



Highlights of [GAO-06-911](#), a report to congressional committees

## Why GAO Did This Study

In November 2003, GSA awarded three 10-year e-Government Travel Service (eTS) master contracts as part of the e-Gov Travel initiative, managed by the General Services Administration (GSA), which aims to save costs and improve service by providing a common, integrated approach to managing government travel functions. GSA has projected that e-Gov Travel will realize about \$473 million in savings across the government between fiscal years 2002 and 2013.

As directed by Senate Report 109-109, GAO is reporting on its study of (1) whether GSA has appropriate mechanisms in place to help ensure the use of small business travel agencies in the e-Gov Travel program and (2) the soundness of GSA's estimate of potential savings.

GAO evaluated GSA's small business goals and results and assessed GSA's cost-benefit analysis based on criteria developed by the Office of Management and Budget (OMB).

## What GAO Recommends

GAO recommends that GSA (1) ensure that its administrative processes do not impede small business travel agencies from having reasonable opportunities to do business with the federal government and (2) collect data and periodically report to OMB on savings realized from implementing e-Gov Travel. GSA generally agreed with the content and recommendations in this report.

[www.gao.gov/cgi-bin/getrpt?GAO-06-911](http://www.gao.gov/cgi-bin/getrpt?GAO-06-911).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Linda Koontz at (202) 512-6240 or [koontzl@gao.gov](mailto:koontzl@gao.gov).

# E-GOVERNMENT TRAVEL

## Participation by Small Businesses and Estimated Program Savings

### What GAO Found

GSA has appropriate mechanisms in place to ensure that small travel agencies have opportunities to obtain federal travel business (1) by participating in the eTS contracts, under which three vendors agreed to offer a full array of travel management services to federal agencies, and (2) through the Travel Services Solutions (TSS) schedule, which serves as a comprehensive contracting vehicle for federal agencies wishing to acquire related services such as professional travel agents. Specifically, GSA included provisions within the eTS contracts to promote the use of small business subcontractors, which include travel agencies as well as other small businesses. These provisions include goals for the amount of business to go to small business subcontractors and financial incentive awards for meeting or exceeding those goals, as well as monetary penalties for not meeting the goals. GSA also engaged in outreach to explain these contract provisions to agencies and the business community. In addition, it established the TSS schedule to supplement the eTS contracts and permit small businesses and others to participate. Small businesses have participated in both, and the three eTS vendors have reported meeting the contracts' goals for small business subcontracting in fiscal year 2005. However, the e-Gov Travel program office has not tracked how much business the travel agencies on the schedule have received; thus, the office has not yet gauged the overall effectiveness of the schedule for facilitating the participation of small businesses. Further, it is uncertain whether GSA intends to waive or modify its requirement that travel agencies conduct \$25,000 in business each year to maintain their schedule contracts. Such a requirement could be an impediment to the participation of small travel agencies.

GSA's estimate of e-Gov Travel savings across the federal government is not well supported. A large proportion (74 percent) of the projected benefits is based on GSA's calculations of expected productivity savings to be gained from streamlined processing of travel orders and vouchers. However, GSA did not determine whether individual agencies planned to take action to realize productivity savings (for example, by reallocating personnel to other tasks). It is thus unclear whether these savings will be borne out. Further, the estimate does not reflect other savings that could be gained by consolidation and the elimination of duplicative systems; GSA has stated that calculating such savings would be prohibitively expensive. As a result, it is unclear what savings can be expected from implementing e-Gov Travel. At this point, a new estimate of anticipated savings would be of limited value, but tracking actual savings would provide a useful measure of program success. Currently, however, GSA does not plan to collect data from individual agencies on actual savings.