



Washington Headquarters Services Facilities Services Directorate

Success in Consolidating Leased Spaces “The Big Bang”

An overview of the Washington Headquarters Services approach to leased space consolidation through the Base Realignment and Closure (BRAC) 2005 in the National Capital Region (NCR)

October 31, 2013

Bradley E. Provancha, SES, CHE, CPM
Deputy Director
WHS/Facilities Services Directorate

- **Introduction**
- **Portfolio Overview**
- **NCR Real Estate Activities Timeline**
- **Factors Affecting Consolidation**
- **Dispersal Planning Processes and Tools**
- **Implementation Planning Results**
- **Simulation Model Results**
- **Rent Exposure Reduction Strategies Worked**
- **Google earth Model Demonstration**
- **Lessons Learned**
- **Post-BRAC Optimization Objectives**



- **Washington Headquarters Services (WHS) is a Defense Field Activity with some global and some regional responsibilities**
- **Established in October 1, 1977 as part of a DoD Headquarters streamlining initiative**
- **Organizationally aligned under Director of Administration and Management in Office of the Secretary of Defense (OSD)**
- **In the NCR, WHS / Facilities Services Directorate (FSD) manages facilities and administrative space not on Military Installations (except the Fort Belvoir Mark Center Campus) that includes the Pentagon Reservation, DoD leased facilities, and GSA leased space delegated to WHS / FSD**



WHS Directorates

Acquisition Directorate

DoD Consolidated Adjudication Facility

Enterprise Info Tech Svcs Directorate

Enterprise Management Directorate

Executive Services Directorate

Facilities Services Directorate 

Financial Management Directorate

Human Resources Directorate

Office of General Counsel

Facilities Services Directorate

Real property asset mgmt & reporting; installation master planning; utilities generation; owned & leased building mgmt; personal property mgmt; space acquisition & mgmt; rent billing; operations, maintenance, repairs, & alterations; major construction; commissioning; building codes; roads & grounds maintenance & repair; custodial services; pest mgmt; materials handling; contingency operations; environmental & energy mgmt; conservation; recycling & waste mgmt; sustainability; special events; life safety & occupational health; fire protection; industrial hygiene; historic preservation; tenant fit-out; transportation & parking mgmt; fleet mgmt; continuity of operations; interagency councils; Pentagon Memorial; office support services to include mass transit benefits & foreign gifts programs, conferencing services, & corridor displays mgmt



NCR Real Estate Portfolio Map

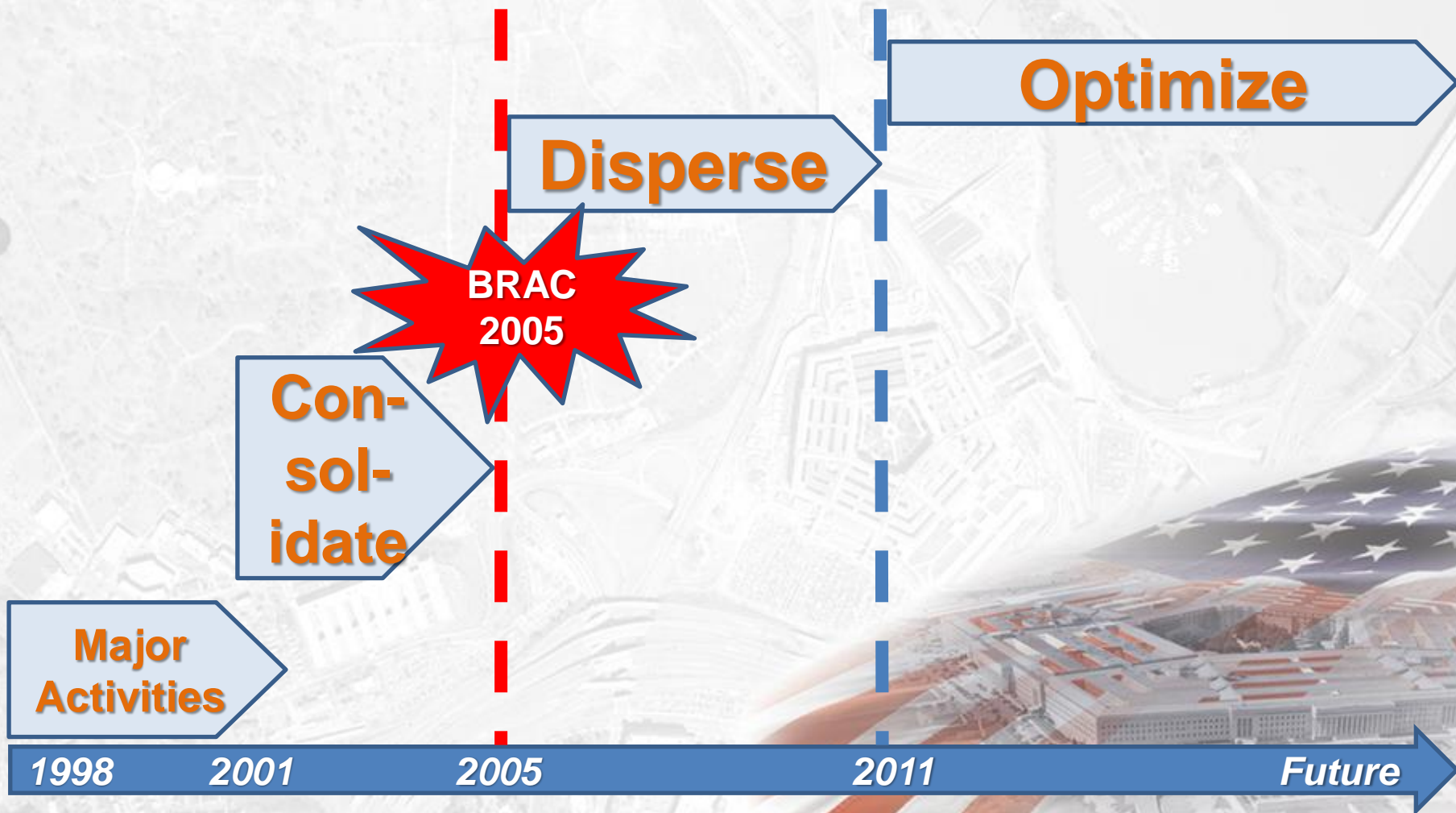
- Pentagon
- Mark Center
- Leased Facilities
- Other Federally-Owned Facilities

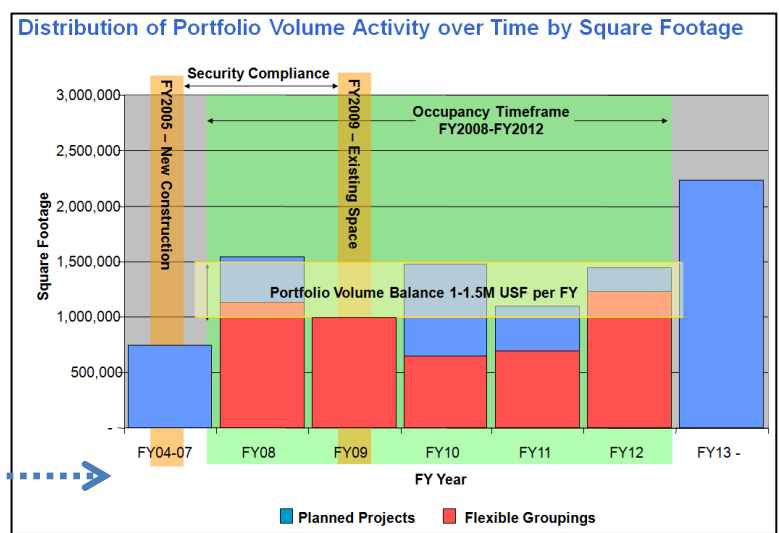
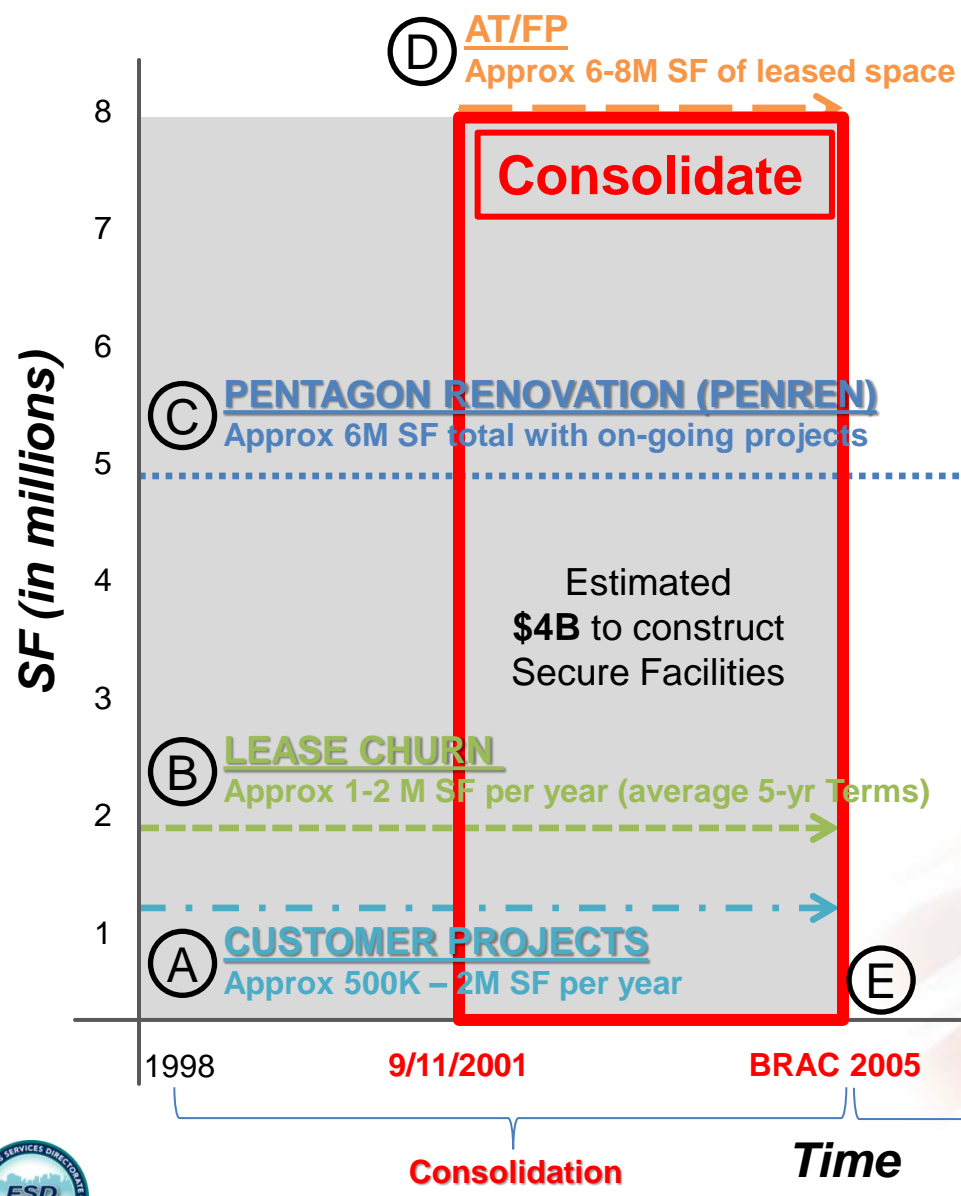
- Tenants: Office of the Secretary of Defense, Joints Chiefs of Staff, Military Departments, Defense Agencies, and Defense Field Activities

- 100+ leases
- 90+ locations
- 67,000+ people



* October 2013 portfolio information 5.5M USF, \$269M Annual Rent Collected





Strategic Guidelines

Security Compliance

- Comply with guidelines for Newly Constructed Facilities (FY05) and for Renovated Facilities (FY09)

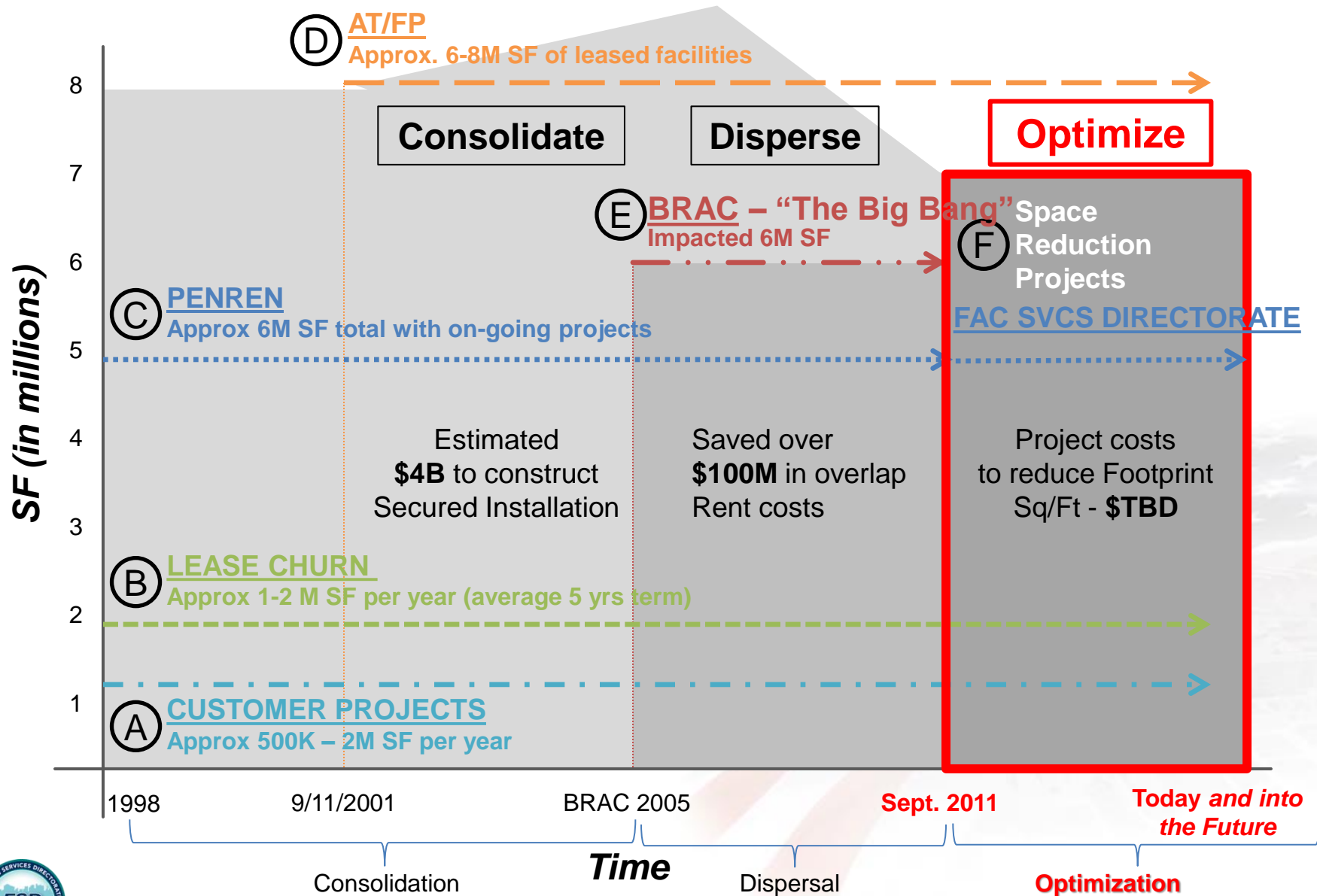
Operational Flexibility

- Identify potential agency consolidations that are "building-sized" (200,000-400,000 USF)

Occupancy Timeframe

- Balance portfolio volume to maintain 1.0M - 1.5 million USF per year over the course of the implementation period





- **Consolidation for security reasons after 9-11-2011 - Anti-Terrorism Force Protection**
 - Supplanted by BRAC 2005
 - DoD Unified Facilities Criteria security standards implementation 2006-09
- **On-Going Mission Growth**
 - Overseas Contingency Operations (OCO) effort
 - Congressional Requirements (e.g. Boards, Commissions, & Task Forces)
 - Mission change
- **Present Day Efforts**
 - “OCO” winding down
 - DoD-Imposed “OMB Freeze the Footprint” and Congressionally Imposed Utilization Rates
 - Optimization supported by “Mobile Workforce” (i.e. Telework, Hoteling)
- **GSA Leasing Planning Cycle**
 - Space Reductions may lag behind FTE reductions



BRAC-129 Andrews Air Force Base MD	BRAC-129 Army National Guard Readiness Center, Arlington, VA	BRAC-131 Marine Corps Base Quantico VA	BRAC-132 Fort Belvoir VA	BRAC-133 Fort Belvoir VA	BRAC-133 Fort Lee VA	BRAC-134 Fort Belvoir VA
BRAC-134 Redstone Arsenal AL	BRAC-136 Aberdeen Proving Ground MD	BRAC-137 Defense Logistics Agency, 3990 East Broad Street, Columbus, OH	BRAC-140 Fort Meade MD	BRAC-141 Fort Meade MD	BRAC-142 Scott Air Force Base IL	BRAC-143 Fort Knox KY
BRAC-145 Relocate to 3 Field Service Centers	BRAC-147 Lackland Air Force Base San Antonio, TX	BRAC-148 Fort Knox KY	BRAC-148 Fort Sam Houston TX	BRAC-149 Anacostla Annex (Tentative)	BRAC-149 Arlington Service Center (Tentative)	BRAC-149 Washington Navy Yard (Tentative)
BRAC-167 Defense Intelligence Analysis Center, Bolling Air Force Base, DC	BRAC-169 Dover Air Force Base DE	BRAC-174 Edgewood Chemical Biological Center, Aberdeen Proving Ground, MDMD	BRAC-174 Walter Reed Army Medical Center Forest Glen Annex, MD	BRAC-198 Force-protected installation within the National Capital Region	ATFP / Interim Moves	New Prospectus Projects

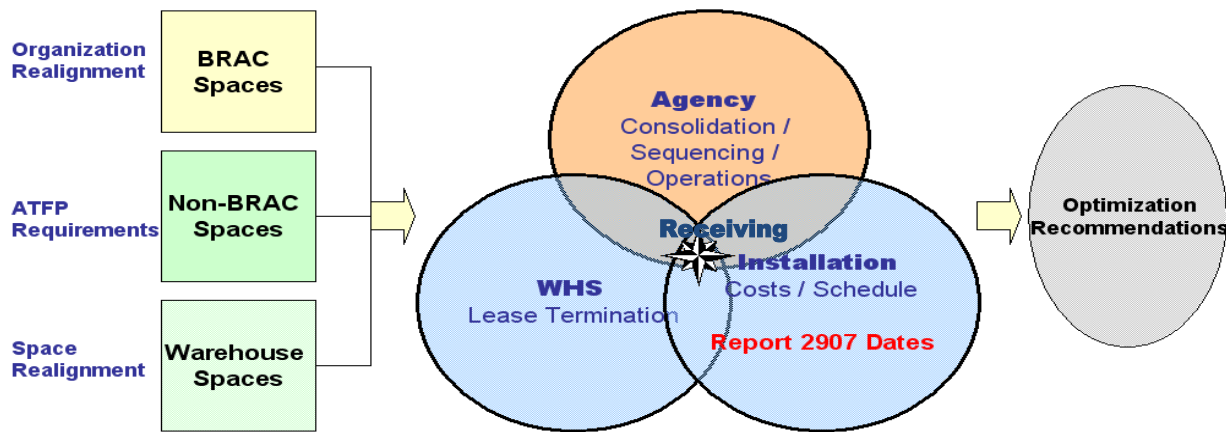
BRAC 2005	Worldwide	NCR	%age
Recommendations	198	22	11%

NCR Leased Portfolio	2005	BRAC'd	%
GSA & CoE Leases	170	125	74%
Building Locations	116	71	61%
Sq/Ft of Assigned Space	8.2M	5.7M	70%
Personnel (Estimated)	67.0K	38.2K	57%
DoD Components	40+	15	~38%



Partnered with GSA and each of our Tenant Agencies to create an Implementation Strategy and Supporting Processes to:

- Develop and implement a BRAC leasing strategy that meets applicable BRAC 2005 requirements and timeframes*
- Develop and implement a Non-BRAC leasing strategy that meets applicable AT/FP requirements and timeframes
- Integrate and align applicable final results of the Pentagon Occupancy and Space Allocation Study (POSAS) with the other BRAC and Non-BRAC and Warehouses and AT/FP activities
- Minimize government financial exposure and costs (for rent, relocation, and restoration) through timely lease actions, terminations and building restorations



*BRAC 2005 Law – 1-year planning, 5-year implementation schedule required, and occupancy by Sept 15th, 2011

- FSD needed an independent party, experienced in a major relocation and consolidation, to facilitate the development and implementation of the working group members' individual and collective strategies and processes
- FSD competitively engaged Gensler and leveraged their expertise (Patent & Trademark Office relocation to Crystal City)
- FSD established a working group: GSA; WHS BRAC Program Office; Tenant Agency Representatives from the Military Departments, Defense Agencies, PFPA, and all affected organizations
- FSD coordinated Tenant Agency "Continuing Need" certifications and requirements to determine the optimal timeline for lease actions in order to align with BRAC, POSAS, and AT/FP relocations
- GSA closely coordinated with WHS to negotiate lease renewals and extensions in order to insure Tenant Agencies were housed until the completion of all relocation activities



- FSD and Gensler conducted 15 semi-annual relocation simulations from FY 2005-11 with the Working Group to closely monitor the 22 BRAC 2005 Recommendations that impacted the NCR Portfolio and shared the results
- Simulations analyzed each building, floor by floor, lease by lease, tenant by tenant
- Each schedule was analyzed to determine when and where each component would relocate due to BRAC, Non-BRAC, or AT/FP requirements.
- Each lease was analyzed to determine what actions GSA needed to execute to assure Tenant Agencies were housed until relocation was completed and to minimize rent, relocation, and restoration costs
- Each move was simulated graphically and was not incorporated into the WHS NCR-wide Implementation Plan until the Tenant Agency Representative concurred



DoD
United States

Chip Color Code



BRA

Comp

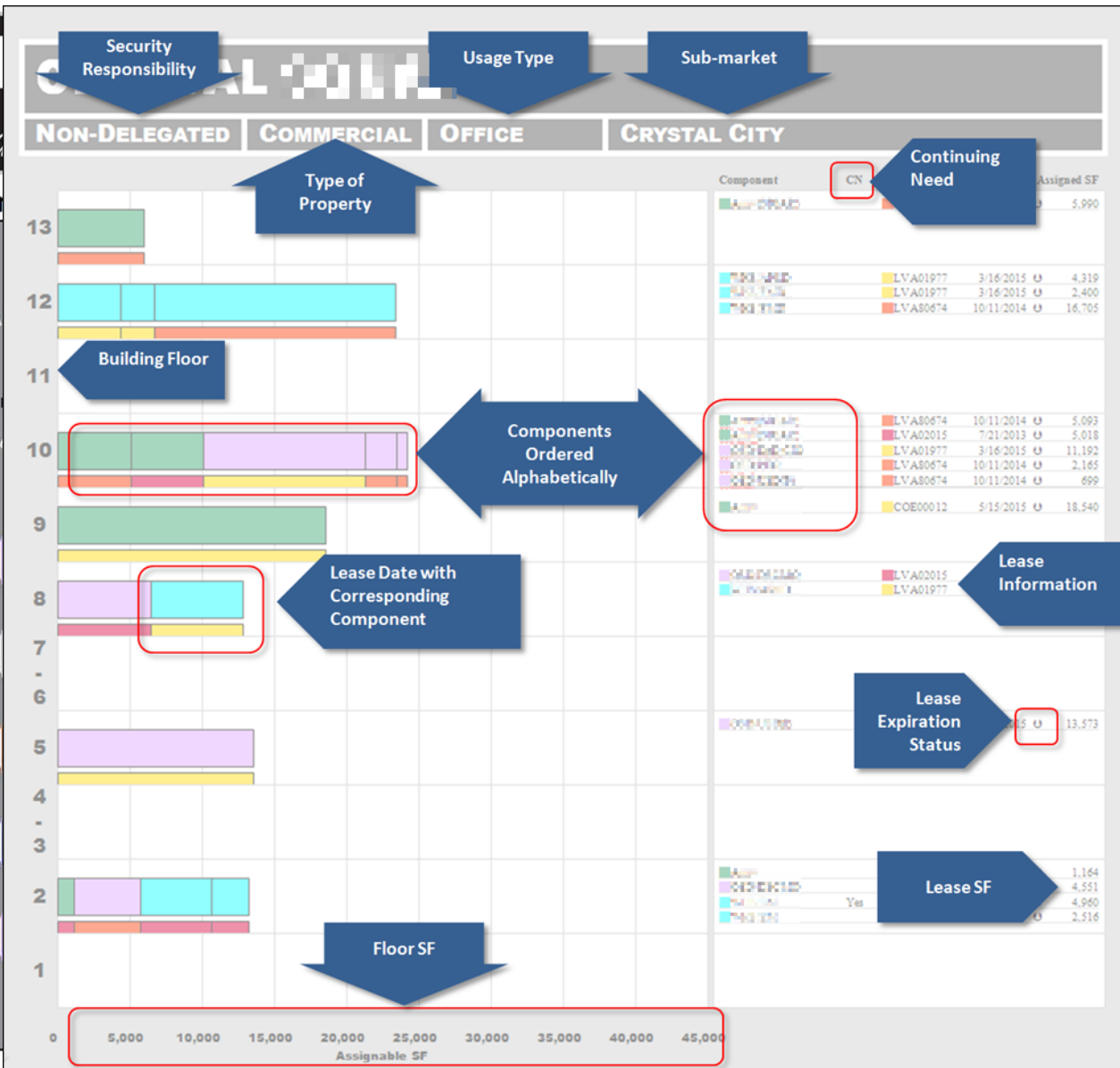
Air Force

Army

DIA

DISA

DLA
DHRA



* Size of chip = 5,000 SF @ a unit of 200 SF/headcount

ation

icity

City: Arlington

FY Fiscal: 1

Building Name: ...

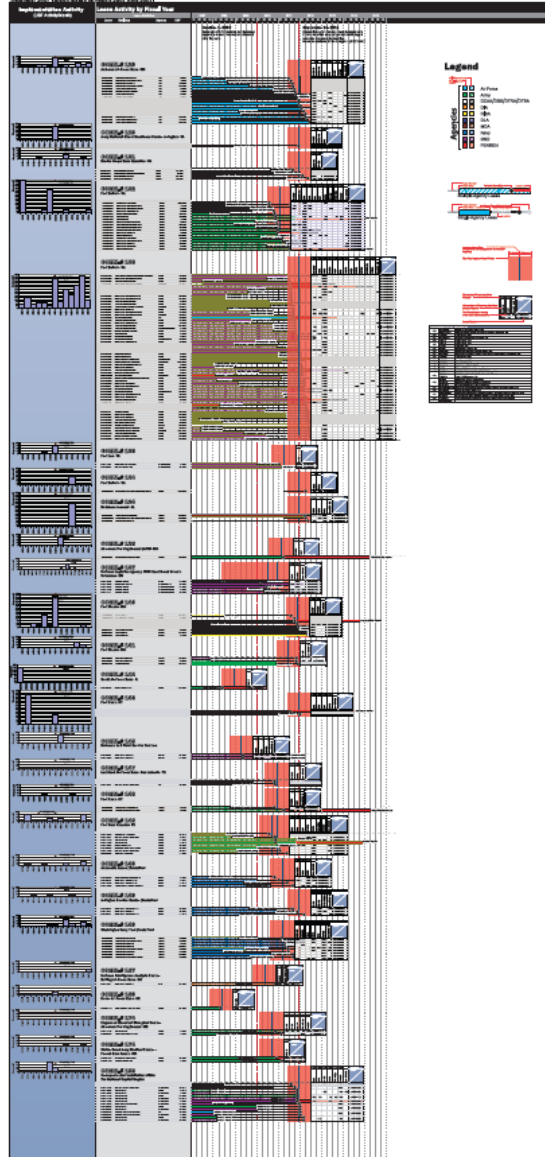
Lease - Expiration Date

Sorted by Expiration

- **Customer Education of each BRAC 2005 Recommendation Tenant Agency**
 - Space vacating process from BRAC (Scale of Space Acquisition Experience and Space Disposal = “Uncharted/New Territory”)
 - Government/GSA property disposal process (IT, furniture & equipment)
- **Portal Management - De-conflict Move-out Plans at each Vacated Location**
 - NCR Competition for local movers, workload, and coordination
 - After-hour building access, schedules, and vertical/horizontal capacity
 - “Red Zone” management (6 months before and 6 months after moves)
- **Space Return Transactions with GSA**
 - Approximately \$20M expenditure from over 30 customers / bill payers
 - Recurring restoration / lease termination negotiations with landlords
- **Manage Rent Costs**
 - Model potential overlap/double rent during project implementation
 - Saved over \$112 million in rent expenses
- **Negotiated “Return to Marketable Condition” Costs**
 - Lessor by lessor, building by building, lease by lease, FY by FY

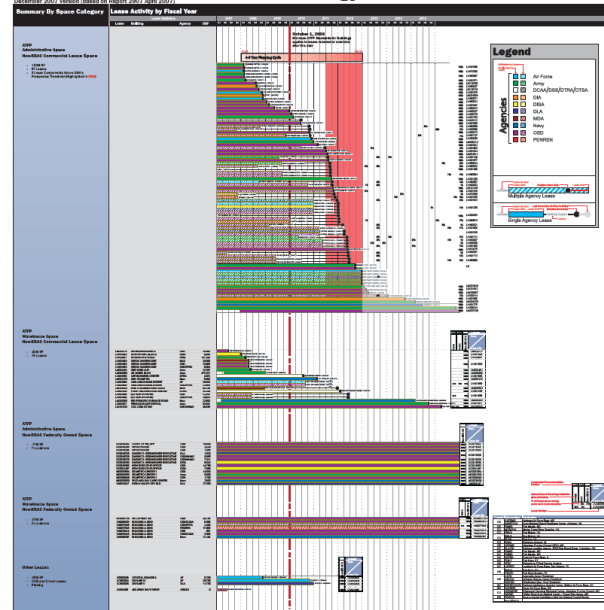


DoD NCR BRAC Portfolio Strategy



© Gensler 2008 For Official Use Only US Department of Defense National Capital Region Real Estate Portfolio Strategy

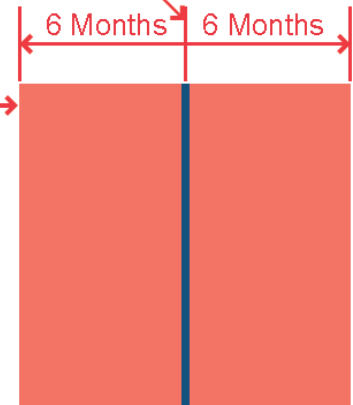
DoD NCR Non-BRAC Portfolio Strategy



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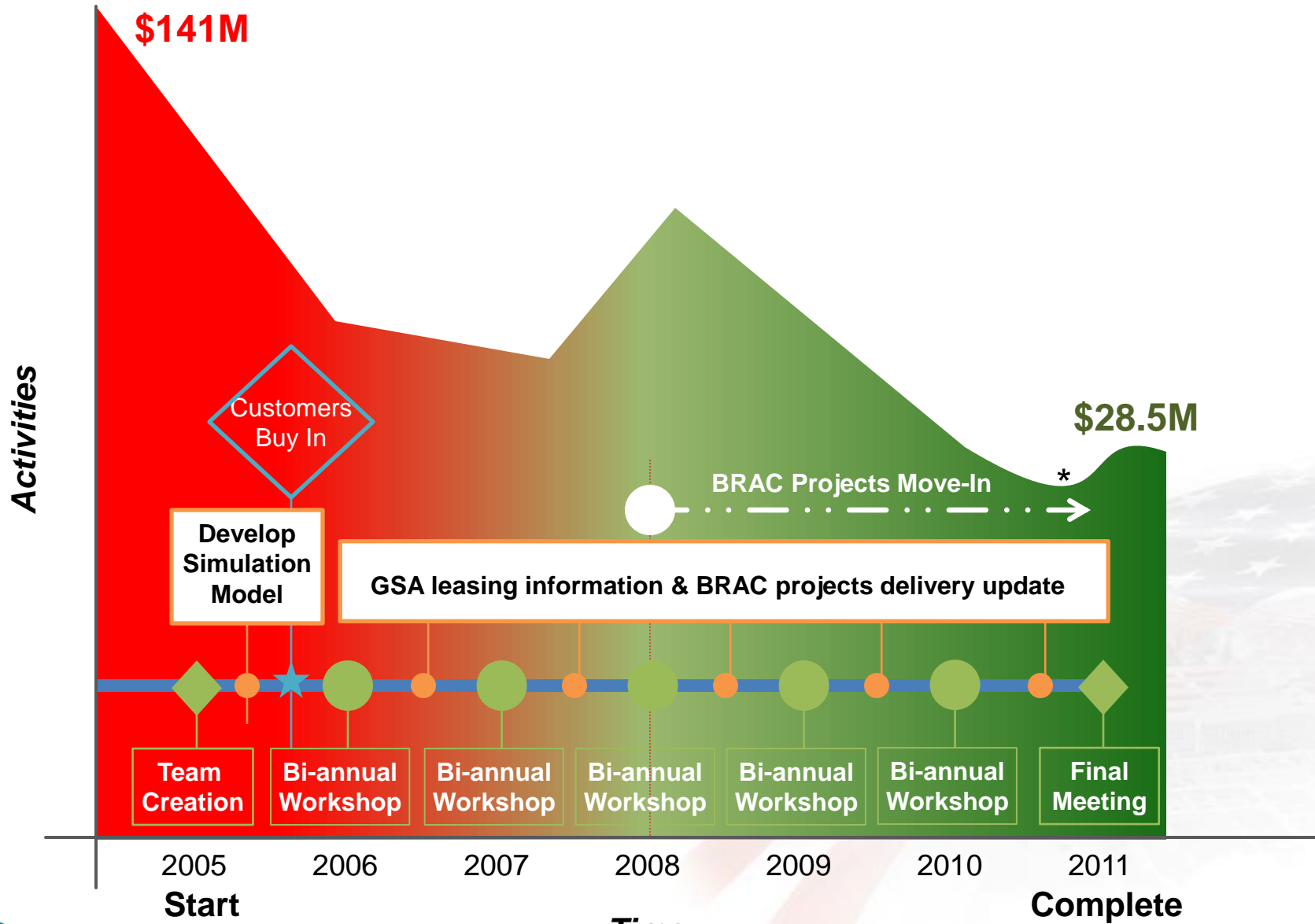
Implementation Date: _____
Date cited in business plans

One Year Implementation Window



*Move Costs: \$4.03 million





* Business Plan extensions were approved



Google earth Model Demo



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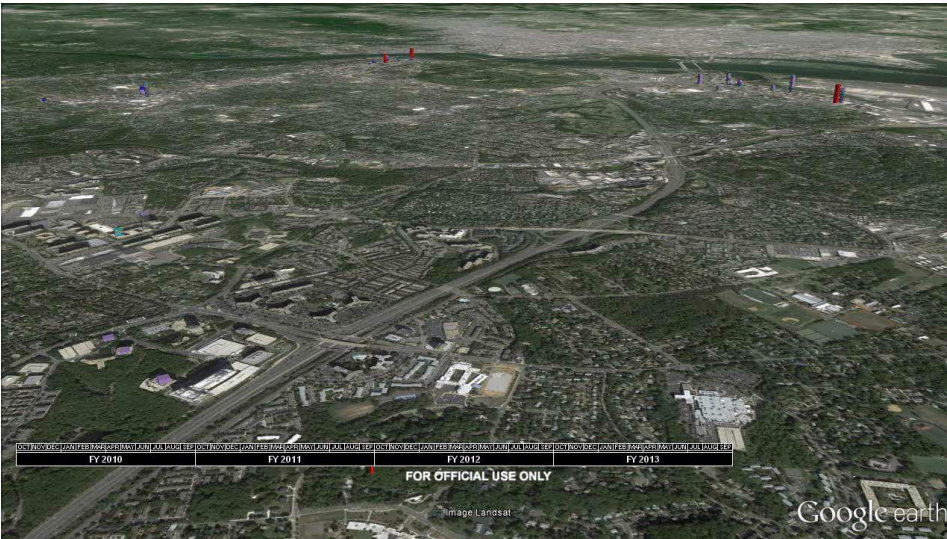
Data SIO, NOAA, U.S. Navy, NGA, GEBCO
Image Landsat
Image BCOAO

Google earth



* Grey Boxes represent vacant geographic areas (all BRAC 133 tenants relocated to the Mark Center)

Cumulative BRAC 133 Population Moved	6,074/6,074
Cumulative # of BRAC 133 Leased Buildings vacated	34/34



- **Partnerships, Customer Education and Outreach** - with GSA and with Tenant Agencies, were vital. Hire consultants with this expertise.
- **Collaboration** - a consensus-building forum provided iterative real estate simulation working group sessions
- **Information Sharing** - applying simulation findings enhanced the GSA's lease negotiating position without impacting customer missions
- **Integrated Coordination** – simulation results enhanced efficiency through coordination of move planning, lease expirations, and construction delivery schedules
- **BRAC 2005 was the Law** – it was mandatory, it applied to all DoD activities, implementation deadline was known in advance by all, including landlords

1. Stay in Place

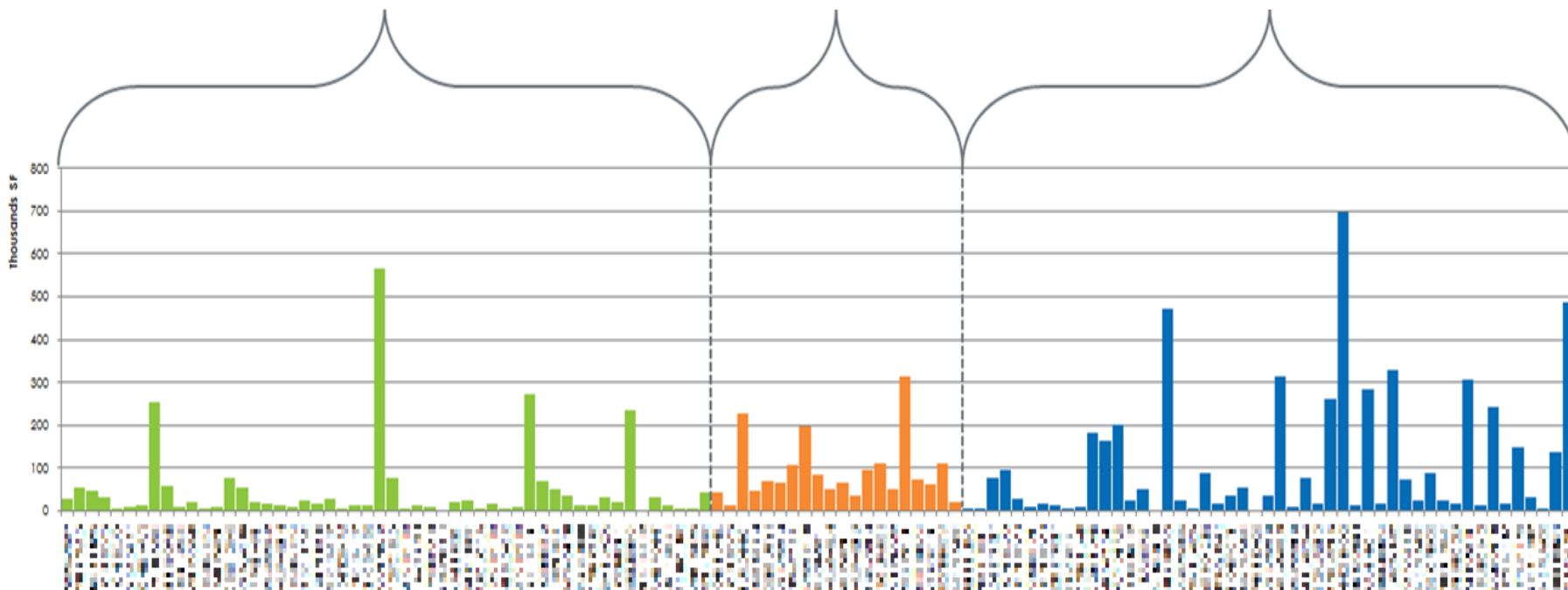
53 Locations
2.7M SF

2. Retain/Right Size

21 Locations
1.8M SF

3. Return

49 Locations
5.6M SF



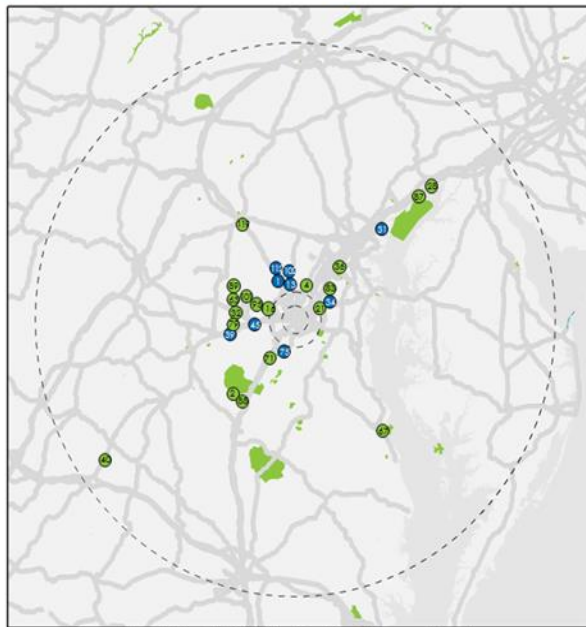
The chart above indicates the quantities and locations affected by previous strategies (As of 2011)

4. Acquire New AT/FP-Compliant Facilities: house Post-2005 non-BRAC growth at 22 Locations, 2.4M SF. Minimize disposal, relocation, & AT/FP costs wherever possible.

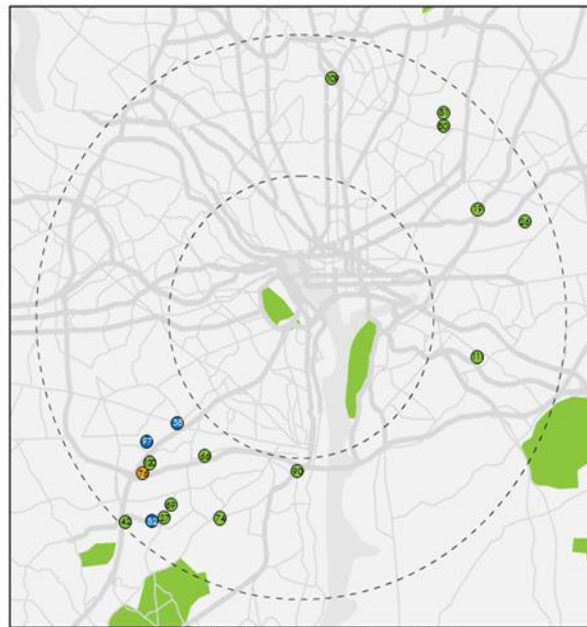


- LEGEND**
- Location Planned to Stay In Place
 - Location Planned to be Retained/Right Sized
 - Location Planned to be Returned
 - DoD Installation

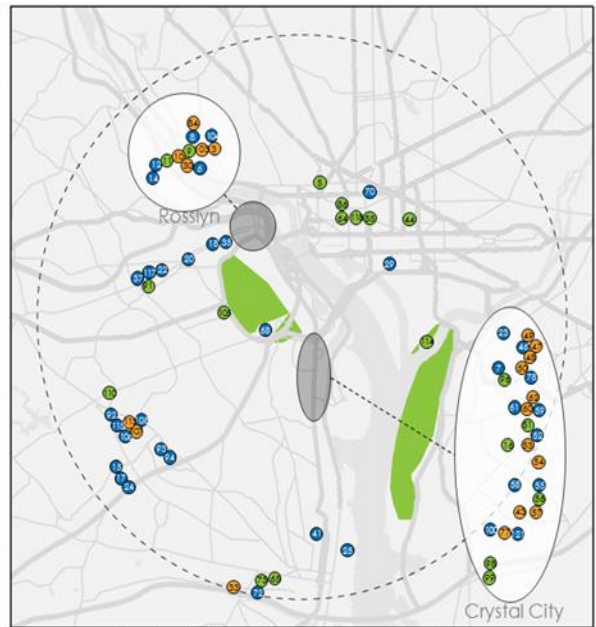
Current Portfolio Map



Map 1 : 10 to 100 Mile Radius From Pentagon



Map 2 : 5 to 10 Mile Radius From Pentagon



Map 3 : 5 Mile Radius From Pentagon



The Mark Center – BRAC 133

Alexandria, VA



- Total square footage: 1.8 million
- Houses 6,409 DoD personnel
- Utilizes Smart Wall tenant planning system
- Safety Record, Quality (LEED “Gold”), Under Budget , Ahead of Schedule
- Tallest building erected by US Army Corps of Engineers
- Total cost - \$1.3B
- Occupied August 2011
- Operated under ISSA with Fort Belvoir Garrison Commander

FSD

Facilities Services Directorate



Defense Health Headquarters – BRAC 198

Falls Church, VA



- Total square footage: 661,801
- Houses 3,050 DoD personnel
- Co-location of Army, Navy, and Air Force Surgeon General Offices
- Lease Terms - 15 years
- Occupancy - Summer 2012

FSD

Facilities Services Directorate

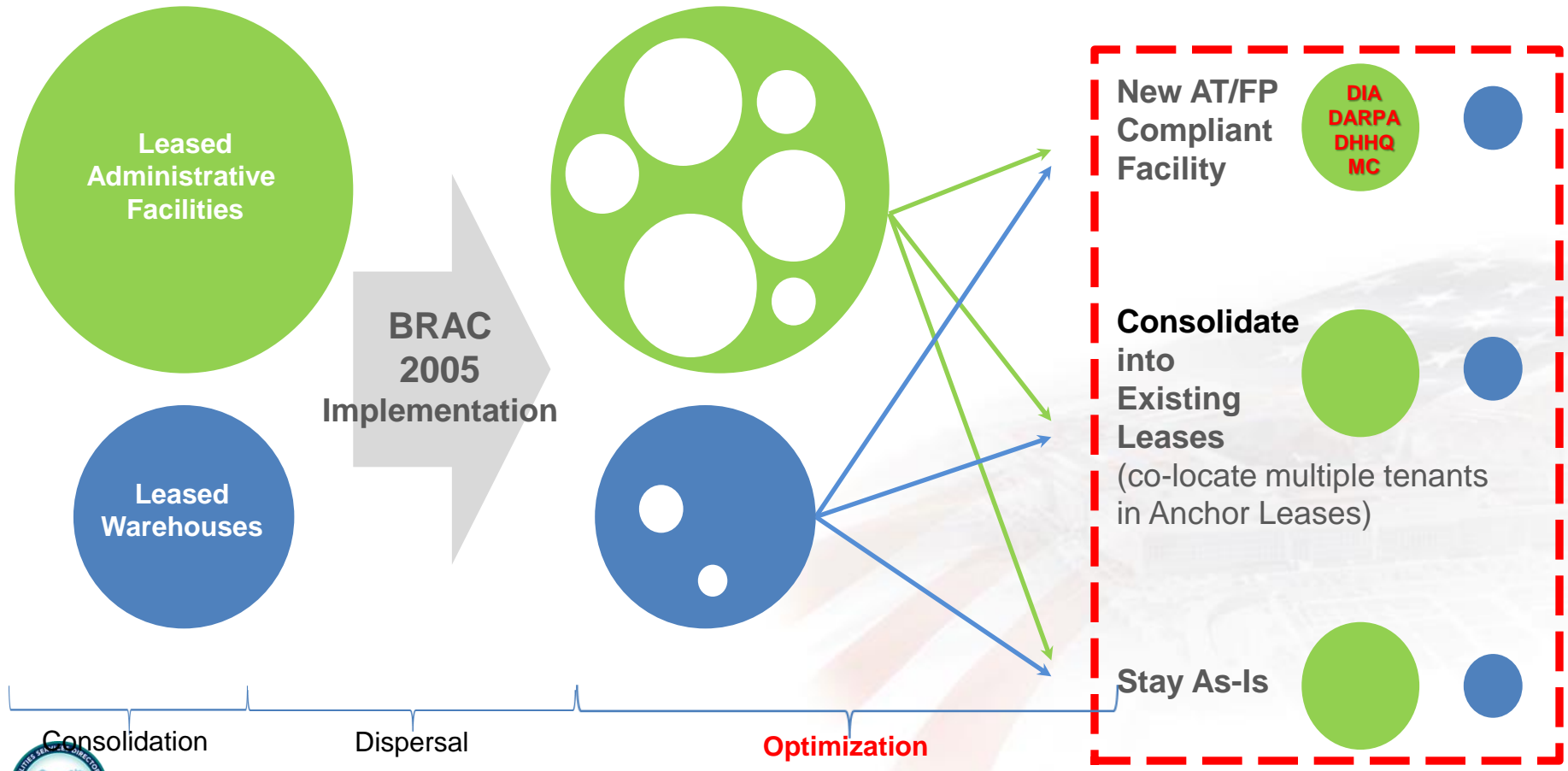


Ongoing Initiatives

- DoD Headquarters Military Construction (MILCON) Program
- US Green Building Council Leadership in Energy and Environmental Design (LEED) Projects

Space Reduction Strategy:

- Collapse into Owned Properties and into Anchor Buildings
- Evaluate and Optimize Mobile Workforce
- Improve Utilization Rate Efficiencies



Questions?