

**STATEMENT OF
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**BEFORE THE
SUBCOMMITTEE ON INFORMATION TECHNOLOGY
AND
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
OF THE HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM**

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Good morning Chairmen Hurd and Meadows, Ranking Members Kelly and Connolly, and members of the Subcommittees. My name is David Shive, and I am the Chief Information Officer (CIO) of the U.S. General Services Administration (GSA). Thank you for inviting me to testify before you regarding GSA's implementation of the Federal Information Technology Acquisition Reform Act (FITARA). GSA appreciates this Committee's oversight of this important issue, and the importance of addressing the high risk areas outlined by GAO in its assessment.

IMPLEMENTATION TO DATE

GSA's FITARA implementation plan addresses: consolidation of information technology (IT) management; visibility of IT spending and investment; data center consolidation; enterprise-wide planning; IT vendor spending optimization; and improved software acquisition.

Consolidation of IT Management

As a result of the agency's Top to Bottom Review in 2012, GSA consolidated IT management under the CIO, and put effective management controls in place to centralize our IT spending. Since adopting this structure three years ago, GSA has improved IT acquisition and security, and we are implementing additional reforms, many of which were directed by FITARA.

GSA's IT consolidation anticipated some of the requirements of FITARA, especially around empowering the CIO. For example, as GSA's CIO, I oversee and regularly participate in the governance of operations and delivery of IT services for the entire agency. All instructional letters, policy directives, and formal guidance are published

under my signature, and all initiatives with an IT component are reviewed by my office. This is made possible through the CIO's representation on governance boards around the agency, such as the Investment Review Board (IRB), and through the agency's IT management processes.

The offices of the Chief Financial Officer (CFO) and CIO work together to streamline and integrate budget and pre-budget processes, develop GSA budgets, and create executive business case guidance and templates. While I am exclusively responsible for IT resourcing and management, I also work to review and validate non-IT requests, helping to monitor and manage potential impacts to the IT portfolio.

Visibility of IT Spending and Investment

GSA's consolidation efforts also helped the office of the CIO gain visibility into GSA-wide IT spending and investments. From fiscal years (FY) 2013 to 2015, GSA IT reduced its budget by 17 percent. Given the size and scope of the multi-billion dollar federal IT Portfolio, it is critical to maintain a focus on the health of IT investments across the government. Within the well-established GSA governance process, GSA IT has adopted a proactive process that combines actively monitoring project performance through regular in-process reviews, known as project health checks, and monthly high risk assessments.

As CIO, my office is intimately involved with the review, management, and oversight of IT expenditures from the initial budget request to execution and completion of each project. This is achieved through high risk investment reviews, project health checks, benefits realization, application rationalization, and authorizing reprogramming of funds and re-baselining of investments within the IT budget. The goal of this process is to synthesize investment management and project management oversight. For example, monthly project health checks assess major IT initiative performance and risk management via a review of the information contained in the monthly control reports for all GSA major IT Investments and GSA's project management information system. To identify any investments that are or may become "at risk," my office conducts monthly high risk assessments to resolve issues in a timely manner.

Data Center Consolidation

Data center consolidation is central to our strategy to reduce our IT costs, and has benefitted from the consolidation of all IT employees, processes, technologies, and budgets under the GSA CIO. As part of the Office of Management and Budget (OMB) Federal Data Center Consolidation Initiative (FDCCI), GSA IT has reduced its overall number of data centers and consolidated their functionality to the agency's core data centers. This consolidation has saved or avoided costs totaling approximately \$29

million between FY 2012 and FY 2015¹. For example, GSA migrated and consolidated the Bannister Data Center to the NASA Shared Services Center (NSSC) (located at Stennis Space Center) and reduced floor space by more than 50 percent. Currently, GSA has three core data centers, as well as multiple regional data centers. The future goal of GSA IT is to consolidate all core and regional data centers into just three primary data centers.

Enterprise-wide Planning

To ensure that IT investments within various GSA divisions, such as the Public Buildings Service (PBS) and the Federal Acquisition Service (FAS), are aligned with the long-term IT vision of the agency, my office collaborates with these and other offices to provide guidance and support. The IT executives supporting these offices report directly to the GSA CIO and formulate technology solutions and manage IT investments with clear understanding of GSA IT enterprise management requirements and clear direction from the CIO. Through the executive business case process, GSA's enterprise governance program advisory boards and the IRB review investment requests that exceed \$500,000. GSA's Deputy Administrator, CFO, CIO, Chief Acquisition Officer (CAO), and business line commissioners are members of the IRB and contribute to this review process. In addition, GSA is working to establish criteria and initiate programs to identify and develop an IT cadre within the agency.

Optimizing IT Vendor Spending

To identify opportunities to reduce the cost and number of IT contracts, GSA has established an IT Vendor Management Office (VMO) to maintain a centralized view of IT spending. One function of the IT VMO is to establish a process to classify all IT vendors as strategic, critical, standard, or sustaining, and develop an evolving portfolio of strategic vendors supporting critical, key integrated IT requirements and functions. Additionally, the IT VMO evaluates new, emerging, and innovative vendor capabilities. This effort helps to identify opportunities to consolidate or eliminate duplicative technologies and contracts resulting in more efficient enterprise solutions for the agency, while continuing to support opportunities for small and disadvantaged businesses. From FY 2014 to FY 2015, consolidation efforts have resulted in approximately \$5.5 million in a combination of cost savings and cost avoidance.

Acquisition of Software

To improve the way the government purchases, maintains, and manages software, FITARA requires GSA, in collaboration with OMB, to expand strategic sourcing initiatives to include software, clearing the way for government-wide enterprise licensing

¹ OMB Quarterly Report to Congress: Information Technology Oversight and Reform, October 2015

agreements.² Currently, software licensing terms and conditions vary not only from agency to agency, but even within agencies. Varied purchase methods and limited visibility on pricing and terms create inefficiencies across government. To address this problem, GSA has included software in its Category Management initiative. Category Management allows the Federal government to buy as a single entity, and enables better understanding of buying trends and cost drivers, and encourages identification of new innovations and emerging companies.

As part of this effort, OMB, GSA, and the Department of Defense (DOD) created an enterprise software category team (ESCT) to reduce the wasteful and redundant purchasing of licenses. The ESCT is leading efforts to improve management of common spending by capturing prices paid data, establishing standard terms and conditions on license agreements, standardizing end user license agreements (EULAs), and establishing government-wide enterprise license agreements and contracts.

The ESCT meets weekly to discuss specific initiatives and potential issues and challenges. This entails working across the federal government to understand how agencies are purchasing software today and the challenges facing agencies in developing requirements and purchasing and managing licenses. The ESCT identifies strategies that agencies can use to evolve purchasing behavior into an enterprise-wide approach.

NEXT STEPS

In an effort to drive transparency and help our organizations make better strategic decisions, GSA is currently establishing a common cloud-based technology platform, known as data-to-decisions (D2D), to migrate and manage all key enterprise data assets. The migration of the critical datasets and the development of rich data analytics capabilities will empower GSA's senior leadership team to make better informed strategic decisions and enable line managers to align on the same data inputs as the leadership team.

As for the FDCCI effort, GSA plans to close an additional 28 data centers, resulting in approximately \$2.5 million in cost savings and cost avoidance over the next two fiscal years. GSA also plans to continue migrating systems and applications to the Cloud. GSA is looking for ways to leverage the Integrated Award Environment (IAE) Common Services Platform to build an enterprise-wide, DevOps-enabling cloud capability that will allow rapid, agile delivery to internal and external customers. Finally, GSA will use cloud

² P.L.113-291 sec. 837

service providers to launch modernized acquisition applications, such updates to FBO.gov, CFDA.gov, and FPDS.gov.

CONCLUSION

While GSA has made significant progress in implementing the key components of FITARA, there is still more work ahead. Through consolidation and by driving efficiency into the GSA computing enterprise, GSA has increased the usability of our systems; eliminated duplicative processes, systems, and applications; and standardized our processes using industry best practices and solutions.

I look forward to continuing to work with GSA senior agency officials, OMB, federal agency CIOs, and the members of this Committee to ensure that GSA is effectively implementing FITARA to reduce costs and increase the value of our IT acquisitions. I thank the Subcommittees for the opportunity to testify today and look forward to answering your questions.