

Real Property Policysite

News and Views on
Real Property and
Workplace Policy

Spring 2003

Federal Real Estate

AT RISK!!!

according to GAO Report

*GAO Designates
\$328 Billion Federal Portfolio
as a "HIGH RISK" Program for 2003*

Special feature inside:

*Federal Real Property Council
Security Resource Guide
(special removable insert)*



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to the Government
of the 21st Century!

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Our 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.

This is the **twenty-fourth** 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, which is led by Deputy Associate Administrator, David L. Bibb. 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

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Federal Initiatives

Federal Real Estate Deemed At Risk

by Ronald Whitley, GSA Office of Real Property

U.S. General Accounting Office Designates Federal Real Estate as a "HIGH RISK" Program for 2003

"Long-standing problems in the Federal real property area include excess and underutilized property, deteriorating facilities, unreliable real property data, and costly space. These factors have multibillion-dollar cost implications and can seriously jeopardize the ability of Federal agencies to accomplish their missions."

*David M. Walker,
Comptroller General of the United States,
January 2003 High-Risk Series,
Federal Real Property*

incapable of meeting technological demands, confronted with a growing list of health and safety issues, and unable to benefit from leveraging the huge equity that is tied up in the real property assets. If these problems continue to grow unabated, the number of government real property assets that can meet the changing mission requirements of Federal agencies will further decline.

GAO Unveils High-Risk Report

In response to this growing problem, at a press conference on January 29, 2003, the General Accounting Office (GAO) unveiled a report entitled "High-Risk Series" Federal Real Property that underscores the importance of agencies having the appropriate and up-to-date business practices and incentives to manage the stewardship of agency real estate. The report is a clear depiction of how the management of Federal real property must change to satisfy the new work paradigms of

continued on next page

There are more than 30 Federal agencies that control real property assets in the United States and abroad. Because the majority of these agencies are governed by legislation that is more than 50 years old, many must continue to manage their inventories by relying on business practices and models that have been in place for a half-century without significant change. In addition, all agencies have suffered from many years of chronic capital improvement and maintenance underfunding.

According to GAO, the government's inventory of real estate is deteriorating at an alarming rate,

Spring 2003

Federal Real Property Assets

January 2003

High-Risk Series

According to the fiscal year 2001 financial statements of the U.S. government, the Federal government's real property assets are worth about \$328 billion. In terms of facilities, the latest available governmentwide data from GSA indicated that as of September 30, 2000, the Federal government owned and leased approximately 3.3 billion square feet of building floor area worldwide. ■

-- January 2003 High-Risk Series Federal Real Property

Federal Initiatives

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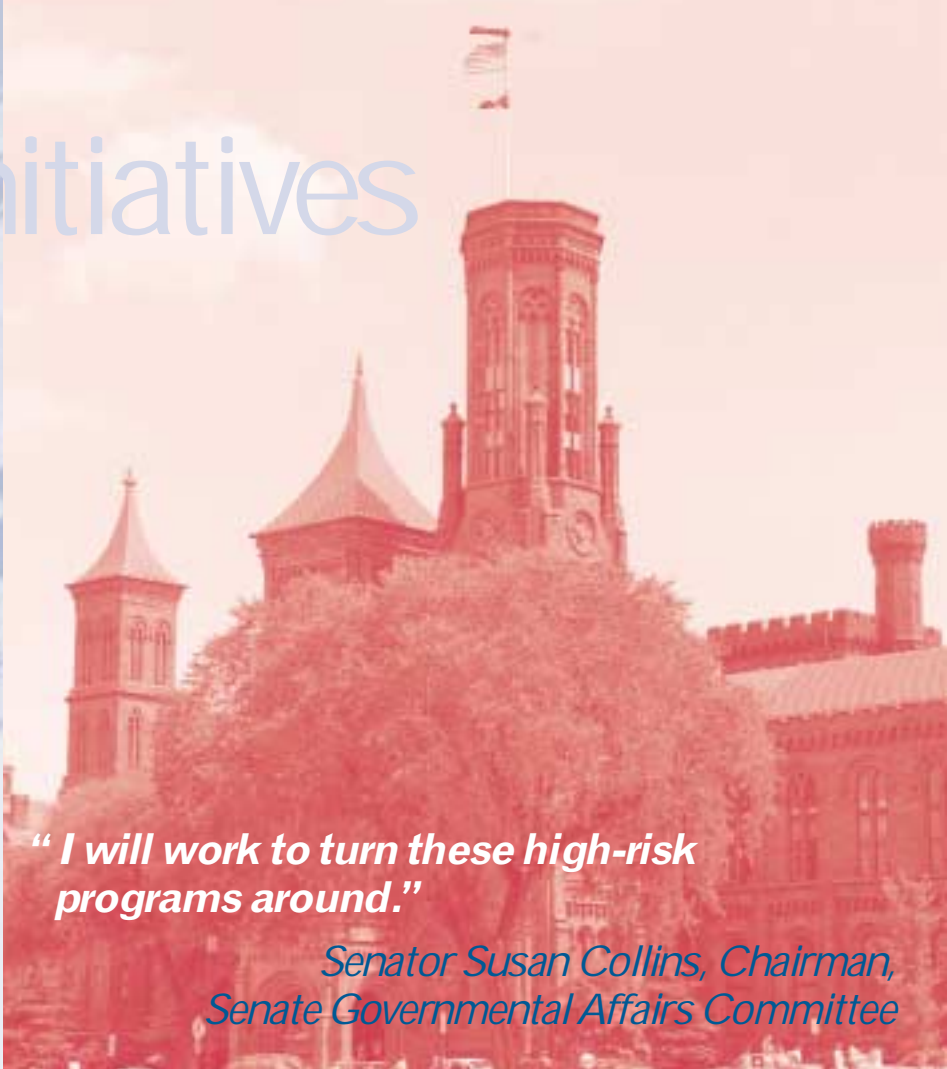
the 21st century as well as helping to attract and retain a quality Federal workforce. Agencies will need appropriate and up-to-date management tools and incentives to manage their real property portfolios as strategic assets. This will help ensure that the government's inventory of real property assets is healthy, safe, efficient and effective.

The designation "high-risk" is the strongest term used by GAO to communicate the growing concern regarding a programmatic issue, and the importance of taking corrective action immediately. The designation will serve to focus the Administration and Congress on supporting solutions to resolve the growing challenges of realigning the government's realty holdings to fully address the workplace of the future, and improve government agency performance and accountability.

Present at
January's

press gathering were Senator Susan Collins (R-ME), Chairman of the Senate Governmental Affairs Committee, and Representative Tom Davis (R-VA), Chairman of the House Government Reform Committee. Both Chairs have oversight roles for the governmentwide real property program, and will be working with GSA to pass

legislation that would reform the Federal Property and Administrative Services Act of 1949 (Property Act). Comments from each Chair were a very positive and a strong indicator that there is a renewed synergy on the part of Administration and Congress to give Federal landholding agencies the proper tools and incentives to promote efficient and effective real property management. Chairman Davis was quoted as saying, "From workplace improvement to real property reform, the Administration has made it a priority to improve government management and performance." The Chairman further stated, "Deterioration and underutilization of the government real property inventory has been a long-standing problem. Both the President and the Congress have identified the need to reform the 1949 Property Act as a major priority."



"I will work to turn these high-risk programs around."

*Senator Susan Collins, Chairman,
Senate Governmental Affairs Committee*

Federal Initiatives

Why Federal Real Property?

According to the GAO report there are many reasons for designating Federal real property as a high-risk program. Below is GAO's rationale:

- Long standing problems with excess and underutilized real property, deteriorating facilities, unreliable real property data, and costly space challenges are shared by several agencies.
- These factors have multi-billion dollar cost implications and can jeopardize mission accomplishment.
- Federal agencies face many challenges securing real property due to the threat of terrorism.

An example of vacant Federal property is the west campus of the St. Elizabeths Hospital complex in the District of Columbia. The Federal government owns almost all of the west campus of St. Elizabeths, which has 61 mostly vacant buildings containing about 1.2 million square feet of space on 182 acres. The government has not needed the property which has remained mostly vacant for many years. The government has recently taken steps to dispose of the property, which contains magnificent vistas of the rivers and city, but the property has significantly deteriorated and faces environmental and historic preservation issues.

Restoration, repair, and maintenance backlogs in Federal facilities are significant and reflect the Federal government's ineffective stewardship over its valuable and historic portfolio of real property assets. The backlog is alarming because of its magnitude—current estimates show

that tens of billions of dollars will be needed to restore these assets and make them fully functional.

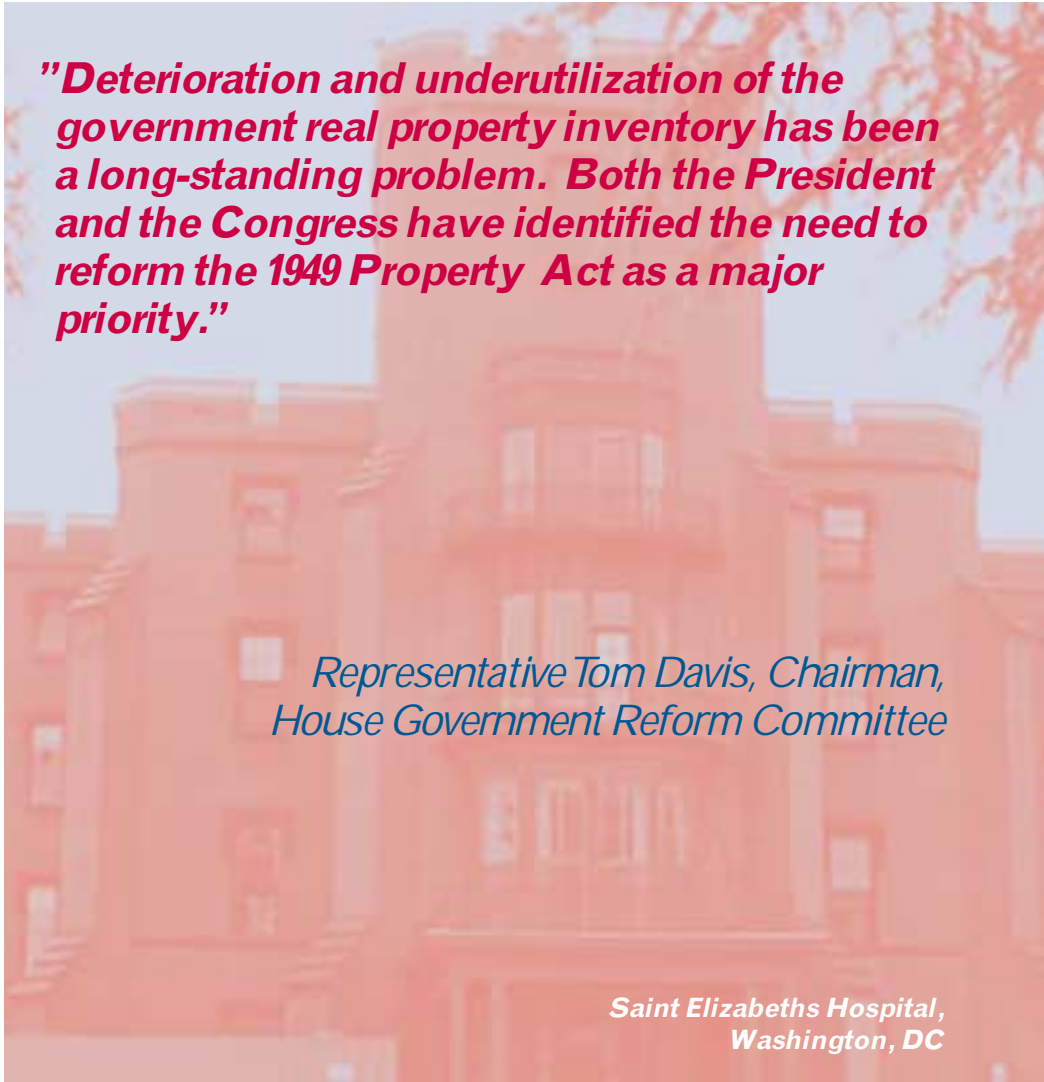
For example, although DOD no longer reports data on backlog of repairs and maintenance, it reported in 2001 that the cost of bringing its facilities to a minimally acceptable condition was estimated at \$62 billion; the cost of correcting all deficiencies was estimated at \$164 billion.

What Should Be Done?

What remains to be done according to GAO includes the following:

- The need for a comprehensive and integrated real property transformation strategy that:
 - could identify how best to realign and rationalize Federal real property and dispose of unneeded assets.

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"Deterioration and underutilization of the government real property inventory has been a long-standing problem. Both the President and the Congress have identified the need to reform the 1949 Property Act as a major priority."

*Representative Tom Davis, Chairman,
House Government Reform Committee*

*Saint Elizabeths Hospital,
Washington, DC*

Federal Initiatives

AT RISK from previous page

- address significant real property repair and restoration needs.
- develop reliable, useful real property data.
- resolve the problem of heavy reliance on costly leasing.
- minimize the impact of terrorism on real property.
- Independent commission or task force may be needed to develop this strategy.

- Legislative action to address long-standing challenges.

GAO also acknowledges that in addition to the corrective measures above, there are other recommendations that can be taken to further mitigate the problem of high-risk Federal property. In the August 2002, forum on major issues confronting real property that GAO and the National Research Council sponsored, Federal agency participants recommended the following (some of these have already been integrated into GAO's recommendations above):

- the need for top-level support and commitment from Congress, OMB and other real property holding agencies to recognize the significance of these problems and seek solutions to resolve them.
- the need to integrate facilities within agency mission strategic planning.
- the need for a broader range of financing and management tools.
- the need for skilled people in the real property management area.
- the need to address the negative effects that budget scoring rules have on capital decisionmaking.
- the need to balance security concerns with costs and meeting public accessibility requirements.
- the need for high quality data on real property assets to provide better information for strategic decisionmaking.

What is GSA Doing?

GSA and the Office of Real Property remain committed to real property reform legislation and will continue to work with the Administration and Congress to promote the broadest tools and best incentives for landholding agencies to ensure the efficient and effective stewardship of the Federal portfolio. ■

GAO's report is a further step in moving Property Act Reform forward, and reflects the growing support within the government to ensure that Federal agencies have the freedom to manage their assets to achieve stated missions and goals. This effort will reduce the amount of deteriorated, vacant, and underutilized space in the existing inventory of government facilities. The General Services Administration believes that the report will be a catalyst for passing legislation that reforms the aging Property Act this Congress. Such action will ensure that agencies have the proper tools and incentives to promote efficient and effective stewardship of the government's assets in the 21st century. ■

Top Federal Real Estate Execs Address Outsourcing

by **Richard Ornburn, GSA Office of Real Property**

Top real estate executives from around the government convened in Washington DC to address several high profile issues, especially outsourcing, challenging Federal real estate programs.

The February 5th Federal Real Property Council (FRPC) meeting, with a record 45 attendees from 20 Federal departments and agencies, kicked off with a spirited panel discussion on outsourcing. The FRPC is a forum for Federal leaders of real estate and workplace

programs to address significant issues and provide an avenue for resolution.

Paneled by Mike Mowry, of the U.S. Department of the Army, and Bill Jenkins, GSA's Public Buildings Service, the council raised many issues and provided significant information to the members.

Bill Jenkins is the National Realty Services Officer, for the Office of Realty Services (ORS), GSA Public Buildings Service (PBS). He described ORS's new approach to

leasing. It is viewed as "voluntary outsourcing" in an effort to improve the current leasing program and to free time for its realty specialists to concentrate on project management, customer relationships, and customer service. Noting a lack of consistency in the existing decentralized operation, PBS Commissioner Joe Moravec realized that GSA was not operating like a national company, nor was it leveraging its buying power. PBS is now moving towards centrally managed, national broker contracts. Four outcomes will result:

1. Increase the capacity of GSA's regions
2. Leverage buying power to obtain better pricing

continued on next page



FRPC members discussing outsourcing at February 5 meeting at GSA.

Outreach

EXECS from previous page

3. Improve customer service as a result of the above two items
4. Create national coherence and consistency

Mike Mowry, Competitive Sourcing Office, Office of the Assistant Chief of Staff for Installation Management, U.S. Department of the Army, discussed competitive sourcing under OMB Circular A-76. The intent is to achieve maximum return on taxpayer money and promote increased efficiency and effectiveness of government supplied products and services through competition between the public and private sectors. Benefits include increased competitiveness, level of service, and efficiency and decreased

costs to the taxpayer. The Army has conducted 214 studies involving 28,880 spaces to determine whether the services should be privatized or governmentally performed.

FRPC members learned that there is an existing venue for sharing information on various procurement issues, specifically, the Procurement Executive Council. If additional mechanisms are deemed needed, then GSA may facilitate a working group with a focus on real property.

Led by co-chair David Bibb, GSA Deputy Associate Administrator for Real Property, the FRPC also examined the latest GAO report, designating Federal real property as a high-risk area. The FRPC fulfilled its chartered role at the meeting, that of providing a governmentwide

platform for executives to review and seek action on significant asset management issues challenging agencies. As a result of the meeting, the council resolved to support the formation of a working group this year to influence and help GAO address high risk Federal properties.

The council also resolved to support use of the new Federal Real Property Profile (FRPP) which replaces the Worldwide Inventory, for providing reliable portfolio data.

Additional topics to be addressed by the council this year were reviewed and will be voted on by members, who will also elect a new co-chair, to replace Gary Arnold, from the Social Security Administration. Meetings are also planned for June and September. ■

David Bibb (right), GSA Real Property Deputy Associate Administrator, presents plaque to Gary Arnold, SSA, in appreciation for service as FRPC Co-Chair.



Regulations You Can Use

Real Property Policies in FPMR Cancelled, FMR Amended

By John Thomas, GSA Office of Real Property

On December 13, 2002, the GSA Office of Real Property published Federal Management Regulations (FMR) and Federal Property Management Regulations (FPMR) Amendments, impacting real property policies, as final rules in the Federal Register (67 FR 76820). These regulations are applicable to GSA, agencies operating under a GSA delegation of authority, and in some cases (e.g., disposals) to all Federal agencies. Publication of these regulatory amendments marks the completion of a multi-year initiative by the GSA to make regulations easier to read and understand. Historically, the GSA had published its regulatory guidance in the Federal Property Management Regulations (FPMR), which also included non-regulatory guidance in the form of detailed operating procedures. In addition, the real property guidance was interspersed with guidance on personal property and administrative services. By contrast, the Federal Management Regulation contains only a refined set of policies and regulatory requirements, with non-regulatory guidance made available in separate documents, such as customer service guides, handbooks, brochures, internet websites, and FMR bulletins.

The FMR, written in plain language, enables the Government to focus on implementing statutory requirements, Executive Orders, and Governmentwide policies rather than on detailed operating procedures.

Also, the new FMR represents the first time in 31 years that all real property regulations can be found in one location.

The FMR Amendment amends the initial set of FMR real property policies (FMR Parts 102-71 to 102-82), published in the Federal Register on January 18, 2001, and completes the transfer of coverage on real property policies from the FPMR to the FMR. It also creates a separate part, FMR Part 102-83, to deal specifically with updated policy concerning the location of space. (FMR Parts 102-71 to 102-83 describe the real property policies applicable to GSA and Federal agencies to whom GSA real

Use of the FMR will save time for Federal real property professionals.....

property authority has been delegated). The FPMR Amendment removes all real property policy coverage from the FPMR and provides cross-references that direct readers to the coverage in the FMR. Both amendments are effective December 13, 2002.

Use of the FMR will save time for Federal real property professionals and their counterparts in the private sector, because the regulations are in one place and because they are easier to read and understand. The real property parts of the FMR cover the following policy areas: delegation of authority, real estate

acquisition, facility management, real property disposal, design and construction, art-in-architecture, historic preservation, assignment and utilization of space, safety and environmental management, security, utility services and location of space.

Overall, these new real property regulations impact a workforce of more than 1,000,000 Federal employees and more than 330 million square feet of Government-controlled space. Now that the real property policies in the FPMR are cancelled, Federal real property professionals will be able to find answers to their basic real property questions within only 100 pages of real property regulations, compared to the 223 pages of real property regulations formerly in the FPMR. The real property policies in the FMR are anticipated to save the Government an estimated \$10 million annually, based on Federal real

property professionals spending fewer hours researching real property regulations.

In conclusion, the new rule eliminates non-regulatory guidance and consolidates real property regulations into one location. The new rule improves customer service by making real property regulations easier to read and understand, which will enable real property professionals to save time researching real property regulations and will improve efficiency and effectiveness in the Federal real property community. Contact: John D. Thomas (202) 501-0365 ■

Regulations You Can Use

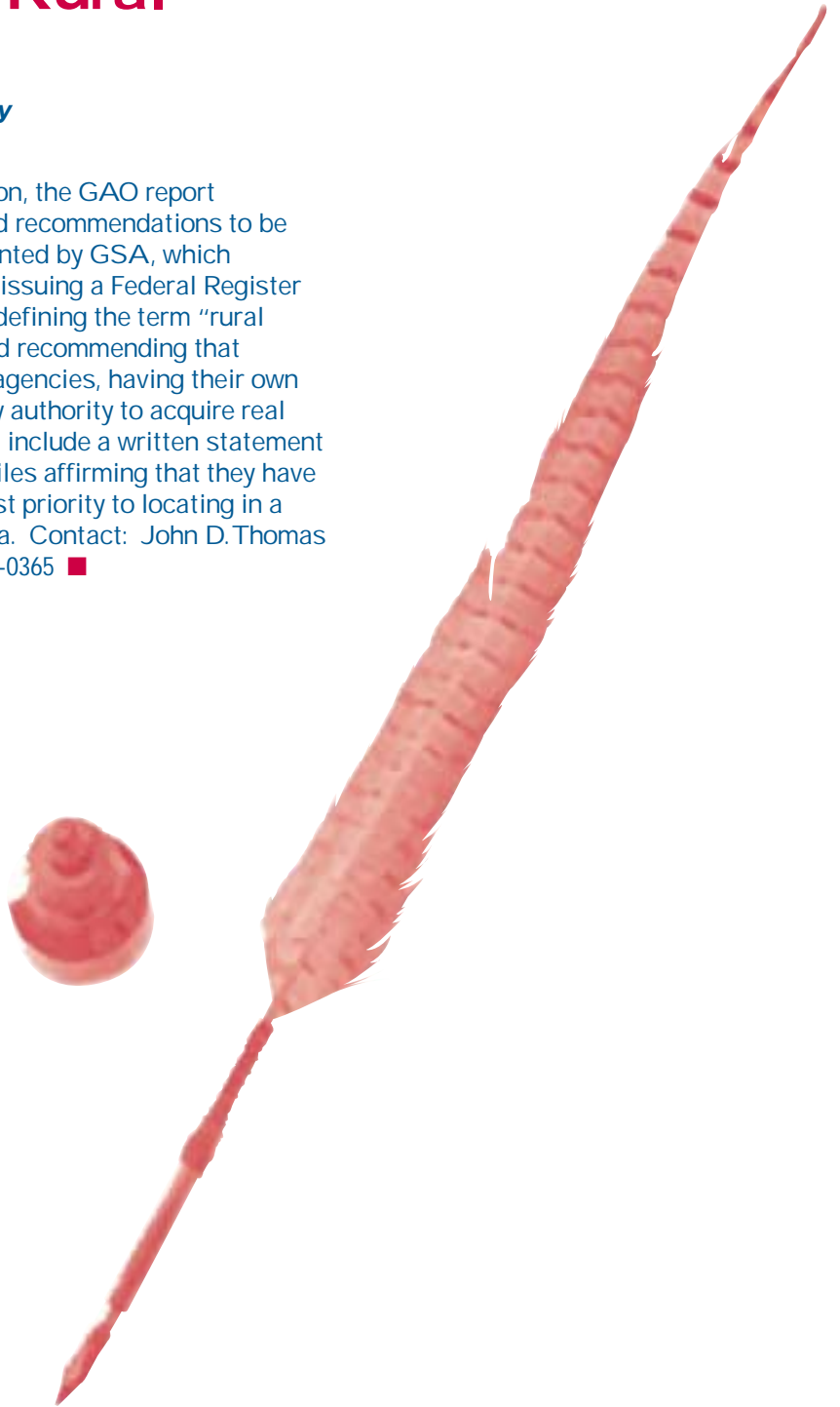
GSA Assists Agencies in Complying with the Rural Development Act

By John Thomas, GSA Office of Real Property

On January 21, 2003, the Office of Real Property published FMR Bulletin 2003-B1 in the Federal Register (68 FR 2776) to assist Federal agencies, having their own statutory authority to acquire real property, in complying with the Rural Development Act of 1972.

GSA issued this bulletin in response to GAO Final Report GAO-01-805, entitled "Facilities Location: Agencies Should Pay More Attention to Costs and Rural Development Act," which examined the Federal laws and policies governing facility location and the extent that agencies were implementing these laws and policies.

In addition, the GAO report identified recommendations to be implemented by GSA, which involved issuing a Federal Register bulletin defining the term "rural area" and recommending that Federal agencies, having their own statutory authority to acquire real property, include a written statement in their files affirming that they have given first priority to locating in a rural area. Contact: John D. Thomas (202) 501-0365 ■



Sustainability

The Business Case for Sustainable Design and Construction in Federal Facilities

article provided by: **Principle Investigator – Marylynn Placet, Pacific Northwest National Laboratory; Project Officer – Beverly Dyer, DOE Federal Energy Management Program**

The U.S. Department of Energy's Federal Energy Management Program (FEMP), working in collaboration with other Federal agencies under the auspices of the Interagency Sustainability Working Group, has undertaken an effort to better understand the 'business case' for sustainable design in Federal facilities. Sustainable design is a natural extension of FEMP's established role as an energy efficiency, renewable energy and water efficiency advocate in the Federal sector. This effort focused on providing solid arguments, supported by defensible data, to further justify the application of sustainable design principles in Federal agency construction projects.

Three highly interrelated cornerstones of sustainable design that were explored include:

- **Economic prosperity** – reducing costs, adding value, and creating economic opportunity for both an organization and its stakeholders, such as the communities in which it is located
- **Social responsibility** -- improving the quality of life and equity for employees, surrounding communities, as well as society as a whole
- **Environmental stewardship** -- protecting air, water, land, and ecosystems, as well as conserving resources, including fossil fuels, thus preserving the Earth's resources for future generations

The categories of sustainable features selected for the analysis were derived loosely from the Leadership in Energy and Environmental Design (LEED) and are consistent with the Whole Building Design Guide .

To study the direct economic costs and benefits of sustainable design, we used two approaches. First, we conducted an energy modeling exercise and cost analysis of various sustainable features in a prototypical commercial office building located in a hypothetical site in the Middle Atlantic region of the country (in Baltimore, Maryland). We estimated the incremental first cost differences (both positive and negative) and the annual cost savings associated with adding features related to sustainable siting, water efficiency, low-emitting and recycled materials, and energy efficiency. These were translated into lifecycle costs, savings-to-investment ratios and simple payback period values. We also calculated certain environmental emission reductions associated with the energy-efficiency improvements. Second, we reviewed case studies of several US Government buildings, focusing on the cost aspects.

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Some Benefits of Sustainable Design:

- At Zion National Park Visitors Center in Utah, designers moved exhibit space outdoors and introduced natural cooling and lighting. The building cost 30% less to build and reduces energy cost by 70%.
- The Process and Environmental Technology Laboratory at Sandia National Laboratories in New Mexico spent 4% more in their capital budget for energy efficient technologies, but saved enough energy to pay off that investment in about 3 years, with continued savings for many years to come.
- At the Herman Miller furniture company's new headquarters, productivity measured by the company's own Total Quality Metrics increased when employees moved into the new space, which used sustainable design concepts.

Sustainability

Social, Environmental and Economic Benefits of Sustainable Design Features

	<i>Social</i>	<i>Environmental</i>	<i>Economic</i>
Sustainable Siting	Improved aesthetics (e.g., better appearance of site to neighbors), less public disturbance, increased transportation options for employees	Land preservation, lower resource use, protection of ecological resources, soil and water conservation, reduced energy use resulting from optimal orientation, reduced negative micro-climate impacts, lower air pollution from vehicle traffic (when siting near public transportation)	Reduced costs for: site preparation and clear-cutting (when site disturbance is minimized), parking lots (when located near public transportation), storm drainage and landscape maintenance (when natural techniques are used), energy use (when orienting the building for passive solar heating and cooling).
Water Efficiency	Preservation of water resources for future generations and for recreational uses of the current population; avoidance of new wastewater treatment plants in neighborhoods	Lower potable water use, waste generation, and pollution discharges to waterways; less strain on aquatic ecosystems in water-scarce areas; preservation of water resources for wildlife and agriculture.	Lower water costs; potential savings from landscape maintenance; less wastewater treatment infrastructure needed; lower first cost in some cases (e.g. some no-water urinals cost less to install than traditional ones)
Materials & Resources	Fewer landfills and associated nuisances, maintaining of forests and conserving natural resources for future generations	Reduced strain on landfills, reduced virgin resource use and depletion of long-cycle renewable materials, healthier forests due to better management, lower energy use for material transportation	Decreased first costs due to material re-use, decreased operating costs for waste disposal, decreased replacement cost through more durable materials, expanded market for environmentally preferable products
Energy Efficiency	Improved thermal conditions; better occupant comfort satisfaction	Lower electricity and fossil fuel use and air pollution and carbon dioxide emissions, decreased impacts of fossil fuel production and distribution, ozone protection	Reduced energy costs and peak-demand charges, increased operating efficiency, lower first costs when systems can be downsized due to innovative energy solutions

Sustainability

	<i>Social</i>	<i>Environmental</i>	<i>Economic</i>
Indoor Environmental Quality	Reduced adverse health impacts; improved occupant satisfaction and comfort, improved individual productivity	Better air quality inside the facility including reduced volatile organic emissions, carbon dioxide and carbon monoxide	Organizational productivity improvements due to improved worker productivity, lower absenteeism, reduced staff turnover; lower disability/health insurance costs; reduced threat of litigation
Commissioning; Operation & Maintenance	Occupant satisfaction, health and safety	Lower energy consumption and air pollution emissions	Energy cost reduction, lower operating/maintenance and replacement costs, reduced cost of dealing with complaints

To study the social impacts of sustainable design, we conducted a thorough assessment of information and data in peer-reviewed journal articles, conference papers and other published studies on occupant effects. Very little work has been done to date to study impacts of sustainable buildings on communities or society, though some ongoing work at various research organizations interested in sustainability is attempting to link social impacts of sustainable practices to business value.

The finding of the analysis, as well as the conclusions from the review of the literature and case studies, are framed below in the form of 'arguments' for sustainable design:

1. Some sustainable design options reduce first costs, compared to traditional approaches.
2. Some sustainable design features have more favorable lifecycle costs than traditional approaches.
3. The environmental damage costs associated with a traditional approach may be higher than the cost of sustainable design features that eliminate or reduce that damage.
4. Some sustainable design features cost more now because they are just entering the market, but government incentives often lower their cost significantly.
5. A very sustainable building can be built at the same first cost as its traditional counterpart.

6. Certain features of sustainable buildings foster the health, well-being, satisfaction, and better work performance of building occupants.

There is also some fairly limited, anecdotal evidence to support a number of other arguments related to indirect financial benefits to building owners.

Even though additional case study data analysis and gathering is required to support some of the arguments, the results of this study indicate there is sufficient qualitative and quantitative information to support the claim that sustainable design and construction is good business for the Federal government. To counter the question, "What is the business case for sustainable design?" one might ask, "What is the business case for unsustainable design?" ■

Sustainability

Park Service *Recycles* with “Green” Building in San Francisco

by Bob Harding, GSA Office of Real Property

At the Golden Gate National Recreation Area in San Francisco, the National Park Service (NPS) has taken a former U.S. Engineers Warehouse and transformed it into a park information center and bookstore/café that draws large crowds into the newly opened Crissy Field area of the park, while simultaneously showcasing the sustainable elements used in the renovation project.

The facility, known as the Warming Hut (pictured), is a two-story wooden structure containing 2,400 square feet. It was built in 1909 at what was to become Crissy Army Air Field. After the property passed to NPS, it became part of the Golden Gate National Recreation Area that comprises a series of Federal

holdings that gird San Francisco Bay.

The project was able to integrate the Park Service’s resource conservation mission with the agency’s commitment to sustainable development and was carried out in conjunction with its partner, the Golden Gate National Parks Conservancy. The timing of the project provided the opportunity to link it with the completion of the Crissy Field redevelopment.

The Warming Hut contains a wide array of sustainable design elements including the use of concrete containing fly ash (a waste product from coal burning), water based sealants, and re-milled fir timbers from the original structure. A unique feature of the facility is the insulation that is comprised of 85%

post-industrial cotton denim treated with Borate (boric acid) for pest control.

For information on this and other NPS projects, read the National Park Service Sustainability News on-line at www.sustainability.nps.gov. For more specific information on the Warming Hut process, contact Carrie Strahan at carrie_strahan@nps.gov, or Marien Coss with the Parks Conservancy at jmccoss@ggnpc.org

GRPIS. This NPS project is one of many Federal facilities that were visited in the greater Bay Area as part of the **Governmentwide Real Property Information Sharing (GRPIS) Program**. The GRPIS Program is a cooperative effort of GSA’s Office of Real Property and participating Federal agencies of the San Francisco Bay Area GRPIS Forum. The next meeting of the Forum is scheduled for April 29, 2002 at the Parks Reserve Forces Training Area in Dublin, CA. For further information on the GRPIS Forum, contact Sheldon Greenberg at 202-501-0629. ■

What Is The Status of Telework in the Federal Government?

by **William Michael,**
GSA Office of Real Property

Find out in the January 2003 report the U.S. Office of Personnel Management (OPM) has submitted to Congress, "The Status of Telework in the Federal Government."

Last Fall, OPM surveyed agencies about their telework programs, practices, and policies. Seventy-seven agencies responded and reported 90,010 teleworkers as of December 2002. This represents a 21 percent increase from the 74,487 teleworkers who were reported to OPM in November 2001. These numbers include both regular and episodic teleworkers; the majority are episodic (46,765).

The agencies reported that 625,313 employees were eligible to telework (35 percent of the Federal workforce). This is a 20 percent increase from the 521,542 employees determined eligible in 2001. In 2002, 14.4 percent of eligible employees teleworked.

Five percent of the Federal workforce

EEOC Moves Ahead With Telework

by **Wendell Joice,** **GSA Office of Real Property**

As mentioned in the winter 2002 Polycysite issue, the Equal Employment Opportunity Commission (EEOC) is one of the "Agencies Getting Serious About Alternative Officing Cost Savings." In January 2003, EEOC's Office of the Inspector General (IG) issued a final report, "Reducing Infrastructure Cost Through Increased Use of Telework - An Analysis of Four EEOC Field Offices" (OIG REPORT NUMBER OIG-01-13-AMR: <http://www.ignet.gov/internal/eeoc/eeoc.html>).

As previously mentioned, GSA's Office of Real Property (MP) served as the primary consultant on this project. A key reported finding was that the organization could achieve

financial savings, without adversely impacting operations, by expanding telework (employees teleworking two or more days a week). Initially, this study, which utilized MP's Cost per Person Model, was conducted for and by EEOC's IG organization. Triggered by the impressive findings, however, EEOC ramped up the study's recommendations into an agency-wide initiative to reduce infrastructure costs.

As a result, EEOC implemented a management directive to reduce its agency-wide rental costs by 35% over the next 5 years. EEOC managers may use any of a variety of measures to achieve this cost reduction goal; expanding telework, however, is likely to be the primary measure. ■

is now teleworking, up from 4.2 percent in 2001. GSA agency-wide participation is 25 percent. The Office of Real Property's participation rate is 65 percent. Approximately 25 percent (22,522) of all teleworkers reported by agencies are stationed in the Washington, DC metropolitan area.

The full report will be posted at the joint OPM/GSA telework website....

Best Practices

States' Best Practices Profiled

by **Andrea Kuhn, GSA Office of Real Property**

Best Practices in Real Property Management in State Governments
is Published by **GSA's Office of Real Property**

The Office of Real Property has just released a guide to highlight the best practices at the state government level. Many of these innovative and best practices have resulted in streamlined operations, cost savings, innovative solutions to complex problems, and other benefits. They offer new ideas for real property management. Here is a glimpse into the study:

Imagine...

...a rooftop ice pond system that freezes water at night and blows air across it by day to provide the primary source of air conditioning. Then...imagine grass growing on other portions of the roof, for use as insulation and as a storm water measure. The building also stores storm water, pumps it to the roof, and then uses it to flush the toilets.

Imagine...

...finding all maintenance materials for a building on a CD-ROM, complete with links to drawings, manuals, etc.

And then...

...imagine trading in your existing property with its outmoded facilities for a new site with facilities built to your specifications, valued at twice the value of your original property.

Imagine and now acknowledge...

...that each of these scenarios are real and exist as a result of innovative best practices undertaken by states throughout the country.

These are only a few of the innovative practices you'll find detailed within the study. You'll find more details about Maryland's Smart Growth program and movement to create "green" buildings. Washington's "Buildings on a Disk" system that provides maintenance information electronically

continued on next page

Identifying and sharing best practices is critical to improving the way we do business, whether at the Federal or other levels of government. The many levels of government have many of the same missions and operations in common. Learning from each other can only lead to better business.



Best Practices

STATES from previous page

is explained. The unheard of real estate transaction in Washington, which turned a \$4.8M asset into one worth at least \$9.5M is detailed within.

The following states were chosen as exemplars in the following study areas:

- Acquisition and Construction (Maryland, Minnesota, Utah)
- Operations and Maintenance (Michigan, Missouri, Utah)
- Web-Enabled Software (Texas, Washington)
- Public-Private Partnerships (Arizona, Washington)

We hope that these best practices will inspire you to take a

new look at your asset management practices and enhance or perhaps develop new management approaches.

The study will be taken "on the road" when it is presented as a panel discussion at the National Association of State Facilities Administrators (NASFA) conference on June 23, 2003 in Kansas City. The National Association of State Facilities Administrators is a professional organization whose mission is to provide leadership in the development and implementation of state facility administration practices. For more information on NASFA, go to <http://nasfa.net>.

The report is available on the Office of Real Property website at www.gsa.gov/realpropertypolicy. If you have any questions about the study, contact Andrea Wohlfeld Kuhn at (202) 208-1237 or andrea.kuhn@gsa.gov. ■

GSA Issues Call For Entries For Real Estate Best Practices

The 2003 Call for Entries has been issued for the GSA Achievement Award for Real Property Innovation. This year, in addition to best innovative policy or practice, a new award is available for the "Adopted Best Practice." Award winners receive \$5K for an individual award and \$10K for a winning team award. A copy of the Call for Entries and more information are also available on the website at www.gsa.gov/realpropertypolicy. Entries are due by May 30, 2003. The Award ceremony will take place on October 9. ■

GSA Office of Governmentwide Policy

Seventh Annual
**GSA Achievement Award
for Real Property Innovation**

a call for entries
2003

"Champions, Innovators, and Promoters in the Federal Government and their best practices and policies to:"

- Make the Government more results-oriented and cost effective
- Promote better management of the real estate portfolio
- Pioneer a forward thinking work/life
- Improve the workplace quality of life
- Encourage sustainable design for our environment
- Adopt new practices for better program operations

Winners receive: "Cash Awards totaling up to \$30,000 for best innovative policy and practice, and new category of adopted best practice."

Newsroom

HHS VOLUNTEERS FOR E-REALESTATE EXPERIMENT:

How will an agency decide whether to "web-enable" a particular real estate function?

Health and Human Services (HHS) will find out....as part of Phase III of GSA's e-RealEstate initiative. GSA's Office of Real Property met in January with agencies, including HHS and Veterans Affairs, which were interested in web-enabling one or more real estate management functions in their organizations. The process for the development of a Business Case document that could be used by participating agencies as the basis for deciding whether to web enable a particular real estate management function was reviewed. HHS volunteered to be the initial pilot

project participant. Graphic Systems, Inc., the contractor in the project, will prepare Business Cases for various parts of HHS. The contents of a Business Case will typically include: Strategic Alignment & Business Needs; Option Analysis & Recommendation; Benefit Analysis; Cost Analysis, ROI/Payback Analysis and Risk & Dependency Assessment. Stay tuned to see what happens!

CHECK OUT NEW FEDERAL REAL PROPERTY PROFILE:

Having the best data on your real estate portfolio is critical to more effective asset management. GSA is helping by releasing the new FY2002 Federal Real Property Profile -- a consolidated report of real property owned and leased by the Federal government. It will be available in

print and on the GSA website www.gsa.gov in March 2003. The report, formerly named the Summary Report of Real Property Owned and Leased by the United States throughout the World, was rewritten during FY 2002. The new format more closely reflects the Federal real property holdings with all but two agencies (Department of Energy/Bonneville Power Administration and Navy) providing FY 2002 updates. In order to publish an accurate report of Federal real property assets, GSA requested that the Federal agencies confirm summary figures of the data provided to the FRPP database. Due to the large number of agencies that confirmed the data, the FY 2002 FRPP represents one of the most accurate reports of Federal real property in many years. ■

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