracts used by other federal agencies to demonstrate that GSA is negotiating the best pricing possible?

The actions that we are taking to transform our Schedules program, previously outlined, are intended to provide as much transparency as possible on pricing so that agencies can feel confident that the Schedules not only simplify the contracting process, but also provide the best value possible.

38. Do you believe reforms need to be made to the GSA Schedule process? Please explain any such reforms.

Yes, I believe we must do more to reform and improve the GSA Schedule program and ensure that it is delivering value to other federal agencies. Currently, GSA is moving forward with a transformation of our Multiple Awards Schedule (MAS) program.

MAS Transformation is about strengthening the program by focusing on competitive pricing, data transparency, faster processes through effective automation, stakeholder collaboration, and piloting innovative change to foster continuous improvement. The goal is to ensure that the MAS Program continues to be government and industry's contract vehicle of choice for best-value federal purchasing.

For instance, we are looking to provide government buyers with more competitive prices by reducing price variability across MAS contracts. We are doing this by looking at the current prices of identical products offered by suppliers through the MAS program to identify outlier pricing, and then working with MAS contractors to reduce the range of prices offered to government buyers.

By working with contractors to bring all offered prices into a reasonable range, GSA and its industry partners will ensure that MAS continues to be a competitive and widely used program for faster, easier, less-costly purchases and the vehicle of choice for both industry and government.

As we take these actions, in conjunction with other MAS Transformation activities such as proposed Transaction rule changes, and the proposed elimination of the Price Reduction Clause, I suspect we can enhance the MAS value proposition for federal customers and industry partners well into the future.

39. What steps will you pledge to take to better identify and curb corruption and manipulation in contracts?

I will take all steps necessary to curb corruption and manipulation in contracts. This starts with ensuring that the organization understands that we hold ourselves to the highest standards of ethical conduct, and that anyone in the organization that suspects fraud, waste, or abuse should immediately bring it to the attention of management, the Inspector General, or Congress.

Where abuses are found, we should take all appropriate disciplinary steps so that everyone in the organization understands that there are consequences to unacceptable conduct.

40. In 2008, GSA launched an initiative called the System for Award Management/Integrated Acquisition Environment (SAM/IAE) to integrate the multiple electronic systems used for awarding and administering federal financial assistance (i.e., grants and loans) and contracts. The effort soon experienced major performance shortcomings, cost overruns and schedule delays. GSA has since restructured the program.

a. Are you satisfied with the revised plan for SAM/IAE?

I believe that SAM/IAE is on a much better track now than it was in the past. In November 2012, management of the control and operations of IAE including SAM was moved to FAS and the Chief Information Office (CIO). The move created a program office with a team of subject matter experts in business operations, acquisition and federal award policy, as well as stakeholder engagement. GSA's CIO provides a dedicated team on cloud architecture and agile development, allowing the program to develop in a much better fashion than it had before.

We have engaged the federal acquisition community and reached out to our industry partners to solicit input on how SAM/IAE can be improved. As of June 2015, there are more than 500,000 active registrations in SAM and the average cycle time for a new registration is under three days. Help desk calls are down, response times are benchmarked, and customer satisfaction is up. GSA is undertaking the improvements to the IAE using agile development techniques, and doing so with unparalleled engagement and input from multiple stakeholders.

I believe the program is on much more sustainable footing. However, given the complexity of IAE and the attempt to integrate a number of systems across the federal government, many managed by other federal agencies, it is important that we continue to iterate in a smart and flexible manner. In addition, we will continue to provide regular progress updates to GSA's committees of jurisdiction, including this committee, on the changes to both the SAM/IEA acquisition model as well as the planned technical developments.

b. What will you do to ensure its successful implementation?

We have made sure to continuously evaluate the program to ensure that the ongoing implementation of the vision for a consolidation of the eGov systems move forward in a transparent, secure, user-friendly, and fiscally responsible manner. We have also made sure to coordinate with appropriate stakeholders in the implementation of our planning, so that we have continued support in the direction of IAE/SAM.

We will continue to evaluate the program, and also continue to listen to stakeholder feedback so that we can adjust the path forward in a smart, agile manner that meets the test of the latest thinking on the delivery of IT systems. If this Committee ever has any concerns, know that we welcome them and will seek to address them and make any adjustments that are needed so that the program moves forward successfully.

41. The AbilityOne program provides important employment opportunities for people who are blind or severely disabled through federal procurements of goods and services from non-profits employing these individuals. The Committee has received numerous complaints about instances of non-compliance by GSA (and its authorized vendors) with requirements of the program. If confirmed, what action will you take to address this non-compliance? Also, what steps would you take to make sure that GSA's procurement initiatives, such as strategic sourcing, are compatible with AbilityOne?

I appreciate the benefits that the AbilityOne program provides to persons with disabilities and to the U.S. economy, and I am committed to ensuring that GSA maintains compliance with the requirements of AbilityOne.

GSA has proactively worked to bar our contractors from selling non-compliant products on their contracts. To ensure compliance, we conduct periodic reviews and investigate claims of non-compliance. When we discover non-compliant items on a contract, we issue a contract modification to remove it. Over the past two years, GSA has removed more than 70,000 items from the Schedules, and we must continue to be vigilant in this effort.

The use of smart, strategically sourced vehicles must also be compliant with AbilityOne requirements. The third generation of strategically sourced Office Supplies (OS3) maintains the same requirements as our other contract vehicles.

Finally, I want to ensure that we are also listening to the feedback from the AbilityOne Commission, on which GSA sits. Where there are concerns, we will do our best to address them so that compliance can be maintained government-wide.

42. Under the Office of Management and Budget's shared services initiative, GSA provides services to the federal government. What steps will you take to ensure that these shared services are cost-effective?

I strongly support increased use of shared services across the federal government, and it is critical that these shared services provide the best value possible. I believe that, to provide the most cost-effective shared services, GSA must focus on those activities that are part of our core mission.

To that end, and as part of GSA's ongoing reform efforts, GSA has sought to divest itself of shared services it has historically provided where we believe other agencies can provide those services at better value. Earlier this year, GSA divested itself of its Financial Management Line of Business. We are assessing other non-core shared services of which we may want to divest.

We do this so that GSA can focus on those services where we can provide the absolute best value, and I believe that is in real estate, acquisition, and information technology. In each of these areas, I want GSA to move further in providing shared service solutions for the federal government.

Information Technology

43. GSA is in the process of developing a new suite of contracts referred to as Network Services 2020 (NS2020), which will replace the existing Networx contracts, through which federal agencies purchase telecommunications services. GSA awarded the Networx contracts in 2007, and the transition to the new contracts by federal agencies took three years longer than planned. GSA has already announced an extension of the Networx contracts, out of recognition that NS2020 will not be in place by the time the Networx contracts were originally set to expire in 2017. If confirmed, what steps will you take to minimize further schedule slippages so that agencies can transition to NS2020 as soon as possible?

I know that there were major challenges in the last transition of Networx. It is critical that GSA and partner federal agencies respond to the recommendations of stakeholders in the process, particularly the auditing done by the Government Accountability Office (GAO), to ensure that we take the appropriate steps for the next transition.

GAO released a report in January 2014, entitled "GSA Needs to Share and Prioritize Lessons Learned to Avoid Future Transition Delays" making several recommendations. In coordination with OMB, GSA also conducted an extensive lessons learned on the entire Networx contract and program. In response to the recommendations coming out of these reviews, GSA has taken a number of steps, including:

- Establishing a Transition Team within GSA and assigning resources to the agencies who will transition to EIS or other GSA solutions;
- Developed and delivered a Transition Planning Template to the agencies;
- Visiting with senior agency IT and acquisition officials to discuss immediate next steps for preparation;
- Asking agency leadership to identify a transition point of contact/team;
- Asking agencies to deliver completed transition plans to GSA prior to award of EIS in fall 2016;
- Using transition reserve funding to provide agencies with resources to plan for transition including validating inventory, developing the agency's plan for transition and developing requirements; and
- Working with the agencies to validate and maintain a central repository of inventory.

We will continue to be mindful of potential challenges moving forward, and we welcome the continued input and oversight of the Committee in preparing for NS2020.

44. GSA plays an important role in both overseeing (as a member of the Data Center Consolidation Task Force) and assisting agencies with their efforts under the Federal Data Center Consolidation Initiative (FDCCI). If confirmed, what steps will you take to ensure GSA not only meets its own data center consolidation targets and tracks related cost-savings, but assists other agencies in doing the same?

Since the FDCCI was announced in 2010, the GSA has worked with OMB and the Chief Information Officers Council (CIO Council) to assist in the implementation of the FDCCI. While much progress has been made government-wide in consolidating and optimizing data centers under the FDCCI, more can be done. In fact, Congress, through Section 834 of the *Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015*, codified the FDCCI and provided some necessary tools, including a three-year deadline, for agencies to meet data center consolidation targets.

In 2013, 2014, and the first three quarters of 2015, GSA focused on closing its smaller field office locations, as well as the migration of one of its core data centers to a federally shared facility owned by NASA. This effort has resulted in the closure of 81 GSA data centers, as well as an estimated costs savings and avoidance of more than \$16 million in FY 2013 and FY 2014. For FY 2015, we have reported an additional \$7.1 million in costs savings and avoidance and now have started to focus on regional office locations. Over the next two years, we plan to migrate all services from these regional offices to the core data centers; thus decommissioning all 11 of our regional office data centers. GSA has led the way for other agencies by optimizing its own data center inventory -- meeting and exceeding OMB's FDCCI goals of a 40 percent data center closure rate by the end of FY15.

For the past several months during my time as Acting Administrator, we have worked closely with OMB, the CIO Council, and agency partners across government to develop agency consolidation targets, performance metrics, and multi-year strategies that can assist agencies in fulfilling the requirements of the new FDCCI. GSA will leverage subject matter expertise to act as a trusted, neutral partner to agencies looking to optimize their data center inventories. If confirmed, I would plan to continue to prioritize these efforts, and ensure that GSA is proactively assisting agencies in developing and delivering on these consolidation plans.

45. If confirmed, what steps will you take to identify and manage troubled IT investments at GSA?

GSA has taken important steps to identify and manage troubled IT investments across the organization. First, and even prior to the passage of the Federal Information Technology Acquisition Reform Act, GSA consolidated information technology functions across the organization into one Office of the Chief Information Officer responsible for its execution. This has allowed us to gain greater visibility into IT investments across the organization and ensure there is one accountable official helping to decide which investments are worthwhile and which investments need to be redirected or cut.

To evaluate these investments, GSA fully utilizes the IT Dashboard, where the CIO evaluates on a monthly basis the progress and the risks of GSA's major investments. At-risk investments are identified and scored against a number of criteria, including whether they are meeting established performance measure goals or demonstrating strong investment management practices.

IT investments that score a level warranting additional scrutiny are classified as high-risk, moderate-risk, or special interest based on these criteria. The results of these reviews drive decisions to conduct in-progress reviews or project health checks. This process has helped GSA to ensure the organization properly coordinates to make decisions about new and existing investments, effectively manage the IT portfolio, and evaluate investment performance and applicability on a regular basis. Through this process, we have identified several "moderate risk" systems and made course corrections on these proposed investments.

We have also established clear guidance that investments should be delivered in an agile manner, consistent with the best practices of the private sector. This means delivery schedules of weeks, not months or years, allowing GSA to evaluate investments more consistently and change direction before a significant amount of time, and money, has been spent.

Workforce Issues

46. There have been numerous documented instances of misuse of GSA SmartPay charge cards by federal employees. If confirmed, what steps will you take to address this misuse?

The GSA SmartPay program was established to streamline government purchasing and save money. Through the use of purchase cards, since the inception of the program in 1998, the federal government has received \$2.9 billion in refunds that can be reinvested in mission delivery.

GSA provides federal agencies with tools to audit the use of purchase cards and to help eliminate fraud and abuse. We provide card account management tools that allow agencies to identify "split purchases" (attempts to circumvent spending limits by acquiring an item costing greater than \$3,000 by breaking it into multiple purchases under that limit), declined authorizations, lost or stolen cards, and also unusual spending that may require additional review and action.

Additionally, GSA requires the contracts under the SmartPay program to offer data mining systems that allow agencies to set parameters for expenses and identify transactions that fall outside of those rules.

GSA also provides annual training to agencies on the management of their purchase card program and ways to use the available tools to identify and investigate questionable spending so that it can be eliminated.

One important initiative that I strongly believe we should continue to push forward is benchmarking agencies' use of purchase cards. This benchmarking effort will establish government-wide metrics on purchase card use, to include: (1) use of a data mining tool; (2) merchant spend concentration; (3) number of transaction disputes; and (4) number of confirmed violations by an agency's Inspector General. These metrics and benchmarks should allow us to see areas which agencies are doing well, which agencies need to improve, and where our greatest areas of focus should be.

47. Protecting whistleblower confidentiality is of the utmost importance to this Committee as whistleblowers provide an invaluable service to rooting out waste, fraud, and abuse within the Federal Government.

a. As Acting Administrator at GSA, how have you addressed whistleblower complaints? What steps did you take to ensure those individuals did not face retaliation and that their claims were thoroughly investigated?

I strongly agree that protecting whistleblowers, including their confidentiality, is critical to rooting out waste, fraud, and abuse within the federal government. I encourage all GSA employees to bring forward their concerns to their management, the Office of Inspector General, and the Office of Special Counsel, as appropriate.

For all employees at GSA, I will work to ensure they understand that whistleblowers are to be encouraged and protected. In fact, it was a GSA whistleblower reporting her concerns that led to the reforms we currently have underway.

If confronted with an allegation, I would coordinate with the appropriate divisions in GSA, from our Office of Human Resources Management to our Office of General Counsel to, most importantly, our Inspector General.

If an allegation of retaliation was substantiated, I would work to ensure that all appropriate disciplinary steps are taken so that the organization understands there are consequences to such actions.

b. How do you plan to work with the GSA OIG and other components to implement policy within the agency to encourage employees to bring constructive suggestions forward without the fear of reprisal?

I believe it is important to continue to stress both through communications and through actions that reporting fraud, waste, and abuse is a core responsibility of every employee and will be encouraged. I will continue to stress to my senior management team and throughout the organization that they should encourage the reporting of fraud, waste, and abuse to management or the Inspector General. We strive to make sure that everyone understands their responsibilities to report these issues, and also that they understand the resources that are available to them. We do this through mandatory annual trainings, as well as transparent and

broad postings both online and in our buildings of the appropriate areas to direct concerns and complaints.

I also have worked directly with the Acting Inspector General to ensure we have routine engagement on any issues of concern, and hope to continue that direct engagement with GSA's new Inspector General, when confirmed. I would welcome any suggestions for improvement from the IG's office or Congress, and absolutely commit to making any changes necessary so that everyone throughout GSA understands their responsibilities.

c. Do you commit without reservation to work to ensure that any whistleblower within GSA does not face retaliation?

Yes.

d. Do you commit without reservation to take all appropriate action if notified about potential whistleblower retaliation?

Yes.

Improper Payments

48. The GSA Office of Inspector General (OIG) found that during FY 2014, GSA did not comply with the Improper Payments Elimination and Recovery Act (IPERA). Primarily, GSA failed to meet its improper payment reduction targets for Purchase Cards and Buildings Operations-Utilities program areas and reported inaccurate financial information in its FY 2014 Agency Financial Report. The GSA OIG concluded that "without improved procedural documentation, training, and oversight, GSA is at risk for continued inaccurate financial reporting." Eliminating improper payments is one of this Committee's priority goals. As Administrator, what actions will you take to ensure compliance with IPERA?

I am committed to strengthening oversight of improper payments at GSA. One of the most critical ways GSA can accomplish that is to fully implement the Inspector General's recommendations for how to improve these efforts.

First, GSA must ensure that annual reporting for the Agency Financial Report is complete, timely, and accurate. We will provide compliance training and raise the level of supervisory review within the organization to confirm the accuracy and completeness of the submitted information.

Second, as we continue our reform and consolidation efforts, we will make submission and review of claims across the organization consistent regardless of geographic location, one of the challenges the Inspector General identified.

Third, GSA will strengthen internal controls to maintain proper support of purchase card payments.

Finally, GSA will submit a corrective action plan to Congress on the steps we will take to become compliant with IPERA.

Eliminating improper payments is a critical component of executing on GSA's reforms and maintaining a high standard of operational excellence.

Presidential Transitions

49. GSA plays an important role in providing support to major Presidential candidates and to the President-elect for preparing for potential transitions and, after Election Day, executing the actual transition. In what ways do you think that GSA, in working with the White House and other agencies, could improve this support?

GSA is proud to be able to assist in the orderly transfer of executive power from one administration to the next.

The first and most important priority for GSA is to meet our statutory responsibility to provide facilities and services to major Presidential candidates and to the President-elect in a timely and cost-effective manner. To do that, GSA must begin our planning efforts as early as possible. Already, for the 2016 election, GSA has identified the locations and the resources needed to support both the major party candidates and the President-elect. Although I believe the organization should continue to improve on these efforts in the future, this is earlier than previous cycles.

Additionally, for this election cycle, GSA will be utilizing our own headquarters at 1800 F Street NW to support the President-elect. This will not only make the 2016 transition cost-effective, but we believe that 1800 F can be reused for future presidential transitions, simplifying planning and significantly reducing the cost of future transitions.

GSA also often plays a role in coordinating the planning activities of federal departments and agencies as they prepare for future administrations. To ensure the transition is as successful as possible, we believe these efforts should continue to get underway earlier.

I know that the Committee has also introduced legislation with many forward-looking ideas to improve the transition process, and I would welcome the opportunity to work with you on these efforts.

VI. Assistance

50. Are these answers your own? Have you consulted with GSA or any other interested parties? If so, please indicate which entities.

These answers are my own. I have personally consulted with knowledgeable officials at GSA for technical support in preparing my answers.

Chairman Ron Johnson

**Supplemental Pre-hearing Questionnaire For the Nomination of---
Denise Turner Roth to be Administrator, General Services Administration**

1. Do you agree without reservation to comply with any request or summons to appear and testify before any duly constituted committee of Congress if you are confirmed?

If confirmed, I agree to cooperate to the full extent of my ability and power with Congress as it performs its oversight functions.

2. Do you agree without reservation to make any subordinate official or employee available to appear and testify before, or provide information to, any duly constituted committee of Congress if you are confirmed?

If confirmed, I agree to cooperate to the full extent of my ability and power with Congress as it performs its oversight functions.

3. Do you agree without reservation to comply fully, completely, and promptly to any request for documents, communications, or any other agency material or information from any duly constituted committee of the Congress if you are confirmed?

If confirmed, I agree to cooperate to the full extent of my ability and power with Congress as it performs its oversight functions.

Ranking Member Tom Carper

**Supplemental Pre-hearing Questionnaire For the Nomination of---
Denise Turner Roth to be Administrator, General Services Administration**

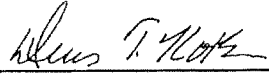
1. Do you agree without reservation to respond to any reasonable request or summons to appear and testify before any duly constituted committee of Congress if you are confirmed?

If confirmed, I agree to cooperate to the full extent of my ability and power with Congress as it performs its oversight functions.

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

If confirmed, I agree to cooperate to the full extent of my ability and power with Congress as it performs its oversight functions.

I, Denise T. Roth, hereby state that I have read the foregoing Pre-Hearing Questionnaire and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

A handwritten signature in black ink, appearing to read "Denise T. Roth", is written over a horizontal line.

(Signature)

This 1st day of July, 2015

**Post-Hearing Questions for the Record
Submitted to Denise Turner Roth
From Chairman Ron Johnson**

**“Nomination Hearing to Consider Denise Turner Roth to be Administrator of the
General Services Administration”**

July 23, 2015

Contracting

The General Services Administration (GSA) recently released a proposed rule that would require federal contractors to report transactional data—the prices paid by ordering activities for products sold in federal contracts. It has come to the Committee’s attention that many in industry have expressed concerns about the transactional data proposal, including: that the agency significantly underestimates the compliance and operational burdens and costs posed by its proposal; that the agency does not recognize that the transaction data sought is already available from other federal government sources; and that the rule is inconsistent with commercial practice and the Federal Acquisition Regulation (FAR), among other things.

1. How is GSA addressing these concerns?

GSA strives to ensure that we balance changes that can improve the way the Government purchases products and services, and drive down prices, with the potential burden this may impose on contractors. That is why we appreciate the many comments that have come in on our proposed transactional data rule outlining support, concerns, and/or suggestions for other ways it could be structured.

Getting better and more accurate information on what the Government pays for similar products and services is important to getting the best value and in reducing price variability. At the same time, we want to try to find ways to alleviate the potential burden of this reporting requirement. Our proposed rule suggests eliminating an existing reporting requirement as a way of striking this balance. Most of the data elements we are seeking are already included in government invoices, but are in a non-machine readable format. By asking for mostly similar data elements, we greatly reduce the burden for Federal contractors to produce the data twice. In addition, Federal contractors have an established process for submitting data to GSA via their Industrial Funding Fee payments, which negates the need for a separate transmission to GSA. Finally, GSA is also proposing this reporting as a pilot covering a small fraction of the total spending on GSA’s schedules, so that the potential impact can be assessed and adjustments made.

We share your concern regarding the burden on industry, which is why GSA organized a public meeting to discuss the proposed rule with interested parties in addition to soliciting comments through the Federal Register. GSA will carefully evaluate all of the comments that have come in, both formally in writing as well as those raised at our industry outreach events, to try to come up with a properly balanced solution. GSA is open to a variety of approaches so long as they result

in better outcomes for the American people in how the Government purchases products and services.

Broadband Infrastructure

Partly out of a failure by GSA to meet the mandate of sections 6409 (b) and (c) of the Spectrum Act 2012, I co-sponsored a bill along with Senator Rubio earlier this summer that would provide greater clarity to the process of broadband infrastructure siting on Federal lands. The bill I co-sponsored would require GSA to provide transparency in the finalization of any common forms and applications, publish a public fee schedule, provide fee retention rights to land holding/leasing agencies, streamline the leasing renewal process, create an ombudsman or escalation point of contact, and regularly require updates to Congress on agencies' progress.

2. Through administrative action, are there things that GSA could do without legislation?

Yes. On June 14, 2012, the President issued Executive Order 13616, "Accelerating Broadband Infrastructure Deployment," which directs GSA and other Federal agencies to engage in actions that would facilitate broadband deployment on Federal lands, buildings, and rights of way, federally assisted highways, and tribal and individual Indian trust lands, particularly in underserved communities. This Executive Order (E.O. 13616) establishes a multi-agency Working Group to coordinate efforts, and contains a number of administrative actions that GSA can do to help accelerate broad band deployment without legislation. Under E.O. 13616, the Working Group has created a GIS mapping tool and inventory of broadband resources to assist with broadband deployment. These and other resources can be found on the Federal Infrastructure Projects Permitting Dashboard at www.permits.performance.gov/. GSA plans to post its forms and applications developed in compliance with P.L. 112-96 to this website so that these documents are more readily accessible.

3. What confidence should members of Congress have that with a law, an executive order, and potential second law that GSA would meet this mandate?

I find it unacceptable that we have not yet met the requirements in the law. I appreciate you bringing this issue to my attention and commit to making it a priority. I intend to move forward with executing the directives in Section 6409 of the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) and E.O. 13616.

I understand that you have informed my staff that you plan to have all applications, contracts, and fee estimates completed by the end of the fiscal year. You then plan to begin outreach to industry and government agencies in October.

4. Do you intend to meet these target deadlines?

Yes, I commit to making it a priority to complete these requirements by the end of the fiscal year.

I also am committed to working with industry and other stakeholders to ensure they are aware of GSA's efforts and can readily access tools that can help accelerate broadband deployment.

5. How do you plan to conduct outreach to industry? How do you plan to conduct outreach to government agencies?

GSA plans to hold an "Industry Day" that will provide interested parties with information on the tools and resources available, including the forms and templates required under Section 6409 of P.L. 112. GSA would advertise the Industry Day through traditional means such as a Federal Register notice, email communication to interested parties, and direct outreach to trade associations, as well as through social media. If needed, GSA will hold additional Industry Days to ensure maximum distribution of this information.

With respect to outreach to Government agencies, GSA has held several workshops for Federal landholding agencies on the master contract and how to use this contract. GSA will continue to work with the Working Group established by E.O. 13616, as well as with the Broadband Opportunity Council established in March 2015. These activities will help ensure agencies know of GSA's efforts, and will allow GSA also to learn from other agencies. GSA understands that having a consistent, coordinated approach is critical to accelerating broadband deployment, and is committed to inter-agency collaboration.

6. When do you anticipate that this 2012 statutory mandate will be fully implemented?

I commit to making it a priority to completing the statutory mandates by the end of the fiscal year. I also commit to completing the industry and agency outreach by February 2016.

St. Elizabeths Campus

The DHS Headquarters Consolidation project, on the site of the former St. Elizabeths Hospital in the District, is over budget and behind schedule.

7. Will you commit to providing the Committee with regular updates on the implementation of the enhanced plan for the consolidation, the estimated costs and schedule, and the estimated costs savings that can be achieved?

Yes. The DHS Headquarters Consolidation is a critical project, and GSA's number one capital priority. Completing this facility will allow us to consolidate DHS out of costly long-term leases, reducing the Federal footprint by nearly 2 million square feet, and, under the enhanced plan adopted this year, save taxpayers more than \$4 billion compared to the way DHS is currently housed.

GSA welcomes the opportunity to provide the Committee with regular updates on the implementation of this important priority.

**Post-Hearing Questions for the Record
Submitted to Denise Turner Roth
From Ranking Member Thomas R. Carper**

**“Nomination Hearing to Consider Denise Turner Roth to be Administrator of the
General Services Administration”**

July 23, 2015

1. Several years ago, the Government Accountability Office did some work for this Committee showing that agencies often did not go through a thorough analysis to determine whether it would be more cost effective to rent or lease equipment rather than purchase the equipment. Then, following that report, GSA issued a request for comment in the Federal Register asking if the Federal Acquisition Regulation should be amended to lay out short-term rental as a procurement option.
 - a. Have you encountered this issue in either your local government work or at GSA? And can you help make sure that the Federal Acquisition Regulation is up to date and clear on the rental options that are available in the commercial marketplace?

At GSA, we have heard arguments on both sides. Some have suggested that there is no legal distinction between leasing and renting per the Uniform Commercial Code and that any distinctions in practice are irrelevant to FAR subpart 7.4, which is seeking the most cost effective method. Others have suggested there are distinctions in the terms and conditions that would be useful to recognize.

As you have pointed out, the FAR Council issued a Request for Information to determine if there is a distinction between leasing and renting that is useful in performing the analysis required at FAR subpart 7.4 to determine the most cost effective approach. Public commenters, including industry associations, responding to a Federal Register request for information recognized that a formal, uniform, and authoritative distinction between rental agreements and leases does not exist. Also, the suggested changes by the commenters did not vary widely from existing FAR guidance.

Although the GAO Report (GAO-12-281R) did not recommend that the FAR make a distinction between renting and leasing, they did recommend that GSA take steps to update the FAR to identify the offices agencies should contact for assistance in conducting these analyses. GSA agreed with this recommendation and has since updated the FAR.

In addition, GAO also recommended that both the Air Force and Interior develop and provide guidance and training to their contracting officials on performing lease versus purchase analyses. The FAR Council staff will contact those agencies to see if they have issued guidance to address GAO's recommendations, and we will review their guidance to determine if some portions or all of this guidance should be referenced in the FAR to assist other agencies. We are committed to ensuring that the FAR is up to date and based on this review, we will determine 1) if additional

outreach is needed to solicit feedback on the addition of rental versus leasing guidance into the FAR; and 2) the impact of and necessity for adding the word "rental" to the FAR.

2. GSA's initiatives on the transformation of the GSA schedules, visibility into prices, and Category Management are aimed at getting contracting officers better information on market conditions that will help them negotiate the best price possible.
 - a. Since agencies may have slightly different needs for a particular good or service, how will you help ensure that these initiatives will yield data that show "apples to apples" comparisons?

Category Management is the process of managing product or service categories as strategic business units and customizing them to meet customer needs. It is a proven approach used by the private sector. However, it is critical that GSA and other agency partners work to ensure that we are making meaningful comparisons across products and services so that the best acquisition solutions can be identified.

Initiating Category Management itself is one important step in working toward these apples to apples comparisons. Currently, there is no transparency into the different acquisition vehicles available to Federal agencies, the different prices that agencies pay for similar products and services, or how distinct the products and services being acquired are. Grouping acquisition vehicles in major categories will provide transparency to these acquisition vehicles and, because transactions will all be happening in this space, an immense amount of data can be gathered, and differences in contracts and services can be discovered through this information. This will allow the Federal Government to better make "apples to apples" determinations. The intended outcome is to reduce open market purchases and to drive customers to optimal Government-wide solutions that will allow us to leverage our collective Government-wide buying power to achieve optimal pricing and terms and conditions.

GSA has demonstrated this in our own acquisition solutions, most recently with our Multiple Award Schedules Program. We have focused on carefully examining the current prices of identical products offered by suppliers by doing horizontal price and data analysis to identify outlier pricing. GSA has taken deliberate steps to understand, when price variability does exist on identical items, what those differences are to ensure product descriptions account for things like extended warranties or other factors that may influence the pricing of identical items. In addition to the benefits of the reduced pricing we can achieve, this is also an important step in having true apples to apples comparisons.

- b. How do you balance the need to develop useful pricing data with concerns from both within and without the government about potentially burdensome reporting requirements?

GSA strives to ensure that we balance changes that can improve the way the Government purchases products and services, and drive down prices, with the potential burden this may impose on contractors. That is why we appreciate the many comments that have come in on our

proposed transactional data rule outlining support, concerns, and/or suggestions for other ways it could be structured.

Getting better and more accurate information on what the Government pays for similar products and services is important to getting the best value and in reducing price variability. At the same time, we want to try to find ways to alleviate the potential burden of this reporting requirement. Our proposed rule suggests eliminating an existing reporting requirement as a way of striking this balance. Most of the data elements we are seeking are already included in government invoices, but are in a non-machine readable format. By asking for mostly similar data elements, we greatly reduce the burden for Federal contractors to produce the data twice. In addition, Federal contractors have an established process for submitting data to GSA via their Industrial Funding Fee payments, which negates the need for a separate transmission to GSA. Finally, GSA is also proposing this reporting as a pilot covering a small fraction of the total spending on GSA's schedules, so that the potential impact can be assessed and adjustments made.

We share your concern regarding the burden on industry, which is why GSA organized a public meeting to discuss the proposed rule with interested parties in addition to soliciting comments through the Federal Register. GSA will carefully evaluate all of the comments that have come in, both formally in writing as well as those raised at our industry outreach events, to try to come up with a properly balanced solution. GSA is open to a variety of approaches so long as they result in better outcomes for the American people in how the Government purchases products and services.

- c. I understand that the Federal Acquisition Service has developed recommendations related to the modernization of the schedules program. What will be the process for reviewing and acting on these recommendations, and what are the next steps in the modernization effort?

GSA is committed to providing our stakeholder community with a MAS program that will address current market conditions and provide Government with a streamlined, value-based contracting solution that continues to save time and money well into the future. MAS Transformation is focused on these outcomes. GSA is committed to having an open dialog with stakeholders about the direction in which this program is moving. Open communication and creating forums for the free flow of ideas is so important to our efforts that Stakeholder Engagement is one of the four pillars upon which MAS Transformation is based. The other three pillars are Competitive Pricing, Enhanced Cycles and Innovation.

GSA has developed a communications plan that touches internal and external audiences affected by MAS Transformation. Federal customer feedback is one of the driving reasons FAS has undertaken this effort to overhaul this longstanding program.

The most immediate next steps in executing the transformation of MAS are to complete the Competitive Pricing Initiative to drive down price variability for identical commodities and to begin the collection of transactional data in order to provide the transparency that our customers need in order to bring more spend under management.

GSA has identified and is working through several components of the Competitive Pricing Initiative. We are hiring pricing analysts to identify significant price variability on GSA schedules, focusing primarily on high sale items. In June 2015, we reached out to 100% of MAS vendors offering products that fall into high variability ranges. As of July 8th, this has resulted in just over 1 million price reductions. In addition, we are incorporating pre-award price analysis tools to identify and minimize price variability at the onset of new contracts.

In the collection of data, GSA has published a proposed rule for public comment, referenced above. We have received significant feedback from industry and other interested stakeholders, and are currently evaluating these comments to pursue the most effective approach to getting this much-needed information.

Moving forward, GSA will be taking a number of other steps, from standardizing part numbers to better facilitating price comparisons to automating price modifications. GSA is committed to transforming the MAS program in a way that better meets the needs of our Federal customers and allows us to deliver better value to the American people.

**Post-Hearing Questions for the Record
Submitted to Denise Turner Roth
From Senator Claire McCaskill**

**“Nomination Hearing to Consider Denise Turner Roth to be Administrator of the
General Services Administration”**

July 23, 2015

Since 2009, the costs of developing the Integrated Acquisition Environment (IAE)/System for Award Management (SAM) have grown significantly from initial estimates of \$96 million to most recent estimates of \$181.1 million. As a result of this cost growth, as well as resource constraints, the schedule for full implementation of SAM has been continuously delayed.

- 1) Please provide a definitive date (month and year) for the completion IT project?

August 23, 2017.

When GSA started this project, it anticipated a lifecycle cost of \$96 million. That rose over the course of the next 3 years to \$181 million.

- 2) What is the projected lifecycle cost estimate at now?

\$198,184,663.

You were asked in your questionnaire what you will do to ensure successful implementation of SAM/IAE.

- 3) Having underestimated the difficulty and cost of this project, at least initially, what does successful implementation look like now?

After the initial challenges of the program and a subsequent TechStat evaluation with the Office of Management and Budget (OMB) in May 2013, GSA changed and improved its approach to delivering this vision. The project is now managed by the Federal Acquisition Service (FAS) and the Office of the Chief Information Officer (OCIO), ensuring that acquisition and technology experts are building the system. The leadership provides bi-weekly updates to FAS and OCIO, as well as GSA senior leadership. Additionally, the team meets regularly with officials from OMB to ensure harmony with Federal policy initiatives as well as adherence to the approved budget and spend plan.

Successful implementation means that over the next two years, GSA will continue to develop and make available to the users an evolving set of functional capabilities from all of the 10 legacy systems used to administer Federal awards into one common, cloud-based, secure business environment that facilitates and supports cost-effective acquisition of, and payment for, products and services; effective management of Federal acquisition and assistance awards; and consistent transparency into Federal acquisition and assistance awards. GSA has already

developed and delivered the Common Services Platform and data architecture upon which these capabilities will be available. GSA has held multiple focus groups to identify the key user communities and write agile personas to inform the user experience as well as critical enhancements to the existing applications. The focus groups and personas serve to ensure that the delivered products best meet the needs and reduce the burden for the universe of users; be they, for example, small businesses seeking opportunities, procurement officials writing past performance reports, or institutions registering in order to apply for grants.

4) Do you still believe that the original goal of the project – a single portal for all federal contracting information – is achievable? If not, what is the present goal for the project?

This remains the goal of the project. With the new approach, and based on the work we have completed so far, this goal is achievable. We maintain tight oversight of the program and, with the reduced cycle times for delivery of new functions and features, will be able to identify technical or user issues early and resolve them quickly.

At his confirmation hearing, Mr. Tangherlini mentioned that the in-depth analysis of SAM being conducted by the Federal Acquisition Service (FAS) and the Chief Information Officer (CIO) would be done by the summer of 2013, and that would guide the process going forward.

5) What did FAS and the CIO find, and how, if at all, did that change the course of this procurement?

In the aftermath of the 2012 SAM.gov launch, GSA conducted an in depth Analysis of Alternatives to ensure that the ongoing implementation of the vision for a consolidation of the eGov systems moved forward in a transparent, secure, user-friendly, and fiscally responsible manner. The analysis found an entirely different, and significantly improved, delivery and technical approach and process for the project. Five alternatives to rebooting the project were considered, including: 1) Continue as Planned; 2) Future focus; 3) Rebuild; 4) Fence and Operate; 5) Hybrid Approach. FAS and CIO participated in a TechStat in May 2013, with the Federal CIO, OMB officials as well as leadership from the Award Committee for eGov (ACE). The concurred upon plan was Rebuild, and the architecture and path forward is a cloud-based, open environment with a common services platform, data lake, Application Programming Interfaces (APIs), and functional cores.

As an example of how the new approach changed the delivery mechanism, IAE's first increments have been focused on the foundational cloud infrastructure, upon which delivered business applications will rely. The Common Services Platform has been developed and delivered using 2-week sprints. IAE has gone from contract award in September 2014 to a working platform in June 2015. By design, that platform is continuing to incrementally improve through further sprints.

IAE is engaging the US Digital Service and GSA Digital Services to improve the quality of the products delivered. We have submitted a business case to engage talent through the Digital Service to develop our updated user experience around the FBO capabilities and our API model.

OPM Credit monitoring contract

After the Office of Personnel Management's data breach, they rushed out a contract for identity fraud protection services, and they waited until the very last minute to do this – just 4 days before they announced the breach but over a month after they discovered it. Based on public reports, the contract was going to cost OPM up to \$20 million, and that was when OPM thought the universe of victims was only 4.5 million people.

Yet when U.S. companies have experienced data breaches, some estimates indicate that the reported average cost to a U.S. company of a data breach is only \$6.5 million, and protection services are just a small portion of that cost.

GSA seems to already make these services available through contractors on the GSA schedules.

- 6) Do you know if OPM made any effort to procure these services from a contractor on the GSA schedules before issuing their contract?

There were staff-level conversations between GSA and the Office of Personnel Management (OPM) regarding what was available on GSA schedules for credit monitoring services. Ultimately, OPM chose to pursue its own contract.

I'm concerned that there are a number of agencies that are unprepared for the aftermath of a data breach.

- 7) Do you have a sense of how many agencies have contracts for credit monitoring services with the contractors on GSA's schedules?

Since 2010, 95 contracting agencies have acquired a variety of credit monitoring and other related financial services through GSA's Schedules.¹

¹ Based on a data pull from the Federal Procurement Data System, Schedule 520 - Financial and Business Solutions - Special Item Numbers 16, 17, 18, 19, and 20.

STATE DEPARTMENT DIPLOMATIC SECURITY TRAINING FACILITY

The State Department is about to build a \$400 million diplomatic training security facility in Virginia. But the Department of Homeland Security (DHS) offered to expand their Federal Law Enforcement Training Facility (FLETC) at a cost of \$300 million or less. The State Department has indicated that one of the primary reasons they do not want their facility to be located at FLETC, which is in Georgia, is because they want the training center to be close to the DC area.

- 8) What authority does GSA have in the process of locating and acquiring, leasing, or expanding a piece of real property when it is working on behalf of another federal agency?

This project is funded by the Department of State and all of GSA's activities related to this project are performed on a reimbursable basis. GSA has the authority to provide special services on a reimbursable basis as it relates to real property activities under various Federal statutes, including 40 U.S.C. 592.

- 9) Did GSA give State any advice one way or another as it was balancing spending \$170 million just to be close to Quantico and the Washington, DC area?

On behalf of the State Department, GSA conducted the site acquisition and design and construction services to meet the Department's requirements for a Foreign Affairs Security Training Center (FASTC). Typical of all site selection efforts, GSA advised that site requirements be rooted in mission need and evaluation criteria be tied to mission criticality.

In 2009, the Department of State expressed seven site requirements, including a minimum of 1250 contiguous acres of developable land, a location within 150 air miles from Washington, D.C., and a location that is within a 2 hours 45 minute drive from Washington, D.C. These requirements yielded 30 sites, none of which ultimately proved viable for FASTC.

In 2010, after the earlier selection did not yield a suitable site, the State Department broadened the site requirements to a proximity within 220 miles from Diplomatic Security Headquarters and focused exclusively on publicly held sites to comply with President Obama's June 2010 directive that agencies try to use existing land and resources rather than purchasing or leasing new property. In addition, State Department made 24/7 operation of the facility a mandatory criteria to address difficulties encountered during the first selection process. The Fort Pickett location in Virginia met the criteria and was a viable location for FASTC.

DEPLOYING BROADBAND ON FEDERAL PROPERTY

Section 6409 of the Middle Class Tax Relief and Job Creation Act of 2012, signed into law in February 2012, required the GSA Administrator, within 60 days of enactment, to develop master applications, contracts and fee schedules to be used by federal agencies when a company seeks to place wireless broadband infrastructure on federal property. To date, none of these items (applications, contracts, or fees) are complete.

My staff and Chairman Johnson's staff met with GSA staff earlier this week and received assurances that these items would be complete by the end of the current fiscal year – September 30.

10) If confirmed, will you commit to making it a priority to complete these requirements by the end of the current fiscal year?

Yes. I consider it unacceptable that GSA has yet to meet the requirements in the law. I appreciate you bringing this issue to my attention and commit to making it a priority to complete these requirements by the end of the fiscal year.

Earlier this month Senator Klobuchar and I sent a letter to you and the Secretary of Homeland Security, in your capacities as co-chairs of the "Broadband Deployment on Federal Property Working Group," encouraging the group to move forward with an interagency rulemaking to streamline environmental and historic preservation permitting requirements for communications facilities on federal property.

11) What is the status of efforts to streamline these processes?

With the assistance of the White House Council on Environmental Quality, GSA and the eight departments represented on the Working Group have developed a draft uniform set of Categorical Exclusions, as well as Extraordinary Circumstance considerations, to facilitate effective, streamlined, and consistent agency broadband project reviews under the National Environmental Policy Act (NEPA). We intend to use a consolidated process to ensure adoption in the shortest regulatory time NEPA allows.

A similar effort is underway to streamline compliance with Section 106 of the National Historic Preservation Act (NHPA) for those broadband projects subject to the Federal Communications Commission (FCC) compliance requirements and receiving federal assistance. This streamlining will remove duplicative NHPA reviews for these broadband projects. Efforts will continue in January 2016 to develop a similar streamlined process for wireless systems not associated with federal assistance programs.