Government-wide Real Property Management

April 15, 2015
(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
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)
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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
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.
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
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