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## Overview of the U.S. General Services Administration

The Federal Property and Administrative Services Act of 1947 established the U.S. General Services Administration (GSA) as the mandatory, government-wide source for the procurement of goods and services and the acquisition, management, and disposal of real property. It employs approximately 12,600 people and has a budget of approximately \$16 billion. GSA groups its offices into four categories: (1) services, (2) independent offices, (3) regional offices, and (4) staff offices. This InFocus provides a brief overview of GSA's structure and then discusses the agency's service offices in greater detail.

### Structure

GSA has two service offices, which encompass the large majority of the agency's staff and responsibilities: the Federal Acquisition Services (FAS), which administers its purchasing programs, and the Public Building Service (PBS), which administers its real property programs.

There are two independent offices at GSA: the Office of the Inspector General, which investigates GSA's programs and activities to identify and recommend corrections to management and administrative deficiencies; and the Civilian Board of Contract Appeals, a tribunal that resolves disputes between government contractors and federal agencies.

GSA's 11 regional offices assist federal agencies located around the country with the procurement of goods and services and the acquisition and management of real property. GSA's 12 staff offices generally handle internal administrative duties, although the Office of Government-wide Policy, in consultation with FAS and PBS, promulgates procurement and real property policies that apply to other federal agencies.

### Federal Acquisition Service

FAS facilitates the government-wide acquisition of goods and services via programs that generally fall into two categories: (1) programs to acquire goods that are made available for use by other federal agencies and (2) programs to pre-negotiate contracts, contract vehicles, and agreements with vendors that federal agencies may leverage to expedite or simplify the acquisition process. An overarching goal of these acquisition programs is to use the federal government's purchasing power to generate economies of scale and decrease duplication across agencies.

### Federal Supply Schedule

GSA maintains a supply schedule, which is also known as the Federal Supply Schedule. A schedule is a list of goods and/or services provided by multiple GSA-selected vendors at varying prices. Hence, these schedules are also known as

multiple award schedules. Using competitive procedures, GSA awards indefinite delivery, indefinite quantity contracts to firms that will provide goods or services through the schedule. Agencies may acquire commercial goods and services listed on the schedule in varying quantities at the prices stated on the schedule. The Federal Supply Schedule, therefore, provides a simplified process for agencies to acquire goods and services while also obtaining volume discounts. When an agency pays a vendor for goods or services listed on the schedule, the vendor remits a percentage of the sale (currently 0.75%) to GSA. This fee, known as the Industrial Funding Fee, reimburses GSA for the costs of operating the Federal Supply Schedule.

The process for a vendor to get an item on the schedule is similar to that for obtaining a government contract: GSA issues a solicitation for goods or services, companies submit offers in response, and then GSA evaluates the offers and awards contracts to multiple vendors. Schedule solicitations are posted on the System for Award Management (SAM.gov).

### Other Contracting Programs

FAS offers several purchasing programs to assist agencies in procuring a range of goods and services, including the following.

- **Government-wide acquisition contracts (GWACs).** GWACs are "pre-competed, multiple award, indefinite delivery, indefinite quantity contracts" that agencies can use to acquire information technology (IT) services more cost effectively while ensuring compliance with applicable regulations. GSA provides agencies access to GWACs for IT services including systems design, software engineering, information assurance, and enterprise architecture solutions.
- **Software blanket purchase agreements (BPAs).** BPAs are agreements established by government buyers with contractors to fill repetitive needs for supplies or services. GSA's software BPAs offer pre-negotiated terms and conditions for commercial-off-the-shelf software to reduce agency risk and project costs.
- **Fleet purchasing and leasing.** Executive agencies are required to use GSA sources when purchasing non-tactical vehicles. Centralizing the purchasing of vehicles in GSA allows the federal government to negotiate lower prices than agencies could achieve separately. Agencies may also lease vehicles through GSA.
- **SmartPay:** The GSA SmartPay program is a government charge card and commercial payment

program that allows government employees to purchase supplies, goods, and services under the micro-purchase threshold (generally \$10,000). Federal employees use SmartPay to purchase airline, rail, and bus tickets as well as other travel and travel-related expenses.

## Public Building Service

The mission of PBS is to provide safe and effective workspace for federal employees at the best value for taxpayers. To fulfill its mission, PBS acquires, manages, and disposes of space on behalf of more than 100 federal agencies. These buildings house more than 1 million federal employees, which is about half of the civilian workforce.

Currently, PBS owns or leases 365 million square feet in more than 8,300 buildings. These buildings vary in purpose, depending on the mission and immediate need of the tenant. For example, PBS’s inventory includes courthouses for the judiciary, land ports of entry for Customs and Border Protection, laboratories for the Food and Drug Administration, and general office space for many agencies.

## Federal Buildings Fund

PBS charges rent to tenant agencies and deposits the amounts collected into the Federal Buildings Fund (FBF). PBS also deposits into the FBF any proceeds resulting from the sale of surplus property it owns and any appropriations provided. PBS uses the funds in the FBF to pay for its real property activities. GSA does not have the authority to spend the FBF’s full balance each year. Congress, through the appropriations process, sets annual limits on the amount of funds that may be expended from the FBF, known as limitations on the availability of revenue. Congress puts limits on the revenue available for each of account within the FBF. Four accounts comprise the majority of FBF funding most years.

1. **Construction and acquisition** funds the purchase or construction of new facilities, as well as major extensions to existing buildings.
2. **Repairs and alterations** funds repairs and alterations of existing buildings, including associated design and construction services.
3. **Rental of space** funds leases with privately owned space or buildings on behalf of other federal agencies.
4. **Building operations** funds day-to-day building services, such as cleaning, utilities, and maintenance.

If Congress does not set GSA’s limitations equal to revenue—providing “zero balance authority”—then any unexpended funds are added to the FBF’s balance and carried forward to the following fiscal year and are generally available to be appropriated.

## The Prospectus Process

As required by Title 40, Section 3307, of the *U.S. Code*, GSA must submit a prospectus to two committees—the Senate Committee on Environment and Public Works (EPW) and the House Committee on Transportation and

Infrastructure (T&I)—for approval when the estimated cost of a real property project exceeds a certain threshold. For FY2024 the prospectus threshold for construction, acquisition, alteration, and lease projects is \$3.613 million, except for alterations of leased space, which has a threshold of \$1.806 million. EPW and T&I must each pass resolutions approving the project’s prospectus for the project to be authorized for appropriations. The resolutions need only pass at the committee level and do not proceed to the floor for consideration by the full House or Senate.

## Disposal of Unneeded Space

Agencies are required to continually survey property under their control to identify any property that they no longer need to carry out their missions—excess property—and to “promptly” report that property as excess to PBS. Once PBS accepts the report of excess, it controls the property as it moves through the four stages of the disposal process. PBS first offers to transfer an excess property to other federal agencies, which are generally required to pay fair market value for any properties they wish to acquire.

An excess property that is not transferred to a federal agency is designated “surplus,” and PBS must then offer it to state and local governments and qualified nonprofits for use in accomplishing certain public purposes that have been specified in statute. The McKinney-Vento Homeless Assistance Act requires PBS to first screen all surplus federal properties for potential use in providing services to the homeless. Once a surplus property has been determined unsuitable for providing homeless services, or no eligible entity has acquired it, PBS offers it for use providing other public benefits, such as a public airport, school, correctional facility, hospital, or park. PBS may convey surplus properties for public benefit at less than fair market value—even at no cost.

A surplus property not conveyed for public benefit is then available for sale to state and local governments at fair market value. This transaction, termed a “negotiated sale,” requires eligible entities to pay fair market value for the property and to use it to create public benefits other than those specified in statute. For example, a city may purchase a surplus federal office building through negotiated sale for use as a municipal building. The conveyance documents for a negotiated sale must include an excess profits clause, which usually runs for three years, to eliminate the potential for windfall profits to public agencies.

If a surplus property is not acquired by a state or local government or qualified nonprofit, then PBS offers it for sale to the general public. Public sales are competitive and may be conducted by brokers or through online auctions.

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