STATEMENT OF
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BEFORE THE
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

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Good morning Chairman Carper, Ranking Member Coburn, and Members of the Committee. My name is Dan Tangherlini, and I am the Administrator of the U.S. General Services Administration (GSA).

The challenges of technology procurement and delivery facing the government have been a focus for better management and oversight throughout this Administration. They present an opportunity to deliver better outcomes for the American people in a more efficient manner. Given the U.S. General Services Administration's mission to deliver the best value in real estate, acquisition, and technology services to the government and the American people, we believe we are uniquely positioned to help make a difference in these efforts. Through better management of our own IT investments, as well as offerings GSA provides government-wide, GSA can support the Administration's efforts to better manage IT and help to continue improving some of these longstanding challenges.

GSA Information Technology –

Empowering the Chief Information Officer (CIO)
Since my arrival at GSA, we have been focused on consolidating and streamlining major functions within the agency to eliminate redundancy, improve oversight, and increase accountability. Consistent with the Administration's push to strengthen CIO authorities, GSA brought together all IT functions, budgets, and authorities from across the agency under an accountable, empowered GSA CIO, in line with the best practices followed by most modern organizations today. GSA has moved from 17 different regional and bureau CIOs to one enterprise CIO office. To improve management and accountability, GSA established the Investment Review Board co-chaired by the GSA CIO and Chief Financial Officer (CFO) with oversight and authority over all GSA IT spending. Prior to this consolidation, GSA's business lines and often the regions had separate IT systems and budgets, providing limited visibility and oversight into proposed investments and creating significant redundancy and inefficiency.

Enterprise Planning

GSA now has one enterprise-wide process for making IT investments, which ensures that investments are geared toward the highest priorities in support of the agency's strategic goals. We are now able to more comprehensively look at the portion of spending that is focused on operating and maintaining existing systems. We have set internal goals to reduce ongoing operating costs to allow the organization to make better long-term investments using our enterprise-wide, data driven zero-based IT budgeting process.

Zero-based IT budgeting (ZBB)

GSA is beginning to leverage an internal ZBB process to develop the IT budget. ZBB is a budgeting method that requires justification for all expenses in each new fiscal period. This method will ensure budgeting processes align to the organization's strategy by tying budget line items to specific strategic goals and initiatives. For instance, GSA used to maintain multiple systems to track engagements with partner Federal agencies. Through these changes, GSA's major business lines will share these tools, facilitating a two-fold win. From an IT perspective, we eliminated the cost of maintaining redundant systems, resulting in lower operations and maintenance costs. From the mission execution side, we improved engagement with partner Federal agencies by putting a more complete picture of who we work with in the hands of our staff.

Enhanced Use of Cloud Computing and Consolidation of Data Centers

Consolidation also provides an opportunity to adopt the best forward-leaning practices not just in where and what IT investments are made, but also how we support these investments. In recognition of the need to modernize not just applications but how we support IT, and consistent with broader Federal efforts, GSA instituted a "cloud first" policy that prompts all application development initiatives to look first to the GSA cloud platforms available as technology solutions before evaluating legacy platforms with higher operational costs. In doing this, GSA has saved money not only in the areas of reduced infrastructure costs, but also through the reuse of previously developed functionality. This initiative in part has also allowed us to consolidate 1,700 legacy applications into fewer than 100 cloud-based applications between 2011 and 2013. GSA's use of cloud services has saved $15 million dollars[1] over the past five years. GSA has also been aggressive in shutting down unneeded data centers as part of the Federal Data Center Consolidation Initiative. In Fiscal Year 2013, GSA shut down 37 data centers, meeting our goal, and we intend to shut down an additional 24 this fiscal year.

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[1] Savings resulting from use of cloud services, such as Salesforce Platform as a Service, and E-mail as a Service.

Agile Development

The focus of our transition has not been limited to what we build, but also how we build. GSA IT has moved away from the world of waterfall application development methodologies that have historically led to higher costs and poor product quality, to an agile methodology which allows us to work better, faster, and leaner than we ever have before. Our move to an agile development shop has resulted in a significant increase in our ability to rapidly deploy and scale.   As a result, beginning in 2013, GSA's development cycle time has been reduced to six to eight weeks from eight to twelve months.

These IT reform initiatives have resulted in more efficient allocation of IT resources. In FY 2013, GSA spent $698 million in IT spending. In FY 2015, GSA requested $572 million, a reduction of nearly 18 percent. We have cut 45 Full Time Equivalent positions in the IT area and identified several duplicative systems in the regions and between various offices that are now being consolidated. In addition, GSA's strategic hiring plan is focused on obtaining IT skills through government hires to allow us to decrease the reliance on contractors in some areas.

Consolidated IT governance helps GSA realize a high-performing IT environment as effectively and efficiently as possible. Enterprise IT governance will ensure GSA is investing in the right initiatives at the right time, allow greater oversight of key IT investments, and promote interoperability and transparency through the GSA enterprise. It also allows a level of transparency and accountability that will lead to continuous ongoing improvement.

IT Acquisition Solutions –

In addition to our efforts to better manage internal GSA IT investments and policies, we also offer acquisition solutions to agencies that deliver savings and enable them to focus more on core mission activities.

GSA aggregates and leverages the Federal government's buying power to obtain a wide range of information technology and telecommunications products and services in support of agency missions across government through contract vehicles like Schedule 70 and Networx. Schedule 70 is an indefinite delivery/indefinite quantity (IDIQ) multiple award schedule that provides direct access to products, services, and solutions from more than 5,000 certified industry partners. Networx provides cost-effective solutions for partner agencies' communications infrastructure and service needs. Through better pricing of these and other similar acquisitions, GSA helped agencies save more than $1 billion in Fiscal Year 2013, and will help them save an additional $1 billion in Fiscal Year 2014 on these acquisitions.[2]

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[2] Compared to commercial pricing for comparable services and terms and conditions

Additionally, GSA is currently developing the Prices Paid Portal. This proof of concept tool is intended to provide greater visibility into the prices paid by government agencies for commonly purchased goods and services. Currently, the system is being populated with initial data on simple commodities such as office supplies, with data on more complex items to follow. Allowing the federal acquisition community to see and analyze the cost of these good and services is intended to drive better pricing for all future federal procurements. Our hope is to replicate our purchasing experience as individuals where comparative market pricing information is widely available, such as many e-commerce, travel and secondary market portals.

Innovative Technologies and Digital Services –

GSA also looks for opportunities to help agencies adopt new technologies and take advantage of digital services that improve mission delivery, and enhance their interactions with the public. For example, the Federal Risk and Authorization Management Program (FedRAMP) is a government-wide program that accelerates adoption of cloud computing across government by providing a standardized approach to security assessment, authorization, and continuous monitoring for cloud products and services. This mandatory approach, which uses a "do once, use many times" framework, is saving cost, time, and staff required to conduct redundant agency security assessments.

GSA helps to ensure that we have tools that allow the Government to access the ingenuity of the American people to help solve Government's challenges. GSA manages Challenge.gov, an award-winning platform to promote and conduct challenge and prize competitions government-wide. Challenge.gov seeks to involve more Americans in the work of government. Eighty contests were hosted in FY 2013, covering a wide range of technical and creative challenges. For instance, the Federal Trade Commission (FTC) hosted a robocall challenge, which asked innovators to create solutions to block illegal robocalls on landline or mobile phones. The FTC received nearly 800 entries and selected two winners in a tie for the best overall solution. One winning solution, Nomorobo, went to market on September 30, 2013, and has blocked nearly 1.3 million calls for consumers.

GSA also is leading efforts to open government data to entrepreneurs and other innovators to fuel development of products and services that drive economic growth. GSA operates Data.gov, the flagship 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.

GSA is also committed to helping agencies through smarter delivery of IT projects. In collaboration with White House Office of Science and Technology Policy, GSA manages the Presidential Innovation Fellows (PIF) program. The PIF program recruits and sources some of our nation's brightest individuals to specific agencies and challenges them to implement solutions that save money and make the Federal government work better for the American people. The program is set up to deliver results in months, not years, and has already demonstrated its value through solutions like USAID's Better than Cash and VA's Blue Button.

Building on this approach, and in coordination with the Digital Service at OMB, GSA recently announced the creation of 18F— a digital delivery team within GSA that aims to make the government's digital and web services simple, effective, and easier to use for the American people. By using lessons from our Nation's top technology startups, these public service innovators are looking to provide support for our federal partners in delivering better digital services at reduced time and cost. 18F is structured to develop in an agile manner, building prototypes rapidly and putting them in the hands of users for feedback; measure success not in terms of completion of a system, but through customer use; build core capacity so that the government can build and deliver technology solutions; and scale what works iteratively.

18F is already engaged in various initiatives to improve services GSA provides to our constituents. As an example, the 18F team helped develop a new, innovative tool called FBOpen (fbopen.gsa.gov) that allows small and innovative businesses to quickly access federal contracting and grant opportunities by using simple search queries. This open source search tool makes it easier for small businesses and less traditional federal contractors to better find and bid on government opportunities, while increasing competition and delivering a simpler way to find all of the opportunities the federal government makes available. By pairing innovative technologists with agency procurement experts and reaching out to small businesses to understand their needs, GSA was able to successfully test [and deploy] a viable product in less than six months.   FBOpen is just one example of how use of smarter IT practices can shorten the time to value, whether work is performed by federal employees, contractors, or both.

Conclusion –

GSA's internal IT reforms, acquisition solutions, and digital services are in keeping with our mission to deliver the best value in information technology solutions to government and the American people. GSA still has a lot of work ahead of us, and I appreciate the Committee's support of our reform efforts.

I appreciate the opportunity to appear before you today and I am happy to answer any questions you have. Thank you.