

Opening Statement of Senator Tom Coburn

Nomination of the Honorable Daniel M. Tangherlini to be the Administrator of the U.S. General Services Administration June 18, 2013

Thank you, Chairman Carper. Good morning and welcome, Mr. Tangherlini.

Nearly eight years ago in July 2005, Chairman Carper and I held a hearing at the Federal Financial Management Subcommittee titled “GSA: Is the Taxpayer Getting the Best Deal?” We held that hearing to discuss the many areas of GSA’s responsibility in which the taxpayer wasn’t getting the best deal. My greatest concern today is that we’re stuck in the exact same place with little progress to show the American people.

In fact, the General Services Administration was created in order to reorganize and increase the efficiency of the day-to-day property and records management functions of the federal government. In July 1949, President Truman announced a housecleaning and inventory of government property that would consolidate the operations of seven existing agencies under the purview of the new GSA. President Truman’s goal was for these housekeeping functions to be efficient, economical, and consistent with government policies. He stated, “The housekeeping activities of the Federal Government are little known, but unless they are properly administered the Executive Branch cannot be managed efficiently.” Over 60 years later, I fear the GSA has not lived up to the task President Truman assigned to the agency.

The General Services Administration is an important agency, but it will only be successful if the American taxpayers are getting the best deal. Through GSA, the federal government is the biggest customer in the world, spending billions of dollars on real estate, products and services. From purchasing anything from a building to furniture to office supplies, to complex information technology services, an agency enlists the services of the GSA. As a result, every federal agency, as well as the American taxpayer, relies on GSA to get us the best value possible.

Unfortunately, over the last several months, the GSA Inspector General has released reports outlining his concerns in several areas. I am particularly concerned about recent findings related to the Multiple Award Schedules program. Where the IG found vendors fail to provide current, accurate and complete information to support their prices, and over a quarter of the vendors provided labor that did not meet the minimum required by contracts. The bottom line is that agencies aren’t getting what they paid for.

Most recently, the IG released findings revealing management improperly intervening in contracts worth billions of dollars. When contracting officers at GSA tried to do the right thing by negotiating better prices that vendors didn’t like, senior managers intervened and reassigned the work to others who gave the vendors what they wanted. Once again, agencies and taxpayers aren’t getting the best deal.

We also rely on GSA to be the federal government's landlord, and to help agencies make good decisions about when to lease or buy new buildings. Too often, we choose leases that are more expensive over the long term, and Congress doesn't help. Decisions to lease score better than decisions to buy, and so once again, we ended up paying more than we should.

Finally, GSA is expected to serve as a key partner in implementing federal information technology improvement initiatives. Just last week, our committee held a hearing to examine duplication in this area. GSA is a key federal partner, along with OMB, in trying to consolidate federal data centers. Yet, GSA has not aggressively worked to consolidate its own data centers, and GAO has identified weaknesses in GSA's oversight of this effort as well.

Mr. Tangherlini, you have an extensive background in managing budgets, both for the District of Columbia and at the Treasury, and for the last 14 months, you have been the Acting Administrator at the GSA. Therefore, unlike most nominees, you have already had the opportunity to put your ideas and goals for the agency to the test. You have instituted a new mission statement for GSA, which is "to deliver the best value in real estate, acquisition and technology services to government and the American people," and you conducted a top-to-bottom review of the agency to determine where you can achieve savings. I commend you on these efforts so far.

However, I believe that fixing GSA comes down to two problems that we need to address. First, every employee at GSA should be focused on getting the best deal, whether it's in contracting, real estate or information technology. Second, we need to have consistent, accountable leadership at the top of the agency. Since 2005, the average shelf life of a GSA Administrator has been about two years or less, which helps explain why we haven't made any progress in implementing real change.

I look forward to talking with you today about how you plan to address my concerns and the longstanding challenges at GSA. I look forward to your testimony.