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Welcome to the Government of the 21st Century!

ur mission drives us into the 21st century: "The Office of Real Property promotes collaborative and innovative Governmentwide policies, products, and services for real property, the 21st century workplace, and entrepreneurial Government activities." We reach out on a global level to share information on Federal real estate and the workplace with our industry partners and the public through this newsletter and other avenues.

his is the twentyseventh issue of REAL PROPERTY POLICYSITE, a quarterly publication of the Office of Real Property (MP), Office of Governmentwide Policy, U.S. General Services Administration, Washington, DC. Our newsletter shares the latest information on public and private sector real estate and workplace initiatives, trends, and best practices. We encourage your input. Contact us to let us know what you think, to contribute articles, or to be placed on our mailing list, by contacting the editor, Richard Ornburn, at richard.ornburn@gsa.gov, or (202) 501-2873

www.gsa.gov/realpropertypolicy

A Glimpse Into Deutsche Post: A Company in the Midst of Transformation and Growth

By Andrea Wohlfeld Kuhn, AICP, GSA Office of Real Property

Deutsche Post and GSA have a long-standing partnership. They are both actively involved in organizations such as the Corporate Real Estate Network (CoreNet Global), The Workplace Network, and the Worldwide Workplace Web (W4). Deutsche Post and GSA tackle similar real estate issues on a daily basis. GSA's Office of Real Property's Andrea Kuhn was on assignment for two months recently

with Deutsche Post's Real Estate group and was impressed by the similarities between the organizations, and at the same time aware of the contrasts between a government agency and a private corporation.

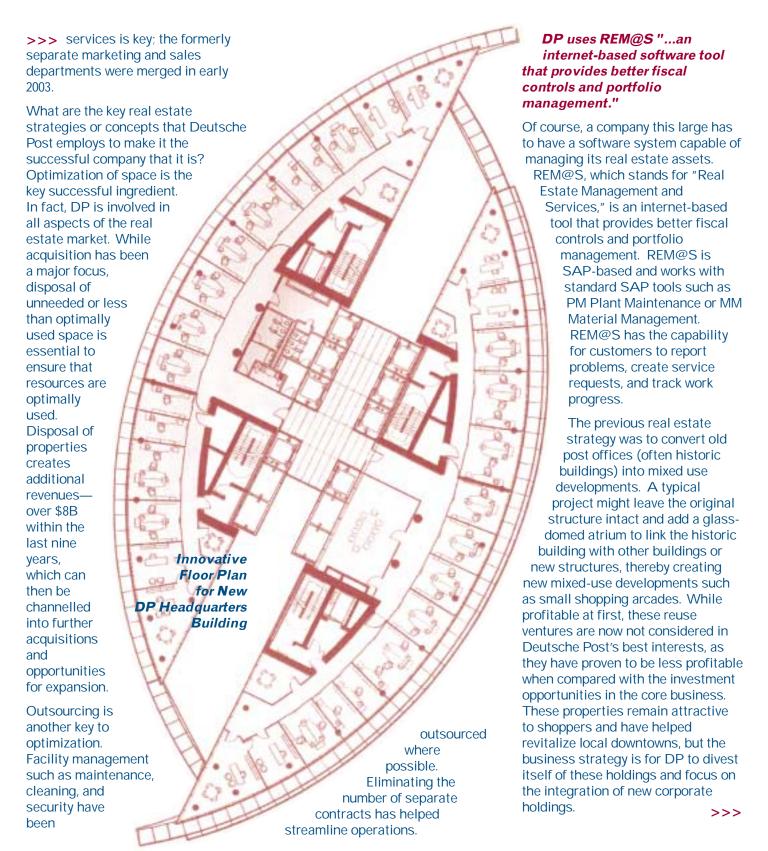
"Key Real Estate Strategies for Success"

Deutsche Post (DP) is considered the world's largest logistics group, a company that has grown from delivering the mail within Germany to providing express and logistics services on a global level. Located in Bonn, Germany, DP is indeed a global organization; it is a \$40B per year company employing over 283,000 people in 228 countries. It boasts a real estate portfolio of over 14,500 facilities with 250 million square feet. DP owns about 50 percent of its space and 35 percent of its locations which are valued at about \$10B

"...with the recent acquisition of Airborne Express this year, DP World Net is now the third-largest express service provider in the United States." Expansion has been the focus over the last few years as DP has acquired competitors such as DHL, Danzas, and Airborne Express. In fact, with the recent acquisition of Airborne Express this year, DP World Net is now the third-largest express service provider in the United States. Now the corporate focus is on integration and reorganization, in an effort to optimize operations and continue to move forward with expansion and acquisition throughout the world. Integration of >>>

New DP Headquarters Building, Bonn, Germany





>>> At the same time, the company puts great emphasis on maintaining the excellent customer service upon which they have built their reputation. Upper management has repeatedly stressed that the customer must not be forgotten in the midst of focusing on the organizational structure of the company.

Emphasis is also placed on the value of employees as the core of business operations. An article in the June 2003 issue of Management Mail, DP's monthly magazine for executives, states that over one-half of all mergers fail, not only because of "unrealistic evaluations of opportunities and risks," but due to "insufficient integration in post-merger management." The

importance of internal, corporate communications is paramount.

Corporate communications events provide a means for active participation among employees and an opportunity for discussions with management representatives. Active participation of employees at these events has resulted in effective team building. New performance-based standards are now in effect, creating performance-based pay and opportunities for employees to reach their full potential.

"Emphasis is also placed on the value of employees as the core of business operations."

New Deutsche Post World Net Headquarters Building, Bonn, Germany

"With its ecological building techniques and innovative office planning, the Post Tower is an up-to-date response to the increasing pace of change in our modern environment"

DP's new headquarters building in Bonn, Germany is a monument to its contemporary operations in the global marketplace. The newly constructed Post Tower is the tallest in the North Rhine-Westphalia region, and houses 2,000 employees inside its 40 stories of sleek steel and glass.

Features of the DP PostTower:

- The transparent facade not only allows natural light inside the building, but also helps regulate interior air temperature.
- Sustainable design concepts are in effect:
 - use of natural resources such as Rhine River water for concrete slab cooling,
 - operable windows that provide natural ventilation
 - indirect heat recovery, and
 - individual temperature controls.

- Designed by architect Helmut Jahn, the design goes beyond the building site and is integrated into the larger urban landscape.
- User friendliness is expressed in uniform quality of all desk locations

The future looks bright for Deutsche Post as it continues to plan for additional acquisitions in the global market, maintain its high customer standards, and create opportunities for its employees.

"DP is indeed a global organization; it is a \$40B per year company employing over 283,000 people in 228 countries and boasting a real estate portfolio of over 14,500 facilities."

Andrea Wohlfeld Kuhn is the Evaluation Team Leader for GSA's Office of Real Property. Ms. Kuhn recently spent two months with Deutsche Post's Real Estate group in Bonn, Germany as part of GSA's Advanced Leadership Development Program. Ms. Kuhn's assignment was facilitated by GSA's and Deutsche Post's affiliation with The Workplace Network (TWN). GSA's Deputy Administrator David L. Bibb currently chairs TWN. TWN is an international organization that brings together senior real estate executives from the public and private sectors to exchange strategies, ideas, and practical information.

Promoting the Stewardship of Federal Property

by Ron Whitley, GSA Office of Real Property

What is being done to improve the management of Federal property? What tools are needed to improve stewardship?

As we enter fiscal year 2004, most Federal landholding agencies do not have the proper tools and financial authorities they need to be effective stewards of the Government's vast network of real property. Since 1999, when the General Services Administration (GSA) named real property reform as a top priority, GSA has worked and promoted among stakeholders (Administration and Congress) the importance and immediate need for all landholding agencies to have the freedom to manage and dispose of their assets. This would be accomplished through the use of appropriate up-to-date management practices and incentives that are used in the commercial realty sector today. GSA remains committed to real property reform, and will continue to promote the broadest tools and best incentives for landholding agencies to ensure efficient and effective stewardship of the Federal portfolio.

Through GSA's efforts, real property reform bills such as S. 2805 "Federal Property Asset Management Reform Act of 2000," introduced in the Senate on June 28, 2000, and S. 1612 "Managerial Flexibility Act of 2001," also introduced in the Senate on October 15, 2001, have been the main

stay to provide Federal managers with the required tools and incentives to manage their real property inventories efficiently and effectively. Unfortunately, neither bill could be passed before the Congress adjourned.

GSA has also been proactive in supporting the efforts of Congress to introduce their own real property reform bills. For example in the 107th Congress, the House Government Reform Committee introduced H.R. 3947 "Federal Property Asset Management Reform Act of 2002," and reported unanimously the bill out of Committee on March 14, 2002. This same Committee also introduced in the 108th Congress H.R. 2548 "Federal Property Asset Management Reform Act of 2003," and reported an amended version of the bill out of Committee on June 19, 2003. During this same Congress, the House Transportation and Infrastructure Committee also introduced its own bill, H.R. 2573 "Public Private Partnership Act of 2003," which was reported out of Committee on June 24, 2003.

These efforts demonstrate the growing support in Congress for real property reform.

The Congressional Budget Office (CBO) has released its cost estimates on H.R. 2548 and H.R. 2573, and the news is not good but not

unexpected. Based on estimates prepared by the CBO, H.R. 2548 would increase net direct spending by \$4.7 Billion over the 2004 - 2013 time period, and H.R. 2573 would increase direct spending by \$3.1 Billion over the same time frame.

Although discouraged by this latest action by CBO, GSA remains optimistic that real property reform is within grasp. GSA will continue to work with the Administration and Congress to promote access to the broadest tools and best incentives for landholding agencies to ensure the efficient and effective stewardship of the Federal Government's real property inventory. We also want all landholding agencies to remain supportive of real property reform measures, to ensure that this remains a 'front burner' issue until legislative relief is finally realized. Only then can agencies mitigate their problems of deteriorated buildings, and underutilized facilities governmentwide. Afterwards, landholding agencies will begin to gradually experience an increase in the number of cost effective, productive, secured, and environmentally friendly properties in their respective inventories.

For more information, contact Ron Whitley, GSA Office of Real Property, at 202-501-1505 or ronald.whitley@gsa.gov. ■

Best Practices

Successful GSA Awards Program to Evolve in 2004

by Reza Motamedamin, GSA Office of Real Property

"win-win" situation for all! GSA's Office of Real Property has "closed the books" on the 2003 GSA Achievement Award for Real Property Innovation, one of the most successful award programs to date. Highlights include:

- The most participation in program history with 49 entries from 21 departments or agencies.
- Three top cash winners (DOE's
 "Energy Management at DOE
 Headquarters," GSA Public
 Buildings Service's
 "Environmentally Friendly
 Windpower," and NASA's "Ames
 Development Plan")
- Two honorable mention winners (HHS's "ABC/M Charge-back System," and GSA's "PBS Project Information Portal")

For 2004, the awards program features the "Adopt-a-Practice" award. This award recognizes agencies that adopt a best practice or policy that has been submitted to the GSA Achievement Award for Real Property Innovation. New for 2004 is the user-friendly E-Practice electronic database, an online reference source of over 300 best practices and policies from the awards program that are eligible for adoption.

It's never been easier to Adopt-a-Practice! Entries are now being accepted for this award. Visit www.gsa.gov/realpropertypolicy for more information and to apply for the award. Stay tuned for the 2004 Call for Entries for the Best Innovative Practice or Policy coming out in March 2004 on our website.



Facility Management

Fire Safety Forces Removal of Abandoned Cables From Buildings

by Cassie Shedwell, GSA Office of Real Property

National Fire Protection Agency adds new requirement to the National Electric Code requiring the removal of abandoned cable from commercial buildings.

ust when you thought managing real estate could not become anymore challenging and stressful than it currently is, the National Fire Protection Agency (NFPA) adds a new requirement to the National Electric Code (NEC) for 2002 requiring the removal of abandoned cable from commercial buildings. The changes went into effect on January 1, 2003. Included in the updated NEC is code 800.52b. This code requires that all abandoned cables be removed from commercial buildings when renovations take place.

According to Randy Thompson, senior director of program management service at Cushman & Wakefield of Texas Inc., in the article "New Electric Code Complicating Lease Deals" (June 16, 2003, Dallas Business Journal), "If the cables are not terminated at both ends to a connector or other equipment, and if they're not tagged for future use, they're considered abandoned and have to come out." All cables are subject to the new code, regardless of whether they are electric, telecom, copper, or fiber or installed in horizontal or vertical spaces. Often

when systems are updated or new cables are installed, the old cables are left behind, allowing for the accumulation, in some cases, of hundreds and hundreds of cables.

The NFPA's requirement for the removal of abandoned cables is not to increase the efficiency or cleanliness of buildings, nor is it concerned with salvage value. The NFPA's new code responds to the growing fear over fire safety in these buildings. Excess cables act as a fuel source during a fire, eliminating such fuel sources is purely a fire safety measure. However, as a result of the fire safety concern, public health will be benefited as well.

Older cables are sheathed in toxic materials and many cables even contain lead. In the event of a fire, the toxins would burn and be released into the air. Exposure to these toxins represents a major health threat. The new codes gained momentum and support in the wake of the fires and environmental hazards that resulted from the attacks of September 11, 2001. The removal of abandoned cables and toxins from commercial buildings will

also work to help improve indoor air and environmental quality.

What the NEC does not do is determine liability for the abandoned cables. This sets up a contentious scenario of ownership questions and liabilities for the costly removal of the cables. The removal labor of abandoned cable can run anywhere from 70 to 110 percent of the original cost of installation labor, according to Frank Bisbee, a telecom industry veteran and consultant, in the article "A Coming Boom in Cable Removal?" (Power Outlet, Vol. 3 Issue 2). Cables are often abandoned in the first place for this very reason. Rounds of finger pointing leave landlords and new and old tenants without answers.

The profitability of the landlord's rental space would decrease sharply if the landlord assumed responsibility for cable removal; because of this, it is unlikely that the landlord will willingly accept such responsibility. Landlords also cite that the cables are the property of the companies who installed them; some of these companies no longer exist or are currently bankrupt. A potential new tenant faced with costs of removing existing cables will likely look elsewhere for rental space that does not include the immediate expense of cable removal. Previous tenants are also unlikely to accept liability for cable removal, as their contracts most likely did not specify their ownership of cables and responsibility for the cables' removal.

In the future, as the new code permeates the commercial real estate industry, tenants will most likely become responsible for the removal of the cables they had installed. However, for the time being, chaos is part of the scenario.

Worldwide Workplace Web to Meet in Washington in 2004

by Richard Ornburn, GSA Office of Real Property

he Worldwide Workplace Web (W4) will hold its fifth annual conference in Washington, D.C. on June 13-18, 2004, sponsored by GSA's Office of Real Property. W4 is an independant international forum of public sector real property professionals. The theme of this year's W4 conference will center around three areas:

 New Mainstream: with presentations on GSA Public Buildings Service Workplace 20:20 and the International Telework Association and Council (ITAC).

 W4 Network with the TWN: linking the W4 with The Workplace Network (TWN) conference in Washington, D.C. in 2005. TWN is an international organization that brings together senior real estate executives from the public and private sectors to exchange strategies, ideas, and practical information. GSA's Deputy Administrator David L. Bibb currently chairs TWN.

 Emerging Trends: may include presentations on the trends of the Global 100 European Companies, and CoreNet's Global Corporate Real Estate 2010, and a discussion on "The Business Case for Sustainable Design in Federal Facilities."

For more information about W4 and the conference, contact Stan Kaczmarczyk on 202-501-2306. ■



CoreNet Global Recognizes GSA Innovation

by Chris Coneeney, GSA Office of Real Property

oreNet Global is the major association for in-house executives who provide corporate real estate services for the Fortune 1000 companies. On October 23, the Southern California chapter of CoreNet Global presented GSA with the "Special Recognition for Innovation" award. Deputy Administrator David L. Bibb accepted the award on behalf of GSA at an awards banquet attended by over 500 corporate real estate executives in Los Angeles, CA, at the LA Century Center Plaza. GSA was recognized for its:

 Progressive solutions to workplace problems

- Visionary yet practical legislative approach
- Promotion of the environment and energy conservation
- Preservation of historic buildings as well as its innovative development of new facilities

For more information, check out the CoreNet Global website at www.corenetglobal.org. Click on Chapters, and go to Southern California.

"...for the first time in our chapter's history, we honored an institution for its incredible dedication to innovation. We were fortunate enough to have David Bibb, (Deputy Administrator) ... for the GSA join us and accept this award on behalf of the GSA."

Ms. Alice Wilson, President, CoreNet Global Southern California Chapter, and Vice President, DMJM, from www.corenetglobalsc.org





CoreNet Global is the world's premier association for corporate real estate and related professionals. As a global learning organization, it is the industry thought and opinion leader. CoreNet Global is the only group that convenes the entire industry. Programs and services are designed to meet the business needs of members' companies and the career needs of individual members.

Profile of Corenet Global, www.corenetglobal.org

Professionals Gain Edge With These Industry Associations

by Reza Motamedamin, GSA Office of Real Property

ooking to gain an edge in the real property or workplace development field or want to expand your industry knowledge? The following associations offer a wealth of resources to give you the competitive advantage you're looking for.

American Institute of Architects

(AIA): Provides resources and tools architects need to meet the challenges of an increasingly complex and competitive marketplace. Whether you are an intern or a firm principal, a sole practitioner or member of a large firm, a government employee, or a corporate architect, the AIA provides you access to the information, knowledge, and experience you need to make your business decisions and set your professional agenda. For more information, visit www.aia.org/join or call 1-800-AIA-3837.

American Planning Association (APA): Is a nonprofit public interest and research organization committed to urban, suburban, regional, and rural planning. APA brings its members, whether they are practicing planners, citizens, or elected officials, a commitment to making great communities happen and advancing the art and science of planning to meet the needs of people and society. The Federal Planning Division, one of 17 divisions of the APA, provides a forum for people involved in the development and implementation of comprehensive planning and land management policies, techniques, and procedures for Federal properties. For more information, visit www.planning.org or call (312) 431-9100.

Building Owners and Managers International (BOMA): Serves as a primary source of information on office building development, leasing, building operating costs, energy consumption patterns, local and national building codes, legislation, occupancy statistics and technological developments. BOMA's goal has always focused on actively and responsibly representing and promoting through its 18,500 plus members the interests of the commercial real estate industry through effective leadership and advocacy, through the collection, analysis and dissemination of information, and through professional development. For more information, visit www.boma.org or call (202) 408-2662.

CoreNet Global: Helps leading-edge organizations achieve new levels of value through a comprehensive knowledge sharing and professional recognition agenda that positions real estate as a strategic benefit and not just a transactional necessity. CoreNet Global's programs and services are designed to meet the business needs of members' companies and the career needs of its 7,000 members by advancing knowledge, connecting people, and promoting personal excellence. For more information, visit www.corenetglobal.org or call 1-800-726-8111.

Institute of Real Estate
Management (IREM): An
association of property and asset
managers who have met the strict
criteria in the areas of education,
experience, and ethics. IREM's mission
is to educate real estate managers,
certify their competence and

professionalism, serve as an advocate on issues affecting the real estate management industry, and enhance its members' professional competence so they can better identify and meet the needs of those who use their services. For more information, visit www.irem. org or call 1-800-837-0706 Ext. 4650.

International Facility Management Association (IFMA): Represents, supports and unites the largest community of facility management practitioners, consultants, educators, students, and product and service providers in the industry. Through a network of chapters and councils, research efforts, educational programs and resources, professional certification, and global professional development events, IFMA assists corporate and organizational facility managers in developing strategies to manage human, facility and real estate resources. For more information, visit www.ifma.org or call (713) 623-4362.

International Telework Association and Council (ITAC): Dedicated to advancing the growth and success of work independent of location; sponsors Telework America and other research, holds educational events, disseminates information about telework, and assists businesses and the public to optimize the advantages of working remotely. Check out www.workingfromanywhere. org for more information or call (301) 650-2322.

National Association of State Facilities Administrators (NASFA):

NASFA is composed of over 600 facilities professionals responsible for, or interested in, the planning, development, operations and maintenance of state facilities, including hospitals, prisons, parks, and colleges and universities. For more information about what's happening at the state level, visit www.nasfa.net or call (859) 244-8181.

A "Capitol" Transformation in Real Property!

by Rebekah Pearson, GSA Office of Real Property

id you know ... that the Federal Real Property Association (FRPA) holds an annual conference each year? The FRPA conference is a great place for all industry professionals to network, attend breakout sessions to hear an impressive array of experts on a wide variety of subjects, and tour local facilities.

The October professional training conference, held conveniently in Arlington, VA, featured a "Capitol" transformation theme this year. It included a tour of the new construction site for the "U.S. Capitol Visitors Center" and visits to the Federal Building Expo at the "new" innovative DC Convention Center.

Some of this year's speaker line-up included the following issues:

Homeland Security: Randall Yim, General Accounting Office (GAO), presented the opening general session and talked about the new Department of Homeland Security's (DHS) first priority which is to protect the nation against further terrorist attacks. Component agencies will analyze threats and intelligence, guard our borders and airports, protect our critical infrastructure, and coordinate the response of our nation for future emergencies. Besides providing a better-coordinated defense of the homeland, DHS is also dedicated to protecting the rights of American citizens and enhancing public services, such as natural disaster assistance and citizenship services, by dedicating offices to these important missions.

GAO's High Risk Report on Federal Real Property: Mark Goldstein, GAO, discussed how GAO's high risk series focuses on major programs and operations that need urgent attention and transformation in order to ensure that our national government functions in the most economical, efficient, and effective manner possible. GSA recognizes that it has many buildings that are not financially self-sustaining and/or for which there is not a substantial, long-term federal purpose. Transformation strategy should propose ways to:

- Achieve better results that include the realignment of the federal infrastructure and dispose of unneeded property;
- Address significant repair and restoration needs of the federal portfolio;
- Ensure reliable governmentwide and agency specific real property data:
- Consider the problem of heavy reliance on costly leasing; and
- Consider the impact of the threat of terrorism to real property needs and challenges.



Creating a Self-Sustaining Portfolio of Real Property Assets:

William Matthews GSA Public Buildings Service (PBS), gave a presentation during the buffet luncheon on how the GSA PBS has developed a strategy for restructuring and reinvesting in its real property assets. To confront these challenges, Portfolio Management adopted management principles that include: customer needs, assets must have a predominantly Federal use; assets must be financially self-sustaining; rents will be based on market rates and will reflect asset quality; assets will have a business plan strategy; and performing assets will have priority for reinvestment dollars.

What makes a Great Real Estate **Program:** David Bibb, GSA Deputy Administrator, discussed how the role of real estate in an organization is NOT an expense item on the balance sheet. The work environment affects satisfaction and health, attraction and retention, and productivity of employees. Many great organizations use the workplace as a strategic tool. Some of the tools to create great real estate organizations are the real property information system/E-Real Estate; Asset Management and Strategic Plan Link; Performance Measurement; Integrated Workplace; Sustainability, and telework. The benefit of aligning workplace services with the goals of an organization creates significant value.

Associations: A Showcase of Associations session provided valuable information about each of the associations. Those associations included: American Institute of Architects (AIA), Building Owners and Managers Association (BOMA) International, American Planning Association (APA) Federal Planning Division, CoreNet Global, International Facility Management Association (IFMA), Institute of Real Estate Management (IREM).

Attend Next Year!

Mark your calendars and plan to attend next year's conference on October 26-28, 2004 at the Army Navy Country Club in Arlington, Virginia. If you would like to read more about the FRPA, join, or become an exhibitor or a sponsor at next year's conference, please visit www.gsa.gov/frpa. Contact Rebekah Pearson at (202) 208-1850 or rebekah.pearson@gsa.gov for additional information.

The Public Sector Facilities Council Wants You!

by Sheldon Greenberg, GSA Office of Real Property

o you manage government facilities? If you do, we want you at the Public Sector Facilities Council (PSFC)! Part of the International Facilities Management Association (IFMA), PSFC was established in 1991 for public sector employees managing, maintaining, or otherwise involved in the construction or oversight of government facilities. The mission of the PSFC is to provide resources, networking, guidance, and continuing education to public sector facility managers.

Have an issue you need input on? All PSFC members have access to a listServe for querying membership

about issues they encounter in their particular roles related to facilities management and operation. Virtual participation is highly encouraged and your input is valued. Recent interactive communications using the listServe included:

- Building and operating performance measures,
- Contract specifications and contracting issues,
- Environmental Initiatives,
- Leasing,
- Preventive maintenance,
- · Security, and,

 Other areas of special interest such as budget constraints and solutions, organizational policies, and the common challenges facing Federal, state, county, city, and provincial government agencies worldwide.

Network with others through newsletters, conference calls, spring and fall education/business meetings, as well as access to the PSFC website at www.ifma.org. Council membership is open to IFMA members who work in the public sector.

Join us at the Spring meeting which will be held in Harrisburg, PA on May 13 and 14, with a review course for the Certified Facilities Manager test held on Saturday, May 15. Join PSFC today by contacting Sheldon Greenberg, Membership Chairperson at (202) 841-4868 or email sheldon.greenberg@gsa.gov. ■

Department of Energy Provides Dynamic Venue for FRPC

by Tanya Gross, GSA Office of Real Property

eal estate executives representing diverse agencies gathered on September 24 for the final Federal Real Property Council (FRPC) meeting of the year to discuss issues continuing to impact Federal real estate programs.

Thirty-six attendees from 16 agencies convened at the Department of Energy's headquarters. to tackle a fully packed agenda. David L. Bibb, Council Co-Chair, led the way with his discussion of his new role as the Acting Deputy Administrator for the General Services Administration (GSA). Bibb relayed GSA Administrator Perry's support for the

Council who described Bibb's role with the Council as contributing to the success at GSA. Dialogue continued surrounding real property reform due to the U.S. Senate Committee on Governmental Affairs' hearing on Federal real property's placement on the high-risk list and various cases.

DOE representatives gave a presentation on its winning entry in the 2003 GSA Achievement Award for Real Property Innovation. DOE won the Best Innovative Practice Award for their entry "Energy Management at DOE Headquarters", a model performance agreement for energy management leading to energy

efficiency at its Germantown, MD headquarters operation.

DOE's presentation was followed by the Department of the Interior's demonstration of their "Facility Locator Service." The service was initially started as a pilot project which allows the department to better manage its real property inventory. Efforts to expand the capabilities of this service are currently under development.

The Council concluded the meeting with an engaging conversation on the upcoming year's agenda. Several new topics were introduced for consideration by the council, and are currently being prioritized and incorporated into the FRPC 2004 agenda. The next meeting of the council is planned for February/ March. Contact Pat Rubino on 202-501-1456 or pat.rubino@gsa.gov for more information.

Planning

GSA Celebrates 10th GRPIS Council in Pittsburgh

by Gary Jordon, GSA Office of Real Property

he Governmentwide Real Property Information Sharing (GRPIS) Program recently released the Pittsburgh GRPIS report, continuing the success of this innovative Federal program. The Pittsburgh report, coupled with the establishment of the GRPIS Program's 10th real property council in Pittsburgh, is cause for celebration!

The Office of Real Property's GRPIS Program councils provide a forum for sharing real property related information and a vehicle for training on a local basis for Federal real property professionals. The GRPIS Team plans to expanding the number of councils to 12 during 2004.

GRPIS-GRAM GROWS: The GRPIS Program also publishes the GRPIS-Gram, a monthly ListServ newsletter that highlights best practices, sources for real property information, conference and training opportunities related to real property, as well as a listing of Council meetings and happenings. As the GRPIS Program grows, so does the

GRPIS-Gram readership.
Subscriptions through early
November are approaching 800. Are
you a member yet?

The GRPIS Program continues to evolve, as new ways of meeting the needs of Federal real property professionals are being developed. The premise of the GRPIS Program is, "Better information leads to better real property asset management decisions."

GET THE MESSAGE: Do you want to know more? See what GRPIS is up to with future editions of Policysite. Or get any GRPIS-related information or subscribe to the GRPIS-Gram by contacting Sheldon Greenberg on 202-841-4868 or sheldon.greenberg@gsa.gov. ■



Performance Measures

Corporate Real Estate 2010: Enabling Work in a Networked World

by Ray Wynter, GSA Office of Real Property

n the early 1990's, Corporate Real Estate 2000 created a powerful new vision for the corporate real estate industry. Now, almost a decade later, an exciting new vision is emerging.

That new vision is Corporate Real Estate (CRE) 2010's new research and leadership development initiative of CoreNet Global.
CoreNet Global is the leading global corporate real estate and infrastructure management professional association with 7,000 members representing Fortune 1000 corporations, leading service providers, and economic development organizations.

This is the right time for the industry to formally approach this research due to the tremendous changes in the business environment and business models. CoreNet Global is uniquely positioned to perform this research initiative due to its ability to convene the industry and transform the industry with credible results. Several General Services Administration (GSA) Office of Real Property and GSA Public Buildings Service associates are actively engaged, with 100 of the top multinational real estate department

leaders from across America and Europe and 25 of the leading service providers. GSA is also supporting CRE 2010 as a special research sponsor.

CRE 2010 research is focused on defining the corporate business environment in the future; which will be complex, networked, and global and will include increased challenges such as changing labor dynamics and business risks; and researching the implications of the changing business environment on the corporate real estate and infrastructure management executive.

The research is focused around seven (7) topical areas,

- Service Delivery,
- Strategic Role of Place,
- · Nature of Work,
- Technology and the Web,
- Asset Management and Portfolio Maximization,
- Integrated Corporate Infrastructure Management, and
- Enterprise Leadership Skills,

each charged with defining how their area can enable work in a networked

world. The initiative is global, with a European team validating results and actively participating in the research.

CRE 2010 was officially launched in August 2003 in Chicago where the research teams first met to validate the vision and refine their thinking on the research areas. Based on that meeting, our goal is to complete the interview process over the next several weeks and start producing programs, reports, and other materials by the Coronet Global Summit in Chicago in May 2004. Deliverables from this project will include:

- research reports;
- web-based white papers;
- executive development seminars;
- workshops and panels at summits;
- material and speakers for chapter programs;
- stories in the CRE Leader, industry and business press; and
- topics and speakers for other learning events.

For more information, contact Ray Wynter at 202-501-3802, or ray.wynter@gsa.gov. ■

Performance Measures

Military Metrics May Be Useful to Other Agencies

by Iona Calhoun, GSA Office of Real Property

he Department of Defense (DOD) is the world's largest landlord with a physical plant consisting of over 845,441 buildings, structures, and utilities that sit on owned or leased land covering over 30 million acres. The entire DOD facilities inventory exceeds \$600 billion in plant replacement value. Facilities fall into five categories (military construction (Milcon), family housing, not appropriated, procurement, and foreign and international) when arranged by their primary recapitalization funding source.

In 2001, the Secretary of Defense directed DOD components to fund facilities to achieve a 67-year recapitalization rate. Implementation of the secretary's guidance required the development of a standard metric that would be relatively transparent with the programming and budgeting process. The report, Facilities Recapitalization Front-End Assessment, DOD, August 2002, identifies a standard metric for tracking facility recapitalization rates in DOD and recommends procedures for collecting and processing the data needed to use the metric in program and budget development.

In addition to the report above, the following DOD Installations and Facilities reports were analyzed to determine governmentwide applicability of the ranking system used by DoD in critical areas such as acquisition, construction, renovation, and readiness:

- DOD Quarterly Readiness Report to the Congress, Unclassified Annex, October – December 2001
- DOD Base Structure Report (A Summary of DOD's Real Property Inventory) Fiscal Year 2001 Baseline, Office of the Deputy Under Secretary of Defense (Installations & Environment)
- DOD Facilities Cost Factor Handbook, Version 3.0, April 2001

Due to DoD's wide range of installations and facilities in its major categories, DoD applicability is in the wealth of information that can be gleaned by certain agencies for informational purposes in particular areas. For example, DOD uses nine classes of facilities, described below, to summarize more than 1,500 facility categories currently used for real property record keeping.

- Operations and Training:
 Airfields, piers and wharves, training ranges and classrooms, recruit facilities, armories, aircraft parking and hangars, refueling hydrants, flight simulators
- Mobility: Facilities directly related to mobilization of forces, including staging areas and transportation systems
- Maintenance and Production:
 Vehicle and avionics maintenance shops, tactical equipment shops, aircraft maintenance hangars, foundries, ammunition demilitarization

- Research, Development,
 Testing and Evaluation: Test chambers, laboratories, research buildings
- Supply: Warehouses, hazardous material storage, ammunition storage
- **6. Medical:** Hospitals, medical and dental clinics
- **7. Administrative:** Office space, computer facilities
- 8. Community and Housing:
 Family housing, barracks and dormitories, dining halls, recreation and physical fitness facilities, child development centers, fire and police stations, visitors' quarters, elementary and high schools
- 9. Utilities and Ground Improvements: Power production, distribution and conservation systems, water and sewage systems, roads and bridges, water pollution abatement, wastewater treatment facilities, fuel storage tanks and containment areas.

Officials responsible for major departments with real property holdings in any of the areas or categories listed above would benefit from the review of these reports. Due the complexity of the DoD's ranking systems, the DoD reports are not being advocated for governmentwide use.

However, the insight and information contained in the reports are valuable for those who must establish or improve a ranking system to determine the readiness of facilities and other types of real property.

For more information, contact Iona Calhoun on 202-501-0821 or iona.calhoun@gsa.gov.

Sustainability

Washington State Legislative Building Renovation Sets Sustainable Standard

by Robert Harding, GSA Office of Real Property

he Washington State
Legislative Building is
undergoing a rehabilitation
project that will install new building
systems, repair damaged stonework,
replace roofs, and add state-of-theart measures to prevent water
damage. This is the first complete
renovation of the structure since it
originally opened in 1928.

In September 2002, Washington's governor signed an executive order directing state agencies to establish sustainability objectives and prepare biennial sustainability plans to modify their practices. The executive order also established an advisory council to advise state agencies on how to apply sustainability measures to government operations. The Department of General Administration (GA), as the State's purchasing agent, has developed a sustainability Web site to provide customers, communities and employees the means to meet this order -- http://www.ga.wa.gov/ Sustainability/index.html.

The State of Washington, through GA, is committed to promoting responsible management of natural resources and sound environmental policy in support of this project. This

includes the selection of energy efficient equipment, the use of recycled materials, and continuous efforts to identify opportunities for energy conservation, material conservation, environmentally sound operating procedures, and a reduction of waste during construction.

For example, OSB used to protect marble and other stone work has been specifically designed using full sheets. After the renovation project is complete, the OSB will be given to Habitat for Humanity and is estimated to be sufficient to environmental sustainability of a project. This project is planned to include mounting a photovoltaic array on the building roof that is believed to be the largest such installation on any capitol building in the country.

The entire project, including infrastructure upgrades and earthquake/seismic repairs is budgeted at \$101 million.

Construction is scheduled to be completed in late 2004, in time for the start of the 2005 legislative session. The Capitol Campus is located in Olympia at the southern

"The rehabilitation project is designed to attain the <u>highest possible rating</u> for historical buildings according to the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED), while remaining within the budget."

construct three houses. It is planned that 90% of all construction waste will be recycled.

LEED offers an impartial method of evaluating the overall energy and

end of Puget Sound with a sweeping view of Budd Inlet and consists of 160 acres that support 33 buildings.

Contact Bob Harding at 202-501-1411 or robert.harding@gsa.gov. ■



Sustainability

"Green" Cloud Over Pittsburgh

by Phil Wagner, GSA Office of Real Property

U.S. Green Building Council Examines The "Greening" of The Building Industry in Pittsburgh Venue

buildings USGBC-certified buildings and another 20 in some stage of registration or construction, hosted the U.S. Green Building Council (USGBC) Conference on November 12-14. The event was held at Pittsburgh's David L. Lawrence Convention Center, the largest naturally ventilated and daylit exhibition space in North America and a building with a pending LEED gold certification.

Undoubtedly, the convention site's exemplary environmental qualities influenced this year's conference choice, but it also recognizes Pittsburgh's strides from industrial center to a green and altogether healthy, livable city. Pittsburgh is also the location of Carnegie Mellon's Intelligent Workplace Lab, whose faculty has worked with GSA to create concepts for workplaces that are more sustainable and adaptable.

The USGBC is a coalition of organizations in the building industry working to encourage the building of environmentally responsible buildings. In March 2000, the USGBC initiated LEED 2.0, a system of measuring "greenness" of new buildings. LEED, which stands for "Leadership in Energy and Environmental Design," is a holistic system which assigns points reflecting the responsiveness of a building to its site, water, energy, materials, indoor environmental quality, and innovation considerations. After a pilot run, the design rating system (2.1) was "opened for business," and currently over 948 projects have been registered. >>>



Sustainability

>> Although the Pittsburgh event was only the second "annual" Greenbuild Conference, it did attract approximately 5,000 people - 40 of whom were from GSA. The conference provides a meeting place for members to present papers and projects on sustainability; to network, and to peruse the 300+ exhibits of green organizations and building products.

To this writer, the sessions dealing with "Tools" were of special interest. For instance, one session dealt with the various measurement and evaluation programs available - just to name a few: Energy Star, GreenGuard, Forest Stewardship Council, Smart Wood, Green Seal, ASTM, Environmental Building News and their GreenSpec Directory, Athena, BEES, LEED. The scope and evaluation process of each varies. Some are singleattribute programs which evaluate the specific features of a product, such as its recycled content or whether it is bio-based; the way in which the material is harvested or manufactured, or the deleterious offgassing it may produce. Other tools such as BEES measure life cycle environmental data while Athena measures environmental impact.

Of particular interest was the "Greening of Specifications." Insights included the State of California's method of prescribing performance for one of its new office buildings. These included: statemandated recycled content, VOC content, and energy efficiency performance specifications for office furniture. Not only did they get what they wanted, but at 60% less than their previous contract! Gail Vittori, co-director of Center for Maximum Potential Building Systems, discussed the "Greening of Divisions 15 and 16" (mechanical and electrical).

In respect to mechanical and electrical equipment, the building industry has placed an emphasis on energy, water savings, and high performance. Now there is the realization that the mechanical, electrical and plumbing equipment is often composed of hazardous materials. Pipes, wire, and switches, for example, are loaded with copper, lead, pvc and mercury. Research to find appropriate materials must be taken seriously.

Masterspec is developing checklists and green instructions to specification writers, with special instructions for LEED projects.

While specific notations should be included in each specification and each division, the overall goals need to be spelled out in Division 1 (General Conditions).

Under the topic of Changing Paradigms, Jonathan Herz, of GSA's Office of Real Property's Integrated Workplace (IW) Team presented: Social Responsibility and Green Design - Raising the Bar on LEED. Sustainable development involves the simultaneous pursuit of economic prosperity, environmental quality and social equity. The USGBC has, in a very short time, been very successful in beginning to transform the market, to make sustainable design, construction and building operations mainstream. But Herz highlighted how the social aspects of sustainable development are not yet integrated. The Office of Real Property's IWTeam is preparing a publication in 2004 that will address the issue of the social aspects of sustainable development that are not yet integrated in LEED, including the human capital component and elimination of persistent toxins in building products.

For more information, contact Jonathan Herz on 202-501-3476 or jonathan.herz@gsa.gov. ■



Telework

The Workplace of the Future is Here

by Tanya Gross, GSA Office of Real Property

hat does the workplace of the future look like? Experts from the General Services Administration's (GSA) Office of Real Property and the Office of Personnel Management (OPM) provided a glimpse of the future "today" in a live satellite broadcast of a panel discussion, entitled "The Importance of Telework in the Modern Workplace."

Panelists included:

- Stan Kaczmarczyk, Director, GSA Innovative Workplaces Division,
- Wendell Joice, GSATelework Team Leader,
- Rob Obenreder, Architect, GSA Integrated Workplace Program Expert,
- Glenn Woodley, GSA Senior Program Analyst, Telework Team, and
- Jennifer Koh, Worklife Expert, OPM Worklife Division.

The October 16 broadcast was produced by Peter Glaws of GSA's Office of Communications and assisted by the Office of Real Property's Tanya Gross. The broadcast was held in the GSA headquarters building with dial-in capabilities for the audience to query the panelists.

The broadcast focused on major innovative workplace initiatives, such as:

- · hoteling,
- · virtual presence capabilities,
- alternative offices,
- · telework centers, and
- · other telework solutions.

Also highlighted were discussions about GSA's partnerships with public and private organizations to promote the advancement of telework and the use of integrated

workplace and sustainable development processes. A wide variety of issues and questions that associates have about organizing successful telework programs and preparing main office and alternative workplace/space plans were also addressed by the panelists.

What could your workplace of the future look like? Find out more with the video being produced highlighting this broadcast along with vignettes showcasing public/private partnerships, successful telework programs, and current Office of Real Property innovations, as well as future plans for workplaces in the GSA headquarters. Information for obtaining a copy of the video is posted on the telework website at www.gsa.gov/telework. For additional information, contact Tanya Gross at tanya.gross@gsa.gov or on (202) 501-2904. **■**



Tools / E-RealEstate

GSA's Final "FIRM" Commitment

by McDonald Peoples, GSA Office of Real Property

oundation Information For Real Property Management (FIRM) support has ended. The General Services Administration's (GSA) financial support of the FIRM application was over September 30, 2003. As part of its final support effort, GSA retained the FIRM contractor, ITS Services, until November 28, to provide hot-line support at the specific request of the Bureau of Reclamation and to all

current users of the application that needed this support as they transitioned to other real property management systems. This was GSA's final effort in support of the FIRM product and fulfills GSA's commitment to current FIRM users to make the transition from FIRM to other real property management systems as efficient as possible. For more information, contact McDonald Peoples on (202) 501-1785 or mcdonald.peoples@gsa.gov.

Enhanced Automated Prospectus System TAPS-XL Aids Real Estate Analysis

by Dennis Eisen, Dennis Eisen & Associates

APS-XL is a greatly enhanced version of The Automated Prospectus
System (TAPS) used for decades by Federal agencies as a cost analysis tool for real estate decision making, as a financial planning tool for preparing budgets, as an evaluation tool for competitive bids, as an asset management tool for prinpointing underperforming properties, and as a work-out tool for formulating turnaround or disposition strategies.

The program treats all major space acquisition modes, including numerous variations within leasing, purchasing, rehab and construction. Over its long history, it has been applied to office space, industrial facilities, clinics and hospitals, surface and structured parking, emission control stations, government laboratories, storage

and warehouse facilities, courthouses, mixed-use development, public and Indian housing, and even to the construction leaseback of airport traffic control towers.

TAPS-XL is based on rigorous economic principles and discounted cash flow techniques, and meets the exacting specification and standards of GSA and OMB for conducting real estate analyses. The program takes account of all acquisition, operating and disposition costs from the perspective of the government, including such often overlooked effects as tax expenditures, moving costs, interim housing, outleasing and functional obsolescence.

This latest version is more userfriendly in its operation. Data entry has been made more efficient through the use of numerous prestored economic variables and propagation of common data across multiple alternatives. In addition, there are hundreds of help screens covering every step in processing cases, and dozens of warning screens from informational to urgent.

TAPS-XL permits ultra-fast generation of "What if?" scenarios and rapid side-by-side comparisons of competing alternatives, and all output reports are in familiar Excel spreadsheet format, without the need to export results. Work is currently underway for the automated classification and scoring of capital leases.

The TAPS-XL program and accompanying 80-page User Guide are available at no cost to Federal agencies through Dennis Eisen & Associates at 301-762-1441 or e-mail Dennis E@aol.com.. ■

E-RealEstate

Federal Real Property Profile Changes in 2004

by Carol Anadale, GSA Office of Real Property

hat is the Federal Real Property Profile (FRPP) reporting system? FRPP provides information regarding Federal real property holdings to stakeholders including the Congress, the Federal community and the public. Its purpose is to assist Federal asset managers with their stewardship responsibilities by offering a real-time internet environment for on-line updates.

GSA's Office of Real Property awarded the FRPP 2004 support contract to 3HTechnology based in Vienna, Virginia. 3H will complete improvements to the FRPP-IA started in FY 2003. Upgrades to the FRPP Internet Application (IA) include improved reporting generation, map displays, archived data, trend reports and trend analysis reports from archived data, web based training function, on-line help screens, and English to metric conversion. FRPP-IA Version 3.0, released in mid-November 2003, contains some of the upgrades. Others are planned for FY 2004 implementation. Find out more! Contact Carol Anadale at (202) 208-2970 or carol.anadale@gsa.gov.

E-RealEstate Mainstreams Web-Enabled Software Use

by Dennis Goldstein, GSA Office of Real Property

he Office of Real Property is providing assistance to Federal agencies in the development of a Business Case in support of implementing Commercial-Off-The-Shelf (COTS) software for the management of real property assets.

As part of mainstreaming the use of web-enabled software in Federal real estate management, the e-RealEstate program has assisted the Department of Health and Human Services (HHS)

to develop business cases for the HHS Bureaus. The consultants from Graphic Systems, Inc. completed their work with HHS and briefed the participating Bureaus on December 11, 2003. The reports included an organizational overview, webenabling initiatives already underway in the agency, specific information needs, and current available technology in use at the agency. A cost benefit analysis was also presented at the December 11 meeting. HHS has requested

assistance in the implementation phase of their web-enabling of real property management functions and OGP and Graphic Systems, Inc. will proffer that assistance.

The US Army Corps of Engineers (USACE) is beginning a major revamping of their real property management information systems and the e-RealEstate project team is assisting the Corps in this major undertaking. Once again, the project team will assist in the development of business cases and give guidance and expertise to the entire process for the Corps.

For further information on this initiative, please contact Dennis Goldstein on 202-219-0608 or dennis.goldstein@gsa.gov.



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Check out the cover article "A Glimpse Into Deutsche Post: A Company in the Midst of Transformation and Growth" on page 3 for key real estate strategies for success.