



Real Property Performance Results 2005



December 2005

Office of Real Property Management
Performance Measurement Division



NCE
TEL



*United States Courthouse,
Seattle, Washington*

Real Property Performance Results 2005



*Union Station,
Tacoma, Washington*

December 2005



Foreword

The Office of Governmentwide Policy (OGP) is pleased to issue *Real Property Performance Results 2005*, our eighth annual analysis of real property performance in the Federal office space sector. In these pages you will find our annual update on the seven key measures of Federal real property performance selected by an interagency working group in 1998. This edition also features an update on the number of Federal teleworkers, the most current private sector benchmarks, and an update on sustainability. New inclusions this year are the cycle time for property disposal and the sales price as a percentage of the fair market value of disposal assets. Our special features included this year are updates on Executive Order 13327 and Telework and Dependent Care. Our goal is to clearly summarize the relevant data and to provide our customers with a concise reference document. We expect this to be useful to Federal real property asset management decision-makers as well as our stakeholders. The publication will also benefit interested professionals in other governments, the private sector, and academia.

I would like to recognize Stan Kaczmarczyk, whose Office of Real Property Management undertook the data collection and analysis. With leadership from Stan, the project team of Shirley Morris and Ray Wynter produced this eighth annual collection of performance data. Additionally, we would like to recognize the contributors from the entire real property community, especially our Federal agency customers. Without your dedication and participation, this publication would not have been possible.

The Office of Governmentwide Policy presents this information to the Federal real property community to facilitate more informed decision-making leading to improved asset management. Organizations throughout the world, in both the private and public sectors, have embraced strategic planning, performance measurement, and benchmarking. We want to support the Federal real property community in this important transformation, which is consistent with the overall direction of the Government Performance and Results Act of 1993 and the specific intentions of Executive Order 13327.



John G. Sindelar
Acting Associate Administrator
Office of Governmentwide Policy
U.S. General Services Administration

**United States Courthouse,
Seattle, Washington**

*BPA Building,
Portland, Oregon*

Table of Contents

Executive Summary	1
Acknowledgements	3
Federal Government Benchmarking Participants	3
Other Partners	3
2005 Governmentwide Results	5
Introduction	5
Summary of Results	5
Cost per Square Foot (Owned)	6
Cost per Square Foot (Leased)	6
Vacancy Rate	7
Cost per Person	7
Customer Satisfaction	8
Employees Housed	8
Total Square Feet	9
Federal Teleworkers	10
Sustainability	12
FPAS Act of 1949 Disposal Cycle Time	13
Reimbursable Disposal Cycle Time	13
Sales Price as Percentage of EFMV	14
2005 Private Sector Performance	15
Introduction	15
Cost per Square Foot (Owned)	15
Cost per Square Foot (Leased)	15
Vacancy Rate	16
Observations and Recommendations	17
Observations from the Data	17
Quality of the Data	18
Recommendations and Next Steps	18
Appendix A: Data Collection	21
Appendix B: Update on Executive Order 13327 Activities	23
Appendix C: Telework and Dependent Care	27
Appendix D: Office of Real Property Management Contacts	31



Executive Summary

The following table summarizes Governmentwide performance for the year 2005 on the 7 original key indicators estimated by our analysis of the sample data. The number of Federal teleworkers, the percentage of agencies with

sustainable Federal buildings, Federal Property and Administrative Services (FPAS) Act of 1949 Disposal Cycle Time, Reimbursable Disposal Cycle Time, and Sales Price as Percentage of Estimated Fair Market Value (EFMV) are also included:

Summary of Results

<i>Measure</i>	<i>2005 Federal Government Performance</i>
Cost per square foot (owned)	\$4.89 per rentable square foot
Cost per square foot (leased)	\$21.44 per rentable square foot
Vacancy rate	4.4 percent
Cost per person	\$14,800
Customer satisfaction	78 percent on GSA survey
Employees housed	1,871,200 Full Time Equivalent
Total square feet	735,738,000 rentable square feet of office space
Federal teleworkers	7.7 percent of Federal work force
Sustainability	79 percent of Federal agencies
FPAS Act of 1949 disposal cycle time	274 days
Reimbursable disposal cycle time	134 days
Sales price as percentage of EFMV	110 percent

**United States Customs House,
Portland, Oregon**

Executive Summary

We conclude the following based on the 2005 Governmentwide results:

- 2005 Governmentwide performance is consistent with past performance as well as private sector performance on the key indicators of Cost per Square Foot Owned, Cost per Square Foot Leased, and Vacancy Rate.
- For the eighth straight year, we received outstanding cooperation from a core group of Federal agency partners. The main value of the annual Performance Results exercise continues to be the opportunity for a core group of Federal partners to benchmark performance and to benefit from the learning that has occurred around this effort. Good examples of this learning are the development and growing use of the Cost per Person Model, and the improved quality of agency asset management systems.
- We are encouraged by the steady rate of improvement in our two innovative measures, Federal Teleworkers and Sustainability.

Acknowledgements

Federal Government Benchmarking Participants

We would like to thank the following agencies for participating in the voluntary benchmarking effort for the 2005 edition of Real Property Performance Results:

- Department of Agriculture
- Department of Commerce
- Department of Education
- Department of Energy
- Department of Homeland Security
- Department of Housing and Urban Development
- Department of the Interior
- Department of Justice
- Department of Labor
- Department of State
- Department of the Treasury
- Department of Veterans Affairs
- Environmental Protection Agency
- GSA Public Buildings Service
- National Science Foundation
- Office of Personnel Management
- Small Agency Council
- Small Business Administration
- Tennessee Valley Authority
- U.S. Army Corps of Engineers

Other Partners

We acknowledge the following organizations that contributed to the Office of Real Property Management's performance measurement initiative in 2005 with data, research, and other valuable assistance:

- AgilQuest
- Architect of the Capitol
- Booz Allen Hamilton
- Building Owners and Managers Association International
- CoreNet Global
- Eastern Research Group
- Federal Facilities Council
- Graphics Systems, Incorporated
- Office of Federal Financial Management, OMB
- Office of the Federal Environmental Executive
- GSA, Office of the Chief Information Officer
- Public Buildings Service, Office of Property Disposal
- Public Works and Government Services Canada
- Smithsonian Institution
- The Workplace Network
- U.S. Green Buildings Council
- Worklife Group, OPM
- Worldwide Workplace Web



2005 Governmentwide Results

Introduction

The Office of Real Property Management compiled the information in this section from more than 511 million rentable square feet of building data submitted voluntarily by Federal agencies during the latter half of calendar year 2005. The GSA data were selected using certain pre-established criteria, but the rest of the Federal data were obtained subject to the discretion of the contributing agencies.

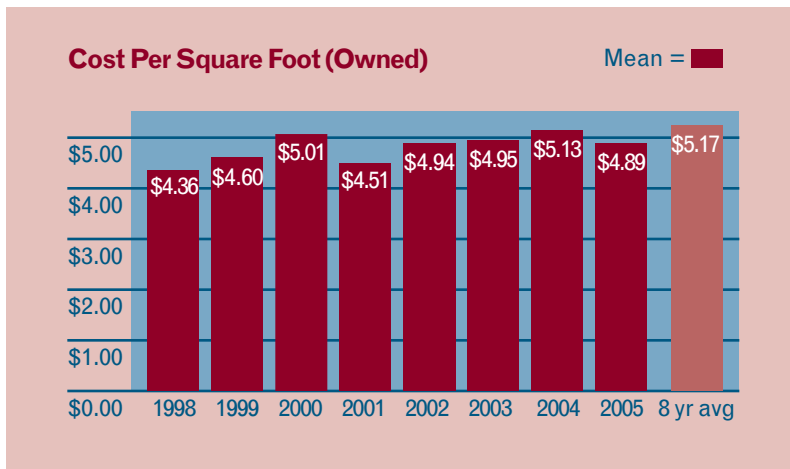
Although the sampling method may not be rigorously scientific, we believe that the large volume of data collected provides us with a reasonably accurate picture of overall Federal real property and workplace performance. We also believe that the value added by the benchmarking process itself far exceeds the benefits of a more academic exercise that could severely limit participation due to excessive requirements.

Summary of Results

<i>Measure</i>	<i>2005 Federal Government Performance</i>
Cost per square foot (owned)	\$4.89 per rentable square foot
Cost per square foot (leased)	\$21.44 per rentable square foot
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Employees housed	1,871,200 Full Time Equivalent
Total square feet	735,738,000 rentable square feet of office space
Federal teleworkers	7.7 percent of Federal work force
Sustainability	79 percent of Federal agencies
FPAS Act of 1949 disposal cycle time	274 days
Reimbursable disposal cycle time	134 days
Sales price as percentage of EFMV	110 percent

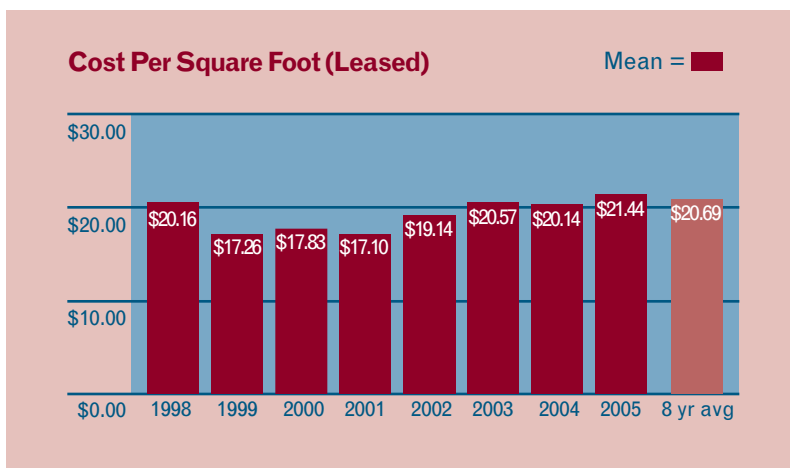
Warehouse Interior, Federal Center South, Seattle, Washington

2005 Governmentwide Results



Cost per Square Foot (Owned)

- The current indicator reflects fiscal year 2005 dollars per rentable square foot.
- The current indicator is an average derived from a Federal agency sample of 297,546,031 rentable square feet of owned office space.
- The definition of this indicator is the sum of expenditures for cleaning, maintenance, and utilities.
- In calculating the 8-year average, we adjusted all prior year data to fiscal year 2005 values for inflation.



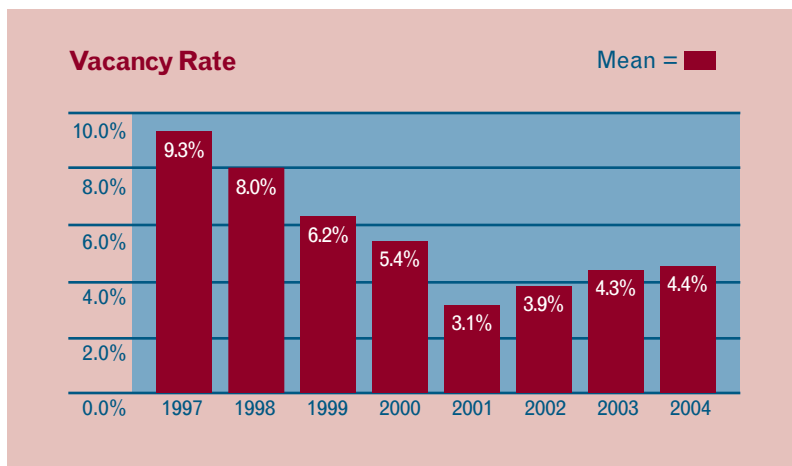
Cost per Square Foot (Leased)

- The current indicator reflects fiscal year 2005 dollars per rentable square foot.
- The current indicator is an average derived from a Federal agency sample of 205,254,766 rentable square feet of leased office space.
- The definition of this indicator is the fully serviced rental rate.
- In calculating the 8-year average, we adjusted all prior year data to fiscal year 2005 values for inflation.

2005 Governmentwide Results

Vacancy Rate

- The current indicator is the average vacancy based on a Federal agency sample of 468,902,240 rentable square feet of owned and leased office space.
- The current estimate is based on actual 2004 data submitted by Federal agencies.

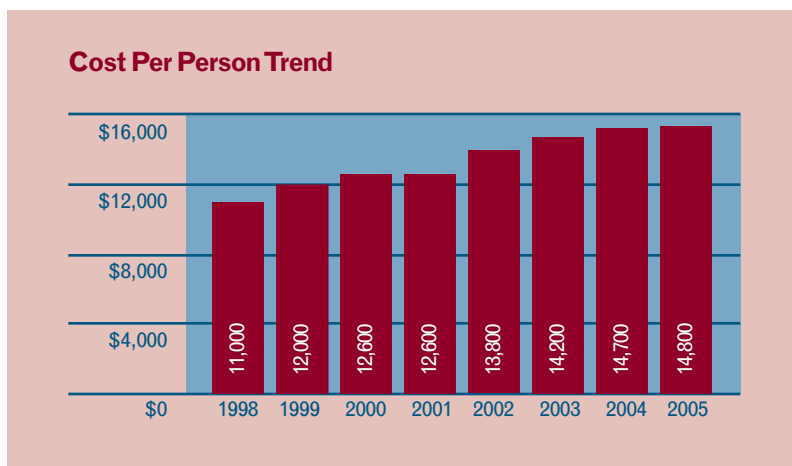
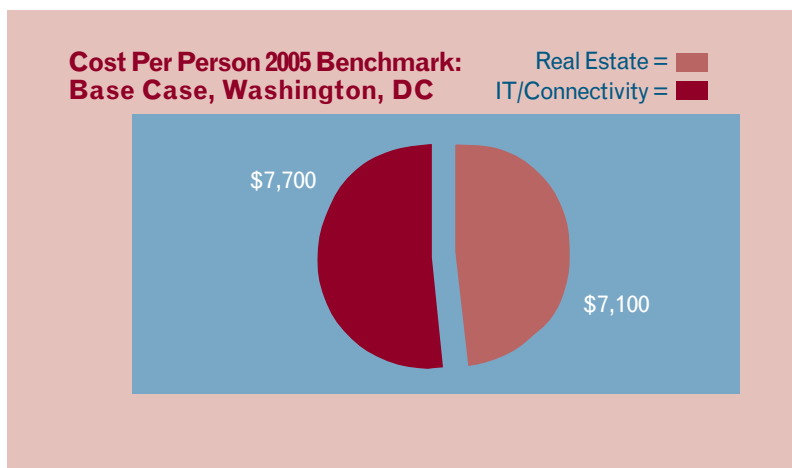


Cost per Person

- We derived the 2005 Cost per Person estimate by updating our 2004 internal study conducted for Real Property Performance Results 2004. The cost reflects state-of-the-art digital connectivity. For offices still using analog, deduct \$200 per person from the IT/Connectivity segment.

GSA's Cost per Person Model estimates the average cost per person in each of the following areas: real estate, telecommunications, information technology, and alternative work environment. The model and its accompanying users guide are available electronically. There is no charge. Please visit our website: www.gsa.gov/realpropertypolicy or e-mail patrice.walker@gsa.gov.

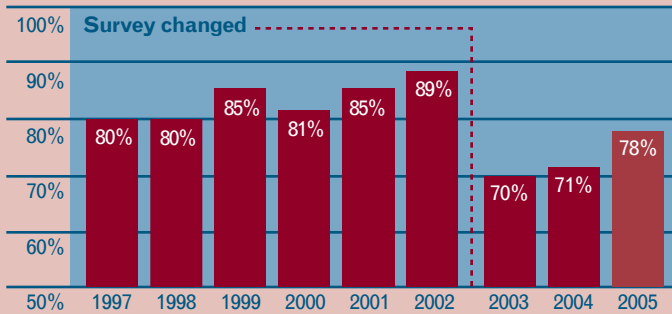
Since the introduction of the original version in 1999, GSA's Cost per Person Model has been provided to customers in over 400 organizations in the government, private, and academic sectors.



2005 Governmentwide Results

Customer Satisfaction

Natl. Survey Avg. = ■



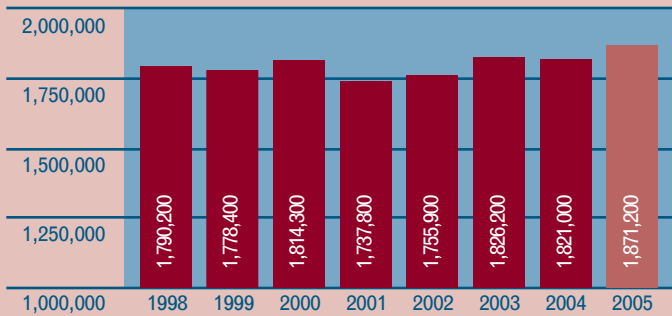
Customer Satisfaction

This chart summarizes the results of the GSA Public Buildings Service's (PBS) Customer Satisfaction Survey. An independent contractor administers this survey to tenants of approximately one-third of GSA's eligible buildings annually, with the entire inventory being surveyed every three years. Customer Satisfaction is one of the original 7 key indicators of real property performance derived by an interagency working group in 1998. We continue to report the results of the PBS survey in our annual assessment for Real Property Performance Results.

** PBS redesigned the survey in 2003, raising the bar to a new more stringent standard to obtain more useful information and improve the ongoing quality of customer service.*

Employees Housed

Actual = ■
Estimate = ■



Employees Housed

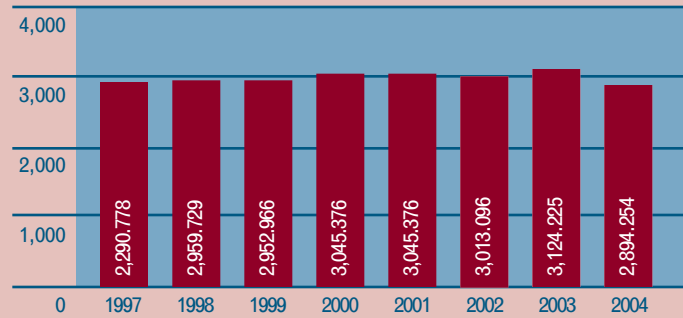
- The 2005 Governmentwide estimate for Employees Housed is the 2005 FTE (Full Time Equivalent) estimate in the fiscal year 2006 President's Budget.

2005 Governmentwide Results

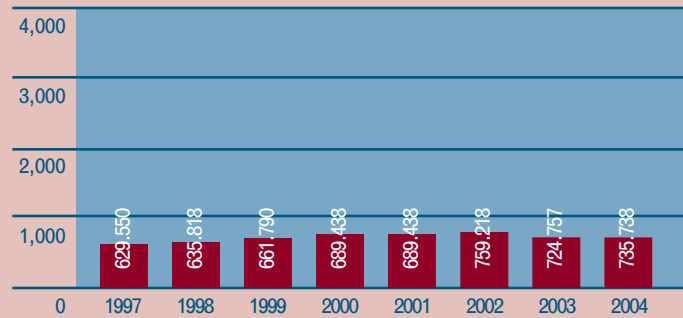
Total Square Feet

- We derived the 2004 Governmentwide totals from information in the Federal Real Property Profile, formerly called the Worldwide Inventory of the United States Real Property. This document may be downloaded from www.gsa.gov. Totals for 2005 will be available on our website in Spring 2006, www.gsa.gov.

Total Square Feet (Millions RSF)

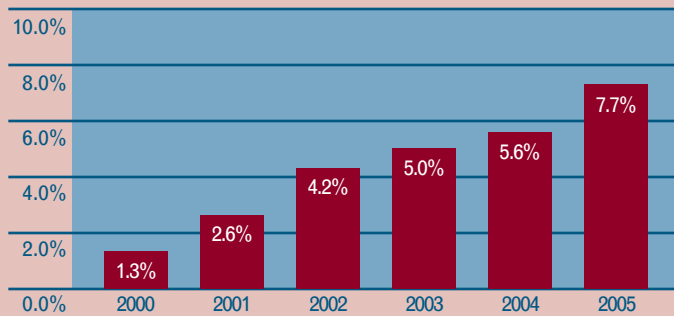


Total Office Space (Millions RSF)



2005 Governmentwide Results

Federal Teleworkers (OPM Estimate)



Alternative Workplace Arrangements

Alternative Workplace Arrangements (AWA) include telework (also known as telecommuting), hoteling (alternative officing), virtual offices, and other distributive work arrangements. GSA is directed by law 40 USCS § 587 (2003), to provide guidance, assistance, and oversight regarding the establishment and operation of alternative workplace arrangements.

In fiscal year 2005, the AWA team accomplished the following:

- GSA and the Office of Personnel Management (OPM) are the lead agency partners for the policy and program development of Federal telework. Their objective is to facilitate the growth of Federal telework in compliance with PL 106-346. The chart displays that the number of Federal teleworkers has grown steadily. GSA and OPM successfully completed a review of the reporting requirement and developed a proposal for improving the efficiency, effectiveness, and accuracy of the reporting.
- As mentioned above, GSA and OPM developed significant changes to the existing annual Governmentwide telework participation reporting requirement. These changes consisted of:
 - A more definitive and standardized definition of telework. The new definition of telework will focus on the incidence of recurring telework, minimum one day per week. The previous requirement included situational telework and, in some cases, mobile workers (FBI agents, IRS agents, inspectors, investigators, etc.), both of which are now excluded from the definition of telework.

2005 Governmentwide Results

- Clarification on determining the eligibility for telework. The revised eligibility standard is designed to simplify the determination of eligibility by starting with a standard baseline that all employees are eligible. It then establishes a list of three categories of allowable exceptions to eligibility and one category of a required exception. The first two allowable categories consist of positions which require, on a daily basis, (1) direct handling of secure materials or (2) on-site activity that cannot possibly be handled remotely or at an alternate worksite. A third allowable category is sub-par job performance. The required category consists of full-time mobile work positions.
- OPM's latest report, released in the fall of 2005, indicated a continuation of the pattern of annually increasing telework participation; the overall number of teleworkers in the Federal Government has grown from 1.3 percent in 2000 to 7.7 percent of the civilian, non-Postal workforce in 2004. The 7.7 percent figure translates to 19 percent of the telework-eligible workforce in 2005.
- Other policy development initiatives included the completion of draft legislation for improving travel policy for AWA applications, work on duty station re-definition, work on telework eligibility criteria, and initial review of policy needs for facilitating AWA.
- GSA maintains the Federal Government's top listserv on telework (now more than 4,300 subscribers).
- The AWA team developed new applications of telework. This includes (1) expansion and utilization of the Federal government's only alternative officing (AO) website, (2) ongoing AO technical assistance to agencies such as the Equal Employment Opportunity Commission, Army Corps of Engineers, and the Internal Revenue Service, (3) a lead role in the initiative to apply telework to Federal Continuation of Operations policies, procedures, and programs, (4) completion of the development of the Spouse Telework Employment Program, (5) assisting GSA to apply AWA principles and programs to improve the design and planning for its new Central Office Headquarters renovation, and (6) successful completion of review and recommendations for improving GSA's telework program.
- The AWA team is conducting groundbreaking work in mainstreaming the use of virtual presence (VP) desktop videoconferencing and anywhere wireless remote access. This year, AWA successfully established VP utilization among its remote sites. We have nearly completed implementation behind GSA's firewall for use in GSA facilities, and intend on expanding to cover other GSA organizations.

2005 Governmentwide Results

Sustainability

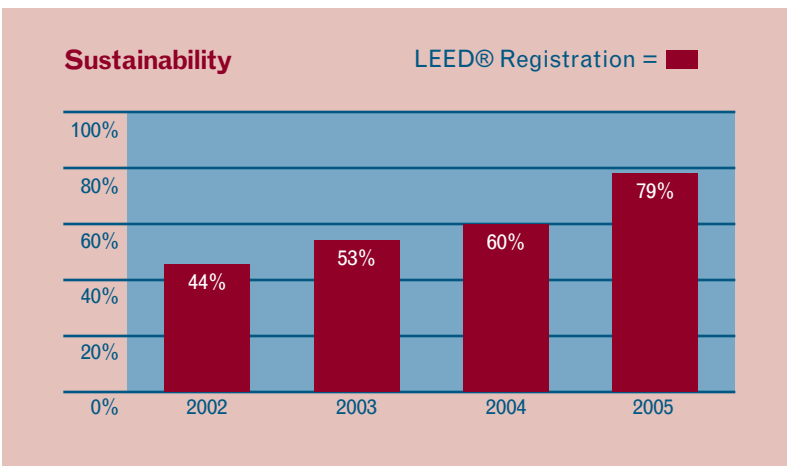
The U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED®) System provides guidance in the areas of building development and design, resulting in a more sustainable project. GSA uses the basic LEED® certification as a goal in design criteria to help apply principles of sustainable design and development to our facilities.

Federal agencies have been encouraged to implement the Sustainable Design Program. This program seeks to reduce negative impacts on the environment and the health and comfort of building occupants. In cooperation with other major Federal agencies, GSA signed the "Federal Leadership in High Performance and Sustainable Buildings" Memorandum of Understanding at a White House Summit on Federal Sustainable Buildings on January 24, 2006. Signatory agencies, responsible for approximately 90 percent of Federal space, commit to Federal leadership in the implementation of common strategies for planning, acquiring, siting, designing, building, operating, and maintaining High Performance and Sustainable Buildings.

As of December 2005, over 141 Federal government projects were registered under the LEED® rating system for new construction and renovated buildings. These projects include office buildings, courthouses, laboratories — even a daycare center— and vary in size from 6,900 gross square feet (the Bushkill Postal Service facility) to 2,000,000 gross square feet (the USDA modernization of the South Building).

Using the list of Federal customers included in the Office of Real Property Management's Federal Real Property Profile, this represents approximately 79 percent participating in LEED® registered projects. Projects are certified upon successful completion. To date, the Department of Commerce, the Department of the Navy, Social Security Administration, and GSA have LEED® certified projects.

The Office of Governmentwide Policy, while not endorsing the LEED® rating system, is tracking the percent of agencies participating in LEED® registered projects as one performance measure of sustainability, since we believe it serves as an indicator of agencies' level of commitment in creating sustainable workplace environments.



2005 Governmentwide Results

Real Property Disposal

The Federal Property and Administrative Service Act of 1949 (Property Act) created GSA as the central administrative management agency for the Federal Government with the authority to dispose of property. Within GSA, PBS's Office of Real Property Disposal is responsible for the utilization and disposal of excess and surplus Federal real property and related personal property in the most economic, efficient, and effective manner. Each year GSA disposes of millions of dollars of property for a wide range of uses highly beneficial to the public, and in the process promotes the restructuring of portfolios through the divestiture of unneeded assets.

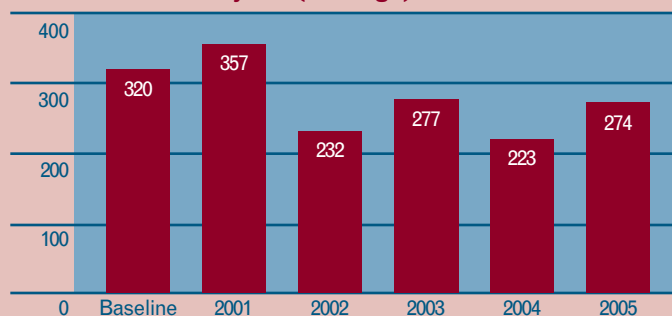
EO 13327 requires agencies to improve operational and financial management of Federal real property portfolios. During FY2005, the Office of Real Property Disposal sold 11 former PBS assets for \$12 million and 18 additional assets valued at \$15 million were transferred to public organizations through public benefit conveyances. Scheduled repair and alterations costs valued at \$8.5 million were avoided with the disposal of these assets. PBS also assisted 15 other Federal agencies in the disposition of real properties.

Of the total excess assets reported, 33 properties valued at \$177.6 million were transferred within the government to further Federal mission requirements; 65 properties valued at \$63.7 million were disposed of for qualifying public benefit programs; and 347 were sold to the general public for \$1.56 billion. Of the customers surveyed during FY 2005, 93 percent reported the service received from PBS's Real Property Disposal exceeded their expectations.

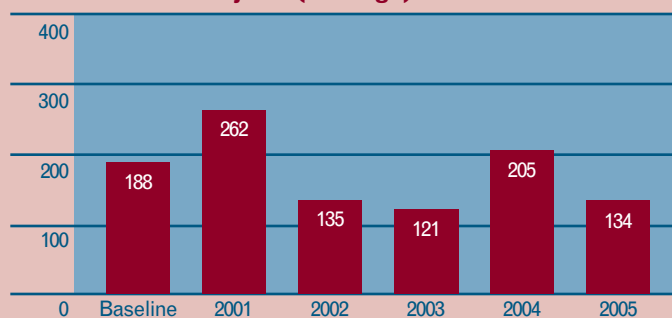
Although the transfer and disposal of Federal real property is an intricate process, the average disposition time was 274 days from the time the property was reported excess.

As provider of choice, GSA's Office of Real Property Disposal also acts as the disposal agent for agencies with their own disposal authority. In FY 2005, PBS sold 163 assets from eight agencies for \$1.5 billion. The average disposition time for these properties was 134 days from the time the property was reported excess.

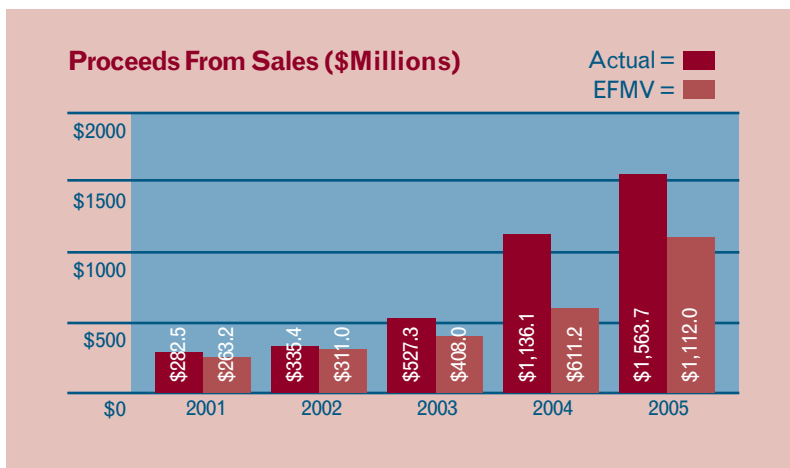
**Cycle Time - Property Act
For Divestiture Projects (Average)**



**Cycle Time - Reimbursable Properties
For Divestiture Projects (Average)**



2005 Governmentwide Results



GSA's Office of Real Property Disposal has led the industry in the marketing and selling of real property through its Internet auction process. A comparison of sales proceeds to estimated fair market value showed GSA obtaining 141 percent of the estimated market value for all public sales awarded in FY 2005. However, that rate was inflated as a result of a couple of irregularly successful sales. These irregular sales were considered anomalies and were disregarded to determine the normalized sales proceeds to EFMV ratio in FY 2005 of 110 percent.

GSA's Office of Real Property Disposal is responsible for managing the Real Property portion of the Federal Asset Sales (FAS), an important e-Gov Initiative. The FAS Initiative is meant to increase the number of buyers interested in acquiring Federal properties by providing access through a single web portal at an economical cost to Federal agencies. It is intended to benefit the public by combining all Federal property into a single site and to benefit the government from the resulting bundled demand for the purchase of its property. It is expected that the enlarged marketplace will promote competition and, thus, increase the potential value of the properties.

The recent award of Value Added Services (VAS) contracts will enable GSA to provide Federal agencies with a quick and convenient contracting vehicle to obtain the specific realty services necessary. This will further advance the restructuring of portfolios and the elimination of properties no longer deemed mission critical.

2005 Private Sector Performance

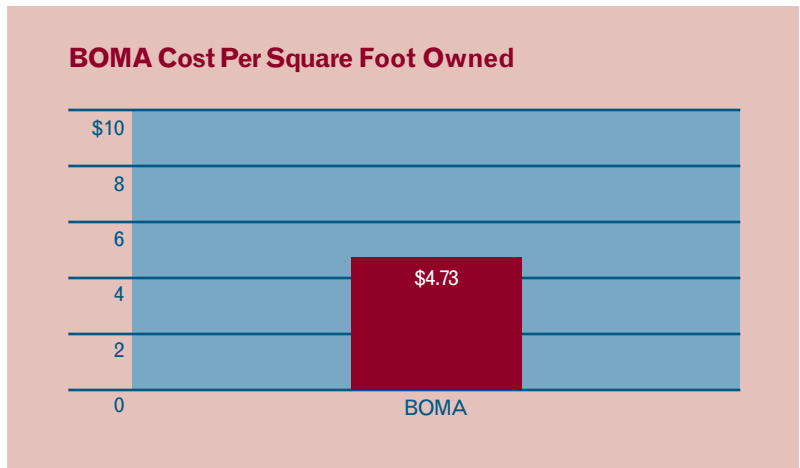
Introduction

The information summarized in this section provides a context for the Governmentwide data we presented earlier. Each data source analyzes a different building sample and the methods of data collection and analysis vary. Using the summary data presented in this report to benchmark the

Federal Government against the private sector would be an inaccurate oversimplification of the benchmarking process. However, individual Federal real property asset managers can use the Governmentwide and private sector data to evaluate and improve their Federal real property portfolios.

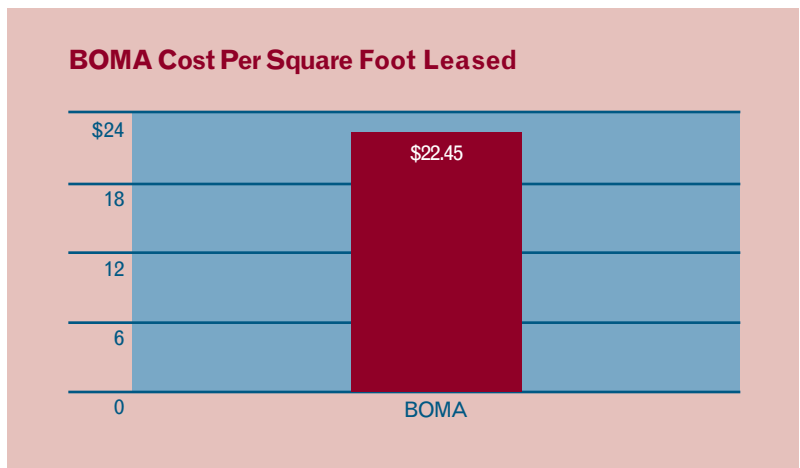
Cost per Square Foot (Owned)

- The number reflects FY 2005 dollars per rentable square foot.
- The source for the Building Owners and Managers Association (BOMA) data is the 2005 BOMA Experience Exchange Report. We escalated the reported 2004 actual cost data by 2.8 percent Consumer Price Index (CPI) to obtain 2005 dollars.
- The BOMA sample consists of 3,210 buildings covering 673,326,236 rentable square feet of office space.



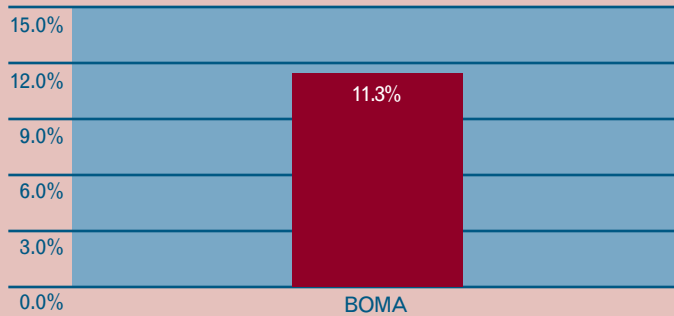
Cost per Square Foot (Leased)

- The number reflects FY 2005 dollars per rentable square foot.
- Leasing costs per square foot are derived from office income figures.
- The source is the 2005 BOMA Experience Exchange Report. We escalated the reported 2004 actual cost data by 2.8 percent (CPI) to obtain 2005 dollars.
- The BOMA sample consists of 3,210 buildings covering 673,326,236 rentable square feet of office space.



2005 Private Sector Performance

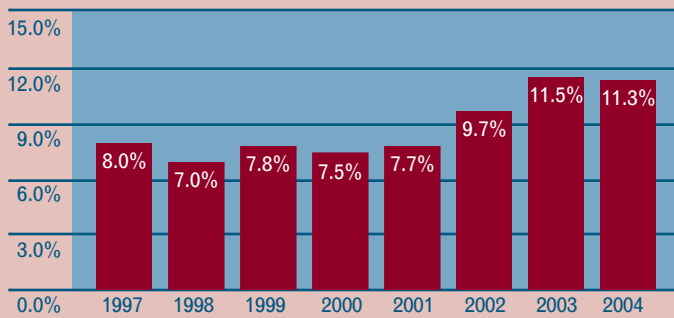
BOMA Vacancy Rate



Vacancy Rate

- BOMA vacancy rate represents all office space only.
- The source for the data is the BOMA Experience Exchange Report.
- The 2005 vacancy rate estimate is based on reported 2004 data.

BOMA Vacancy Rate: Recent Trend



- The sources are the 1998-2005 editions of the BOMA Experience Exchange Report.

Observations and Recommendations

Notes and Observations from the Data

1. Over the past eight years, we have collected data and benchmarked the 7 key indicators of real property performance derived by an interagency working group in 1998. The work of the interagency group and the concept for the benchmarking were published as the Governmentwide Real Property Performance Measurement Study in June 1998. This 2005 edition is the eighth annual edition of Real Property Performance Results, which presents the annual results of the Federal benchmarking effort.
2. The purpose of this publication is to provide benchmark data in support of asset management activities of Federal real property professionals. Considering the broad scope of the indicators, the data may be useful to stakeholders interested in the relative performance of Federal real property asset management as compared to other commercial, owner/user, and government organizations. We do not represent the information in this publication to be a precise cost accounting of the chosen indicators. The correct frame of reference for the data is a benchmarking effort, not an audit.
3. Please remember that most of the data presented in this publication are in the form of national averages. When making comparisons to local portfolios or individual facilities, please consider geographic cost differentials.
4. 2005 Governmentwide performance is consistent with past performance as well as private sector performance on the key indicators of Cost per Square Foot Owned, Cost per Square Foot Leased, and Vacancy Rate.
5. For the eighth straight year, we received outstanding cooperation from a core group of Federal agency partners. The main value of the annual Performance Results exercise continues to be the opportunity for a core group of Federal partners to benchmark performance and to benefit from the learning that has occurred around this effort.

Observations and Recommendations

Quality of the Data

1. We used conversion factors to translate all submitted data into consistent units of rentable square feet and FY 2005 dollars. These modifications to the original source data were necessary to enhance comparability of the results.
2. We continue to strive for uniformity of definitions among data from disparate sources. We occasionally reject data that appears to include other factors besides what we are attempting to measure. Generally, we err on the side of inclusion.
3. Many respondents submit data at the summary level, which occasionally involves certain assumptions or interpolations on our end.
4. Considering the variety of participating organizations with disparate information systems, the overall estimate of Government-wide performance is reasonably accurate.
5. Information systems for real property inventory and measurement continue to improve. In 2005, the Office of Real Property Management redesigned the Federal Real Property Profile inventory system to collect the 23 data elements prescribed by the Federal Real Property Council, including four performance measures: operating costs, utilization, condition index, and mission dependency.

Recommendations and Next Steps

1. Since the inception of our real property and workplace performance measurement initiative in 1997, the most popular and useful products and services over the years have been our space use guidance, the Cost per Person Model, and the voluntary benchmarking exercise that generates this annual Performance Results report. Accordingly, we continue to update these policies.
2. Although the number of Federal teleworkers is at an historic high, it is still far short of the levels of participation envisioned by Public Law 106-346 (Section 359) and lags behind private sector performance. Federal agencies should strive to provide greater opportunities so that everyone whose job allows them to telework, has a fair opportunity to participate. Federal agencies should also be aware that Public Law 107-217 (Section 587) requires that, when acquiring space, agencies must consider whether part or all of their space needs can be met using alternative work arrangements such as telecommuting or hoteling. The Office of Real Property Management is developing guidance on how to meet these legislative requirements in ways that can also benefit your organization and your associates.
3. The annual benchmarking exercise focuses on a category generally referred to as

Observations and Recommendations

“generic” or “vanilla” office space. We have ventured outside the box to produce a special edition of operating benchmarks for atypical and unique Government buildings published as *Real Property Performance Results, Special Edition: Benchmarking Operating Costs of Monumental Federal Buildings*, April 2005. The Office of Real Property Management, Performance Measurement Division will again work “off line” from the Performance Results exercise to benchmark the operating costs of laboratory space. This review will include cost savings and flexibility decisions regarding space planning and lab support space.

4. Federal customers occasionally contact us seeking detailed cost information, collected in this annual benchmarking exercise. If you do not participate in the annual voluntary benchmarking process, we cannot supply you with any information other than what you read in this publication. If you do participate in the annual voluntary benchmarking process, we

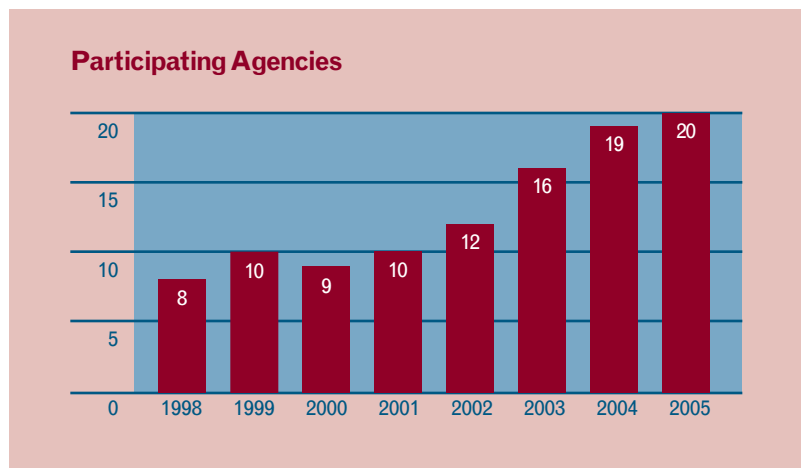
can provide you with a specific comparison of your results versus the group's, and some further guidance. We remind our participants to take advantage of this important benefit of participating in the annual voluntary benchmarking initiative.

5. The new performance measures collected by the Federal Real Property Council (FRPC) cover the broader Federal space portfolio. In 2005, the FRPC issued guiding principles for improving real property management, which required each landholding agency to draft an Asset Management Plan and identified and defined 23 mandatory data elements. Under the direction of the FRPC, GSA redeveloped the inventory system to accept all data elements at the constructed asset level. Therefore, future benchmarks may be extracted directly from the Governmentwide inventory system and could evaluate the entire Governmentwide office space portfolio. This will eliminate the need for a separate voluntary data call for Performance Results.

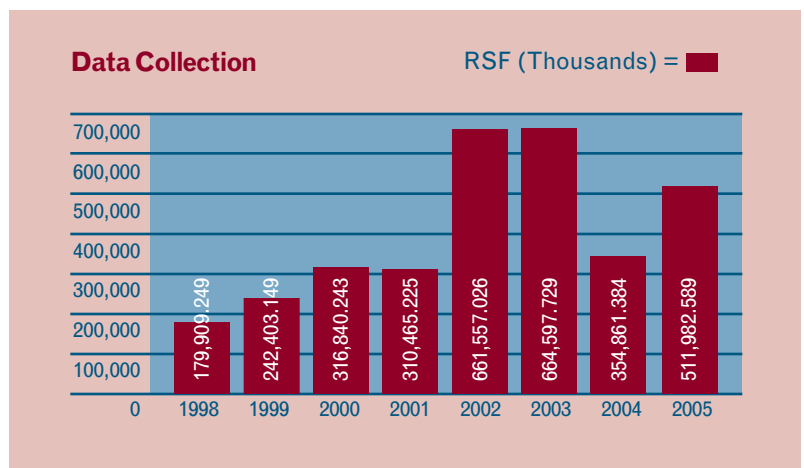


Appendix A: Data Collection

In 2005, 20 Federal agencies participated in the annual benchmarking effort. This is an unprecedented level of participation. There are 33 agencies that report on their independently owned or leased (non-GSA) space in the Federal Real Property Profile (formerly the Worldwide Inventory).



In 2005, we collected voluntary data samples from Federal agencies representing more than 511 million rentable square feet of space.



***Detail of Interior Stairway,
Federal Office Building,
Seattle, Washington***



*Entrance, Federal Building,
Port Angeles, Washington*

Appendix B: An Update on the Federal Real Property Asset Management Initiative

Background

Designated as a “high-risk” area by the Government Accountability Office in 2003, the Federal government’s real property portfolio continues to face numerous management challenges. These challenges include deteriorating facilities, an increasing number of excess and underperforming assets, limited capital investment funds, a reliance on costly leasing, and unreliable government-wide data for strategic asset management.

Recognizing these real property challenges, the President signed Executive Order (EO) 13327 in February 2004, “Federal Real Property Asset Management,” and added real property to the President’s Management Agenda (PMA). EO 13327 directed executive agencies to assign senior real property officers, established the Federal Real Property Council (FRPC) to develop best practices, and called for the creation of a centralized database for the Federal real property portfolio.

With a renewed focus on the Government’s real property portfolio, the Office of Management and Budget (OMB) added real property to the Executive Branch Management Scorecard to track how well major agencies are executing government-wide initiatives. The grading system scores agencies in two categories on a quarterly basis: 1) Overall status in achieving the PMA goals; and 2) Agency’s effort, or progress, in working toward the goals. Agencies receive scores of either green for success, yellow for mixed results, or red for unsatisfactory. Agencies were scored on their real property results for the first time in September 2004. For additional information on the PMA’s scorecard, the agen-

cies’ scores, and how the system works, refer to the following link at <http://www.whitehouse.gov/results/agenda/scorecard.html>.

As recently as June 2005, Clay Johnson, Deputy Director for Management at OMB testified before the House Committee on Government Reform, noting that changing technology and shifting agency missions have resulted in many underutilized Government buildings. OMB estimated that the Federal government could potentially redirect as much as \$15 billion in savings to higher priority asset management uses by disposing of 5 percent of the Federal portfolio valued at approximately \$300 billion. Mr. Johnson stated that “the Federal government can serve the American people more effectively when mission-critical assets are maintained in the right condition and at the right cost to support agency objectives.”

Progress Report

In 2005, the FRPC implemented several new real property initiatives and made significant progress toward meeting the objectives outlined in EO 13327 and the PMA.

To organize and support its real property initiatives, the FRPC established four interagency Committees:

- 1) **Asset Management Plan** – Chaired by the General Services Administration’s (GSA) Public Buildings Service, the Asset Management Plan Committee develops governmentwide asset management strategies, such as the requirements for each agency’s asset management plan.
- 2) **Inventory** – Chaired by the Department of Defense, the Inventory Committee is

Appendix B: An Update on the Federal Real Property Asset Management Initiative

responsible for the overall approach and direction of the new inventory system, including new data definitions and reporting methodologies.

- 3) **Performance Measures** – Chaired by the National Aeronautics and Space Administration, the Performance Measures Committee develops metrics that can be used to assess and benchmark the Government’s real property performance.
- 4) **Systems** – Chaired by the Department of Agriculture, the Systems Committee is responsible for identifying the information technology requirements of the inventory system.

In addition to establishing and overseeing these committees, the FRPC accomplished the following key tasks in 2005:

Guiding Principles

The FRPC issued strategic objectives for improving real property management, which are referred to as the “Guiding Principles.” Agencies must ensure all real property initiatives are consistent with these principles:

- 1) Support agency missions and strategic goals
- 2) Use public and commercial benchmarks and best practices
- 3) Employ life-cycle cost benefit analysis
- 4) Promote full and appropriate utilization
- 5) Dispose of unneeded assets
- 6) Provide appropriate levels of investment
- 7) Accurately inventory and describe all assets
- 8) Employ balanced performance measures

- 9) Advance customer satisfaction
- 10) Provide for safe, secure, and healthy workplaces

Asset Management Plans

The FRPC also directed each agency to draft an asset management plan. At a minimum, the plan must address the Guiding Principles and certain required components, such as agency-specific, owner objectives, prioritized operations and maintenance costs and capital investment plans, and a periodic evaluation of assets. The Asset Management Plan Committee prepared a shelf document, containing a template that agencies can customize with their specific data to create their unique asset management plans. Agency asset management plans were due to OMB by December 31, 2005.

Inventory System

EO 13327 mandated the establishment of a “single, comprehensive, and descriptive database of all real property under the custody and control of all executive branch agencies, except when otherwise required for reasons of national security.” Consequently, the FRPC’s Inventory and Performance Measures Committees identified and defined 23 mandatory data elements. Included in the 23 data elements are these 4 first-tier performance measures:

- 1) Utilization
- 2) Condition Index
- 3) Mission Dependency
- 4) Annual Operating and Maintenance Costs

The FRPC requires agencies to report all data at the constructed asset level. However, when such

Appendix B: An Update on the Federal Real Property Asset Management Initiative

asset-level data could not be obtained, the FRPC directed agencies to submit waivers to OMB for approval. OMB required agencies to submit these waivers for approval by September 30, 2005.

GSA's Office of Real Property Management is charged with the development and management oversight of the new inventory system – as directed by EO 13327 – and is therefore tasked with ensuring the database meets the IT requirements established by the Systems Committee. For instance, our office:

- Conducted a cost-benefit analysis to determine the most cost-effective approach for developing a real property inventory system that met the FRPC's data collection requirements.
- Developed a data dictionary (i.e., a users guide) to define each new data element, explain the business rules of the new inventory system, and answer frequently asked questions. The dictionary helps user agencies submit the necessary real property data.
- Organized and held several "User Group" meetings with Federal agencies to discuss the FRPC guidance and provide updates and input on the new FY 2005 inventory system, a web-based database.
- Assisted the Performance Measures Committee in developing a disposition decision tree methodology using the four performance measures. The methodology is viewed as a tool for portfolio analysis, helping to determine which assets should be disposed of, transferred, maintained, or expanded.

- Collected FY 2005 inventory information from Federal agencies from October 17 through December 15, 2005. OMB will designate "scores" for Real Property Asset Management on each agency's PMA scorecard based on the data submitted.

Ultimately, the FRPC's goal is that the inventory system will:

- 1) Lead to an increased level of agency accountability for asset management.
- 2) Allow for comparing and benchmarking across various types of real property assets.
- 3) Give decision makers the accurate, reliable data needed to make asset management decisions, including disposing of unneeded Federal properties.

Real Property Legislation

The Federal government has been involved in real property reform for a number of years. For instance, attempts at legislative reform include:

- Federal Property Asset Management Reform Act of 2000
- Freedom to Manage Act of 2001
- Federal Real Property Asset Management Reform Act of 2002
- Federal Real Property Asset Management Reform Act of 2003
- Public Private Partnership Act of 2003
- Federal Real Property Disposal Pilot Program and Management Improvement Act of 2005

Appendix B: An Update on the Federal Real Property Asset Management Initiative

There has been little success, however, at reforming real property management through legislative efforts within the Federal government. An inhibiting factor lies within the Congressional Budget Office's (CBO) view that all public-private partnerships constitute direct spending and must be considered new outlays up-front in the President's annual budget. For instance, CBO estimated that the Federal Real Property Asset Management Reform Act of 2003 would result in a \$4.7 billion increase in net direct spending over 2004. This level of upfront CBO scoring has deterred enactment of real property reform legislation.

Most recently, Congressman Tom Davis, Chair of the Government Reform Committee, introduced HR 3134 – the Federal Real Property Disposal Pilot Program and Management Improvement Act of 2005. This bill creates a 5-year pilot disposal program in which “real property that is excess, surplus, underperforming, or not otherwise meeting Federal Government needs shall be disposed of” expeditiously with 80 percent of the sale proceeds going directly to the Department of the Treasury with the remaining 20 percent dispersed between the affected executive agency and the local taxing jurisdiction. HR 3134 should not be viewed as reform legislation but instead as a pilot program for the disposal of excess, underperforming property.

Tasks Ahead

In 2006, GSA will continue to support the FRPC by working on a number of specific tasks, such as:

- Determine what types of inventory information should be shared between agencies and the public

- Identify the standard reports the governmentwide inventory should generate
- Develop additional performance measurements and data elements
- Refine and enhance the decision tree model as additional performance measures are developed
- Review the data elements for possible modifications
- Continue to develop and review legislative initiatives, including proposed legislation, such as HR 3134

Conclusion

EO 13327 and PMA are positive steps toward improving Federal real property asset management, and major departments and agencies have initiated important efforts to accomplish the government-wide real property reform objectives. Additionally, the Executive Branch Management Scorecard indicates that the Administration's increased focus is having an impact. The December 31, 2005, scorecard results show a number of agencies scoring green for progress, with GSA being the first and only agency to score green for current status.

In summary, the steps taken to date by the FRPC including development of guiding principles, performance measures, an inventory database, and an agency asset management planning process are just the beginning steps needed to realign the government's real property portfolio. Ultimately, reliable and accurate real property data will help agencies reduce operating costs, improve facility conditions, recover asset value, and enhance safety and security.

Appendix C: Telework and Dependent Care

Federal telework has been in operation since 1990 and telework, in general, has been around a lot longer. Throughout all that time, the performance of telework programs to assist with dependent care issues has been a sensitive, if not taboo, issue. The concern (especially among managers) is clear: that teleworkers will spend official work hours taking care of dependents as opposed to performing their employee duties and/or that teleworkers will be distracted from their work by dependent care circumstances. Consequently, an enduring policy mantra has been in place: telework is not a substitute for dependent care. Many organizations have established aggressive policy constraints regarding telework and dependents. Despite this situation, telework advocates and program designers continuously maintain that telework can assist with dependent care without diminishing job performance. Regardless of the actual validity of the concern or of the advocacy statement, they both are based on speculation.

GSA and OPM are the two lead agencies working for the development and operation of Federal telework. As part of its effort to advance Federal telework and to achieve progress in resolving the telework/dependent care issue, GSA conducted two studies of telework and dependent care. The general objective of this project was to establish empirically based findings regarding the relationship between telework and dependent care. A second objective was to establish a basis for recommending improvements in existing telework programs.

The first of the studies “Telework in the Federal eWorkplace: Dependent Care Study” was

completed in 2003 and focused on Federal telework center users. The second study “Telework and Dependent Care” was completed in 2006 and focused on Federal home-based teleworkers. This article will discuss findings from the second (home-based teleworkers) study. A final formal report covering both studies will be published in the near future.

Acknowledgement: We want to express appreciation for the time, effort, and courage of the participating agencies and their respective telework coordinators and survey participants. We also want to thank Tammy Ussery, Director of the Laurel Telework Center, and her associates for providing the web support for both of the studies.

The Study

Specifically, the study focused on telework benefits for employee dependent care situations to identify relationships and best practices. We planned to use this information to improve telework program performance for the organization and for the quality of life of teleworkers and their dependents.

GSA recruited 27 agencies and sub-agencies to participate in this study. Participating agencies provided teleworkers to voluntarily complete a web-based survey. Survey respondents included 863 Federal teleworkers with dependent care responsibilities. The majority of respondents were female (73 percent) and respondent ages ranged from 31 to 59 years. Most of the respondents had one (53 percent) or two (28 percent) dependents. The majority of the dependents (81 percent) were children. Following is an outline of the key findings.

Appendix C: Telework and Dependent Care

Outline of Findings

Sensitivity of Issue

Several agencies declined to participate in the study because of concern over the sensitivity of the issue.

Telework Impact on Dependent Care

- 91 percent say teleworking helps with dependent care (provides flexibility, assists with emergencies, assists ability to transport dependents to appointments, enables more time on personal life, ability to coordinate care, etc.)
- Sample comments
 - “I’m pregnant and telework allows me flexibility to deal with fatigue, morning sickness, doctor’s appointments and not having to buy as many work maternity clothes.”
 - “Able to be at children’s school and sports activities because it eliminates the long commute during the time those activities take place.”
 - “Without telecommuting, dependent parent would be in nursing home or assisted care facility.”

Telework Impact on Care-giving Employee

- Less stress (88 percent)
- More energy (77 percent)
- Balance job and dependent care responsibilities (97 percent)

Teleworker Perception of Impact on Job Performance

- Telework impacts job performance :
Yes – 60 percent; No – 32 percent;
Don’t Know – 8 percent
- Top Impacts: Improved job performance; improved morale; reduced stress (relative to job performance)

Teleworker Perception of Impact on the Organization

- Increased retention (93 percent)
- Other agency benefits (98 percent) [less sick or family leave, improved job performance, improved morale]

Teleworker Perception of Whether Changes Could be made to Enable Telework to Better Assist with Dependent Care Situations

- 45 percent of respondents say changes would be helpful
- Specific types of changes include:

Appendix C: Telework and Dependent Care

<i>Type of Change</i>	<i>Ranking</i>	<i>Percent who selected*</i>
Change telework policies	1	60 percent
Increase organization & management support	2	56 percent
Provide more flex hours	3	54 percent
Address technical support issues	4	26 percent
Improve program guidance	5	23 percent
Other steps	6	12 percent
No comment	7	3 percent

*Percentage based on the subgroup of respondents (45 percent of entire sample) who indicated that changes would be helpful.

Teleworker Perception That Telework Arrangement Impacts Dependent

- Telework arrangement impacts dependent (yes – 70 percent)
 - Parents say they have *better bonding* with infants and a *closer relationship* with older children and elders
 - *Dependent's grades improved*, more focused on homework, more responsive to direction and instruction
 - Dependents are *healthier*: More time to cook healthy meals, sick less often, more consistent medication regime
- Dependent's *mood*: happier, comforted, less anxious, less clingy, more connected, less rushed, more rested, less guilty for taking time from caregiver, have higher spirits
- Dependent's *behavior*: more respectful, more energetic, more communicative, more affectionate
- Sample comments
 - “My mother has cancer and often becomes depressed or frightened about her condition. Chemotherapy leaves her weak and unable to make meals. My being

Appendix C: Telework and Dependent Care

home makes her feel safer and reassured that someone is around in case she needs something.”

- “When I began teleworking, my oldest child became much closer and more affectionate with me during the day.”
- “My father always has appointments and follow-up visits, he likes that I take him to visits... As a result, he feels better and is in better spirit.”
- “My children seem more comforted knowing I am working from home. My son looks forward to me being the one to pick him up from school on the day I work at home.”

Preliminary Recommendations

Based on these findings and conclusions, the Federal government would be well advised to implement a governmentwide initiative to establish, visibly and affirmatively:

- Clarification of the appropriate role that telework can play in balancing work and dependent care.
- Top down support to dispel the anxiety and sensitivity associated with the proper use of telework as a dependent care solution.
- Top down support to help managers and policy makers accept and promote the

worklife balance (work and dependent care) potential of telework.

- Promotion of the consequent benefit to the agency as well as to the teleworker and dependents of teleworkers.
- Telework policies specifically addressing the use and usefulness of telework in assisting with dependent care situations.

Conclusions

The data presented in this study support the following conclusions:

- Employees use telework to care for a wide variety of dependents; the caretaker role is prevalent and is balanced with job duties; telework helps employees more effectively balance their dependent care and job responsibilities.
- Using telework to assist with dependent care situations has a strong positive impact on agencies, especially in retention and attraction of talent, which are currently major concerns for most agencies.
- A key problem in effectively using telework to help with dependent care situations is that program policies and managerial perceptions often create an atmosphere of suspicion and sensitivity in which the balanced use of telework is overshadowed, precluded, or significantly inhibited.

Appendix D: Office of Real Property Management Contacts

The Performance Measurement Division provides the Federal real property community with data, tools, and innovative solutions obtained through best practices, benchmarking, and performance measurement. We encourage all agencies to adopt real property and workplace performance measurement as part of their management toolkit and to proactively integrate private sector practices and innovative workplace strategies to improve real property asset management.

In 2005, we published the following:

- Benchmarking Monumental Buildings
- Real Property Performance Results 2005

In 2006, we plan to publish:

- Real Property Performance Results 2006
- Benchmarking Laboratory Space
- Space Use Guidance

Our other Divisions are Asset Management and Regulations Management. Please contact one of our staff professionals for information on specific programs.

Appendix D: Office of Real Property Management Contacts

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