



Government-wide Real Property Management

April 15, 2015



Roadmap for Today's Discussion

(1) History of Real Property Management

(1) Historic Executive Branch Actions:

- EO 13327
- Civilian Property Realignment Act (CPRA) Proposal
- Freeze the Footprint

(3) Current Executive Branch Actions:

- FY16 Budget Request
- Real Property National Strategy
- Reduce the Footprint Policy

(4) Going Forward



History of Real Property Management

Executive Order 13327, “Federal Real Property Asset Management”, 2004

The objectives of the Executive Order were to:

- 1) Promote the efficient and economical use of Federal real property resources
- 2) Manage real property through clear goals, objectives, and improved policies
- 3) Establish agency Senior Real Property Officer positions and the Federal Real Property Council
- 4) Establish and maintain, through GSA, a single, comprehensive, and descriptive database of all real property under the custody and control of all executive branch agencies – the Federal Real Property Profile (FRPP)



Executive Branch Actions: EO 13327

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Implementation of EO 13327

- The FRPC and GSA worked closely with agencies to stand up the FRPP by identifying technical system requirements, defining data fields and definitions, data submittal procedures, and reporting.
- Multiple reporting years were required to comprehensively document the inventory.
- FRPP Definitions have been refined to improve data quality and new data field added (e.g., sustainability)



Executive Branch Actions: CPRA

Proposal of the Civilian Property Realignment Act (CPRA)

Objectives of CRPA:

- Support timely disposal of assets and realignment of the inventory
- Streamline the legal framework to accelerate disposal and realignment
- Eliminate O&M cost associated with unneeded properties
- Enhance portfolio efficiency and allow agencies to benefit from sale proceeds



Executive Branch Actions: CPRA

Key Elements of CPRA

1) Civilian Property Realignment Board (Board)

- Seven members appointed by the President; operations funded by property sales
- Perform independent analysis to identify opportunities to reduce Federal portfolio through disposal, transfer, colocation, and consolidation activities

2) Biannual Reporting

- The Board submits proposed list of actions (disposals, colocations, transfer, consolidations) and findings to the OMB Director at least twice annually
- Director transmits the proposed actions to Congress, which can approve, disapprove, or take no action. If Congress does not act, projects are approved.

3) Broad relief from regulatory requirements

- Relief moves property to sale or disposal with streamlined disposal review process
- Exempts property from being considered for ports, correction facilities, transfer to states, etc.
- In lieu of the McKinney Vento Homeless Assistance Act, CPRA provides a streamlined process for notice, review, and conveyance of properties for homeless uses. The CPRA Board and agencies can direct property disposition to uses other than homeless.



Executive Branch Actions: Freeze the Footprint Policy Requirements

Reduced budgets beginning in 2010 resulted in policies to promote efficient spending by agencies, including on real property (M-12-12 “Promoting Efficient Spending to Support Agency Operations” May 11, 2012)

Freeze the Footprint (FTF) Policy: Specified actions to improve efficiency and cost effectiveness of real property were issued in the “FTF” policy (MPM 2013-02)

Under FTF (issued March 2013), agencies were required to:

- 1) Freeze:** Agencies are required to freeze their total office and warehouse square footage by FY15.
- 2) Identify Offsets:** Agencies must offset increases to their office and warehouse portfolios with disposal of assets to ensure no net portfolio increase.
- 3) Develop Cost Savings Plan:** Agencies must submit, and annually update, a cost savings and innovation plan describing agency compliance actions, internal controls, etc.
- 4) Provide Data for Public-facing Accountability for their Actions:** Each agency’s compliance with its baseline is assessed annually and reported on Performance.gov.



Freeze the Footprint: RESULTS

Agencies exceeded expectations to freeze their real property footprints by 2015
Agencies reduced their footprints by 2014

FREEZE the Footprint Policy Progress FY 13/14

(office and warehouse space only)

FY13: 10.2 Msf reduction (1.39%)

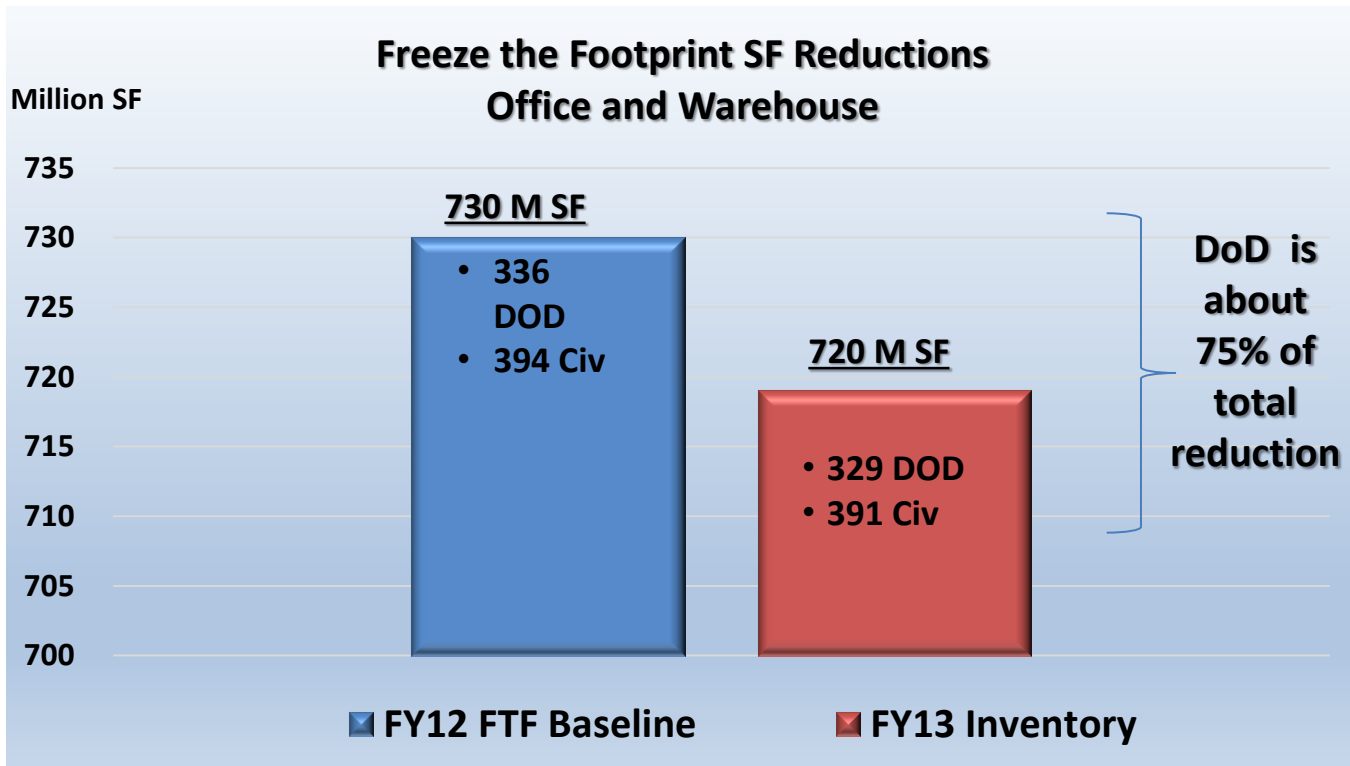
FY14: Similar to FY13 (final number check ongoing)

Building Disposal Progress in FY13/14

(includes all building types)

FY13: 42 Msf (7300 buildings) reduction

FY14: Similar to FY13 (final number check ongoing)





Current Actions – FY16 President’s Budget Request Released March 25, 2015

FY16 President’s Budget Request

The President’s FY16 budget provides a high level of support for real property efficiency and cost control through the consolidation, colocation, and disposal of real property.

Key Budget Elements

GSA Federal Buildings Fund Consolidation Program

- 1) Provides \$200 million of Federal Building Fund monies to support consolidation of leases into government-owned buildings to decrease lease cost and increase efficiency.
- 2) Other consolidation alternatives include consolidation of multiple high costs leases into a single lower cost lease and consolidation of multiple owned location into a more densely populated owned location.

Re-Proposal of CRPA

The President’s budget re-proposes CRPA to provide additional authorities consolidate, collocate, and dispose of Federal property.



Current Actions - Real Property National Strategy

Released March 25, 2015

National Strategy

Establishes a framework for agencies to **freeze** growth in the Federal real property footprint, **measure** the costs and utilization of individual properties assets to support more efficient use, and identify opportunities to **reduce** the size of the Federal portfolio through asset disposal and improved utilization.

Specific Actions

- 1) Issue the Reduce the Footprint policy to move from a portfolio “freeze” to “reduction”
- 2) Through the President’s Management Agenda Benchmarking initiative, develop and implement real property efficiency metrics to identify opportunities
- 3) Establish a real property management decision tool using the Federal Real Property Profile (FRPP) and performance (benchmarking) data; concurrently improve FRPP data quality
- 4) Leverage existing programs, such as GSA’s Federal Building Fund consolidation program to support implementation
- 5) Work with Congress to develop legislative relief options as needed



Current Actions - Reduce the Footprint Policy

Reduce the Footprint Policy (RTF) Requirements

Agencies must submit and annually update a five year real property efficiency plan to OMB that contains:

- 1) **Reduction Targets for All Building Types:** Agencies set annual FY15 – FY20 square foot reduction targets for office, warehouse, and all other building types.
- 2) **Continue Freeze on Offices and Warehouses:** Set a new FY15 – FY20 baseline for office and warehouse space; baseline serves as a maximum space level that is used to gauge the magnitude of annual reductions.
- 3) **Space Design Standard:** Agencies issue an office space design standard within one year of the RTF being issued.
 - The design standard will ensure new office space is designed efficiently
 - Over time as office space is replaced, the efficiency of the portfolio increases



Real Property Activities Going Forward

- 1) Implement the National Strategy and Reduce the Footprint Policy
- 2) Monitor policy implementation and refine policy as necessary to meet reduction goals
- 3) Focus on improving FRPP data quality; finalize FRPP management tools
- 4) Engage with Congress on real property legislation as appropriate