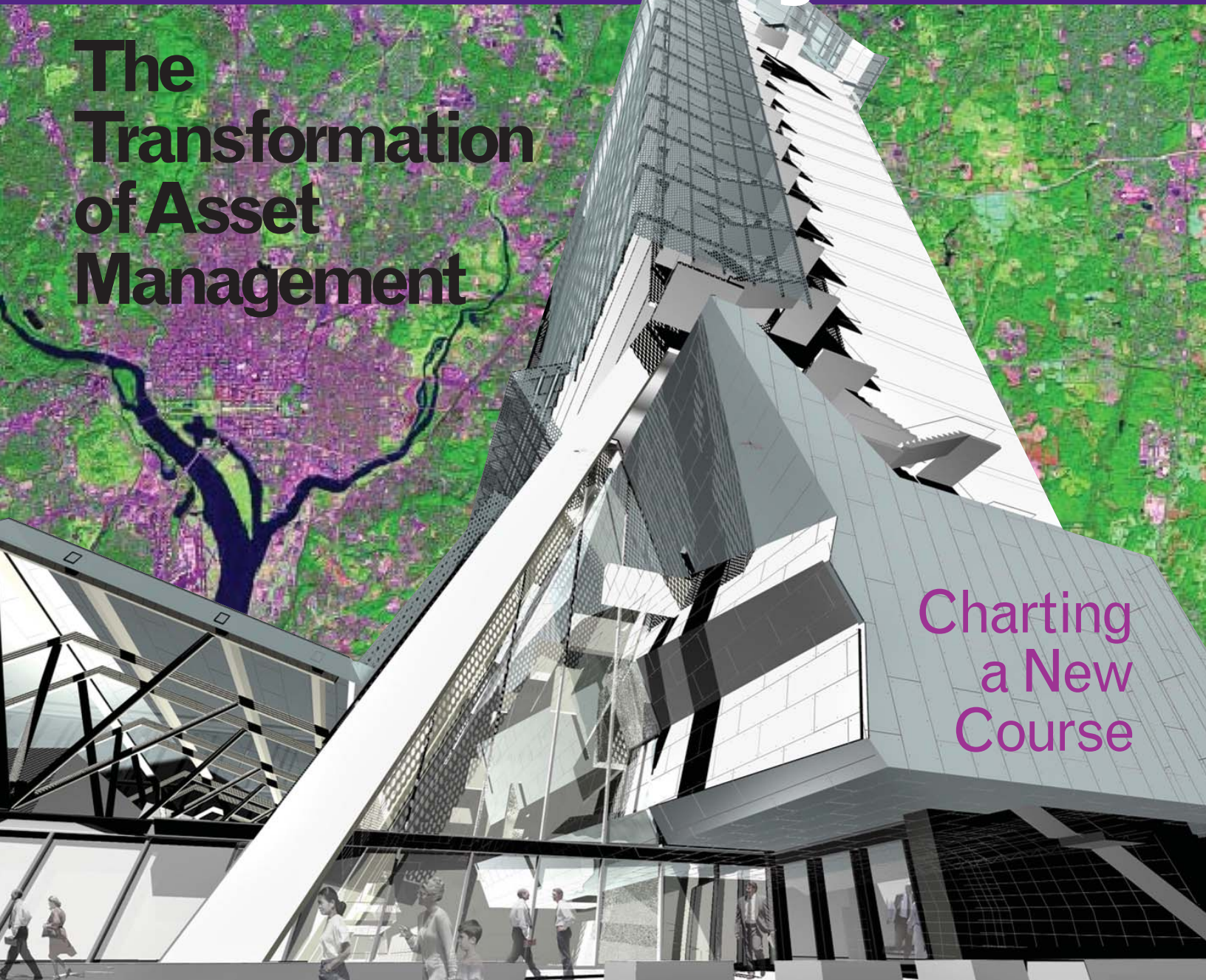




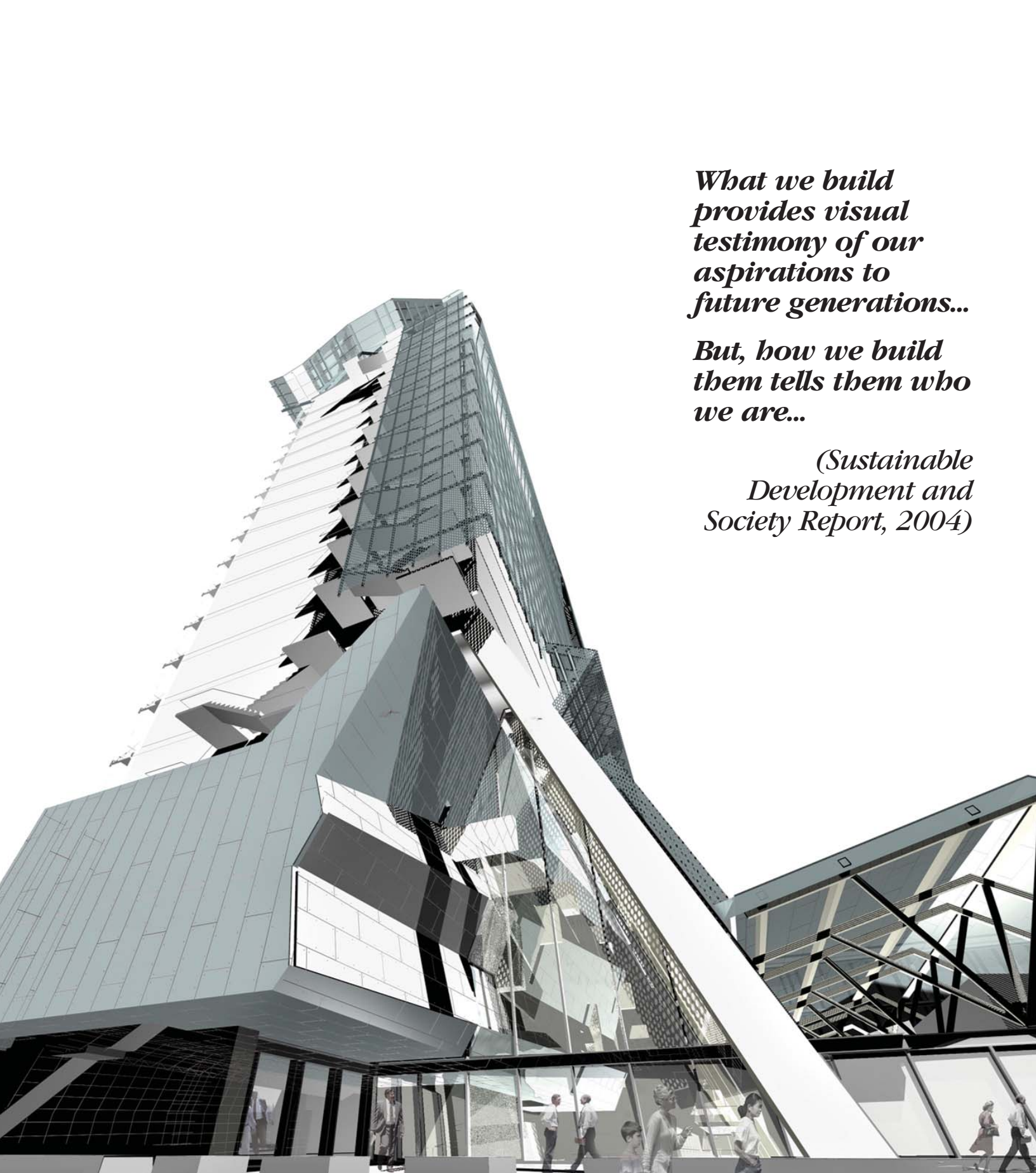
Real Property Policysite

**The
Transformation
of Asset
Management**

**Charting
a New
Course**



JUN • 2006



*What we build
provides visual
testimony of our
aspirations to
future generations...*

*But, how we build
them tells them who
we are...*

*(Sustainable
Development and
Society Report, 2004)*

Real Property Policysite

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- *San Francisco "Green" Federal Building (photo credit: GSA Public Buildings Service; Architect: Morphosis)*

Introduction

This is the thirty-first issue of Real Property POLICYSITE and the premiere issue for 2006. This edition examines the transformation of asset management in the Federal real estate industry, highlighting the latest technologies, trends and initiatives shaping the stewardship of the nation's assets on behalf of the American people.

Our mission in GSA is to develop, promote, and assess compliance with management policies and regulations for the effective and efficient

stewardship of federal real property assets and alternative workplaces. GSA is a governmentwide leader in asset management, best practices, inventory reporting, legislative reform, performance measurement, sustainability, and telework.

This publication was made possible by the generous collaboration of GSA's Public Buildings Service, Public Works

and Government Services Canada, and Federal and private industry real estate experts.

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For more information about the Office of Real Property Management, visit our website: www.gsa.gov/realpropertypolicy. ■

1. A Transformation Underway: Executive Order 13327

SCORING HIGH WITH ASSET MANAGEMENT The Federal Real Property Asset Management Initiative

By Karen Miller, Office of Real Property Management, karen.miller@gsa.gov

Predominant Use of Buildings (Source: Federal Real Property Profile Report, 2004)

Background

The Federal government's real property portfolio is comprised of vast and diverse assets used for a wide variety of missions. In 2005, the government's portfolio totaled about 3.7 billion square feet of space - with a plant replacement value about \$1.3 trillion - and over 234,000 land records. Of its total building area, the government owns and leases approximately 79% and 12%, respectively. (The remaining 9% is categorized as "Otherwise

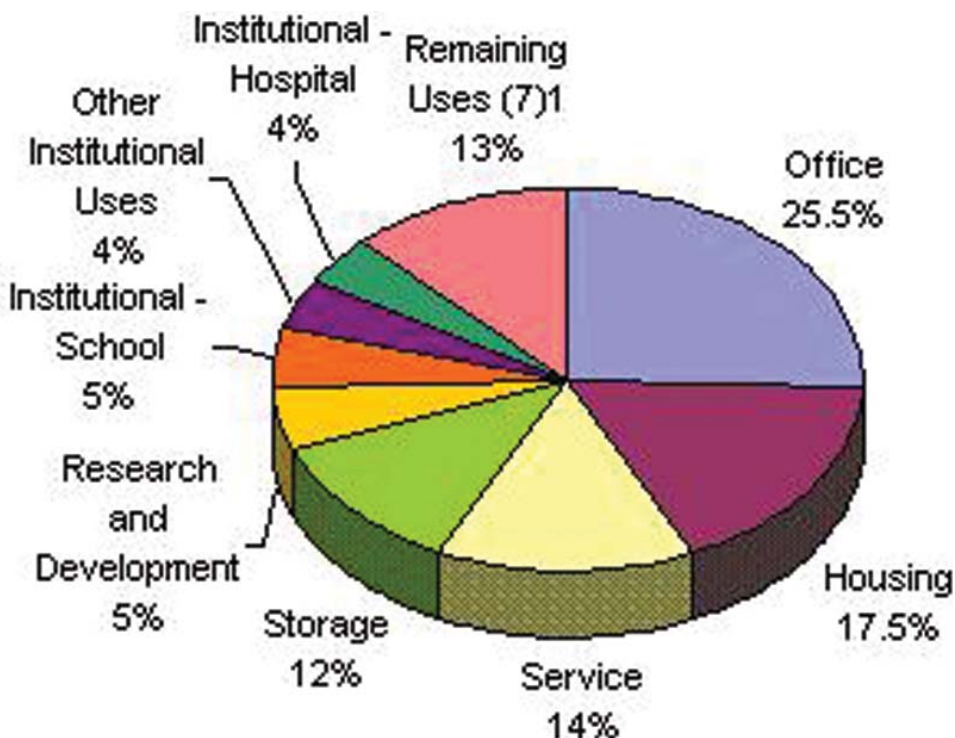
Managed," which includes state or foreign government-owned properties where a U.S. state or foreign government holds title to the real property but rights for use have been granted to a Federal government entity in other than a leasehold arrangement.)

The Government Accountability Office (GAO) first tagged real estate as a "high-risk" Federal program in 2003, highlighting the billions of dollars agencies spend on unneeded space. GAO confirmed what the government already knew - that its real property portfolio is deteriorating and that Federal decision-makers lack reliable data for improving real property asset management.

Executive Order 13327 and the President's Management Agenda

Acknowledging the government's 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). For more information on the PMA initiative, check out the website: http://www.whitehouse.gov/results/agenda/real_property.html.

EO 13327 directed each Federal land-holding agency to appoint a >>>



>>> Senior Real Property Officer (SRPO), established the Federal Real Property Council (FRPC), and mandated developing a centralized database for the Federal real property portfolio. The EO instructs the FRPC to effect widespread improvements to the government's management of its real property portfolio through improved inventory management, performance measurements, and asset management planning. The SRPO executives comprise the FRPC, which is chaired by the Deputy Director of Management for the Office of Management and Budget (OMB).

Executive Branch Management Scorecard

With a renewed focus on the government's real property portfolio, OMB added real property to the PMA's Executive Branch Management Scorecard* to track agencies' performance against the established governmentwide initiatives.

The grading system scores agencies in two categories on a quarterly basis: 1) Overall status in meeting the scorecard standards for success; and 2) Agency's effort, or progress, in working towards the deliverables and timelines established for the initiative. Agencies receive scores of either green for success, yellow for mixed results, or red for unsatisfactory. Fifteen agencies were most recently scored on their real property results in December 2005.

(*For additional information on the Executive Branch Management Scorecard, scorecard standards for success, the agencies' scores, and how the system works, visit: <http://www.whitehouse.gov/results/agenda/scorecard.html>.)

FRPC Progress

In December 2004, the FRPC issued "Guidance for Improved Asset Management" (Guidance), establishing governmentwide standards for agency improvements

on real property asset management. (This Guidance can be obtained by accessing the following link: http://www.whitehouse.gov/omb/financial/fia_asset.html.)

Major portions of the Guidance are discussed below:

Guiding Principles

The FRPC issued 10 strategic objectives ("Guiding Principles") for improving real property management. 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

"...the Executive Branch Management Scorecard indicates that the Administration's increased focus on real property is having an impact."

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 charged the General Services Administration (GSA) with

developing and managing a new inventory system – “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 four first-tier performance measures:

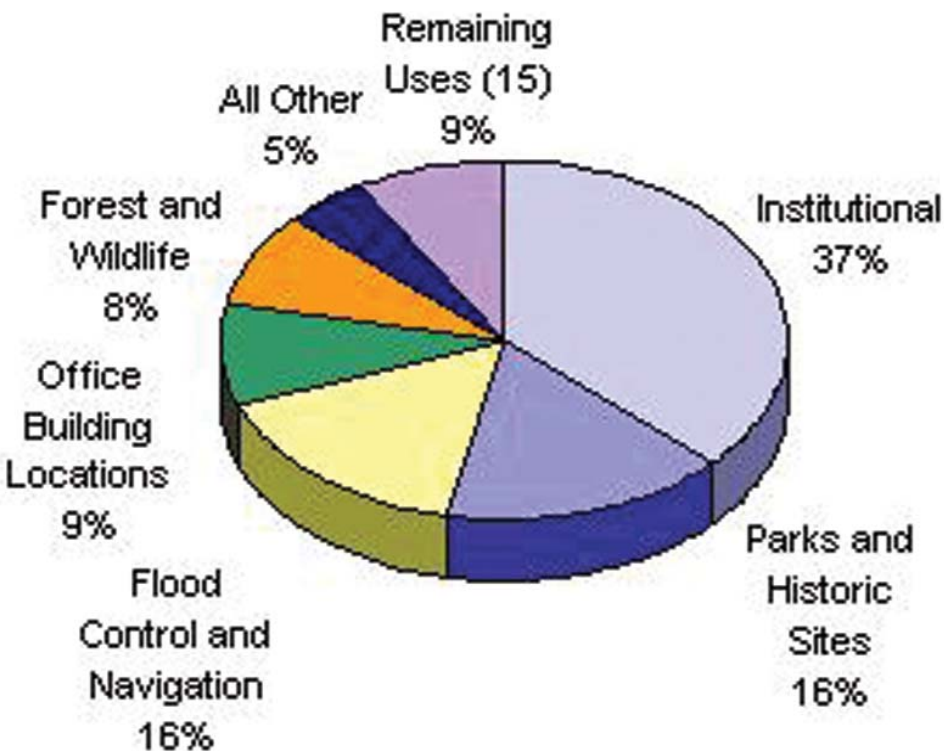
1. Utilization
2. Condition Index
3. Mission Dependence
4. Annual Operating and Maintenance Costs

The FRPC’s goal is for the governmentwide inventory system to:

- 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.

Status of FY 2005 Inventory Data Collection Effort

As the responsible party for developing the new inventory data, GSA conducted a cost-benefit analysis reviewing several technology approaches and determined, with FRPC’s approval, that, enhancing the existing Federal Real Property Profile was the most cost-effective approach for developing a governmentwide real property inventory system. GSA began collecting the first-round inventory of data in October 2005. This collection of FY 2005 inventory information ended on December 15, 2005. GSA analyzed the data and submitted preliminary reports to OMB highlighting data anomalies such as: assets with missing or erroneous data and assets reported at the installation level and not at the constructed asset level. OMB used this information prior to issuing the FY 2006 Q1 scorecard results. >>>



Predominant Use by Acquisition Cost (Source: Federal Real Property Profile Report, 2004)



Conclusion

The Federal Real Property Asset Management Initiative continues to attract a great deal of attention and interest. In January 2005, GAO issued an update to its high-risk reports, noting that the underlying conditions and obstacles that led to GAO's initial high-risk designation still exist. In addition, as recently as January 2006, OMB's Deputy Director for Management, Clay Johnson, discussed the Federal Real Property Asset Management Initiative at the White House Summit on Federal Sustainable Buildings. He referenced the potential \$15 billion in savings that could be achieved over a 10-year period or sooner by disposing of unneeded Federal real property and redirecting funds to higher priority asset management uses. Finally, in February 2006, GAO submitted testimony to the Senate Committee on Homeland Security and Governmental Affairs. This testimony identified excess and underutilized property problems as one of the major reasons the real property area remains at high risk,

explaining that the "overall risk to the government and taxpayers could be substantially reduced if an effective transformation strategy is developed and successfully implemented . . ."

Since the signing of EO 13327 and the inclusion of real property on the PMA's Executive Branch Management Scorecard, the FRPC has made significant progress in working to address the issues and long-standing challenges associated with the Government's real property portfolio. The FRPC has established requirements for: 1) Developing a centralized real property database; 2) Measuring real property performance; and 3) Developing an agency asset management plan -- all of which support improved decision-

making on the acquisition, maintenance, and disposal of real property assets. According to the Executive Branch Management Scorecard, the Administration's increased focus on real property 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.

Ultimately, collecting reliable real property data will support and assist agencies in meeting the government-wide asset management goals by reducing operating costs, improving asset utilization, recovering asset value, improving facility conditions, creating more productive workplaces, and enhancing safety and security. ■

"The December 31, 2005, (Executive Branch Management) scorecard results show a number of agencies scoring GREEN for progress..."

PROGRESS AND PERSPECTIVE ON EXECUTIVE ORDER 13327

**By David Baxa, President and
CEO, VISTA**

Executive Order 13327 on Federal Real Property Asset Management (EO 13327) celebrated its second anniversary this past February 4. One of the cornerstones of compliance with this order –a pillar of the President’s Management Agenda (PMA) – is the development of an Asset Management Plan (AMP) that provides insight as to how a department or agency will manage its portfolio, including plans for identifying excess property for disposition.

VISTA has had the unique opportunity to participate in, at a minimum, the internal review process of several executive Departments that have submitted their AMPs to the Office of Management and Budget (OMB). From this unique perspective, we have concluded that there is considerable variation in how departments and agencies are approaching this work and requirement. Under pressure to comply with the Order as part of further compliance with the PMA,

many are plunging ahead without fully appreciating the management paradigm shift that must accompany the plan.

A Departmental or agency asset management plan cannot be a simple repackaging of the organization’s “Proud to Be” statements with an explanation of how business is conducted by their Departments today. Goals and objectives are fine as guiding principles, but OMB is looking for sustainable process and structure.

There is more to an AMP than simple document preparation.

There must also be a change in perspective as it relates to business processes, and an understanding of the cost of preparing and documenting real property asset data as it applies to supporting the key initiatives of the AMP. Most importantly, there must be some understanding of the potential return on investment on the AMP >>>

“...a pillar of the President’s Management Agenda (PMA) – is the development of an Asset Management Plan (AMP)...”

>>> initiatives – in other words, the Department must consider the cost of its intended initiatives through the useful life of affected facilities. They must also anticipate and measure the returns on that investment.

This article will first address the

common stumbling blocks encountered by Departments and agencies in preparing their AMPs. It also will provide several recommendations as to how Departments and agencies can create better processes and better environments to develop AMPs that

comply with EO 13327.

Common Stumbling Blocks

Decentralization: Departmental decision-making is often decentralized as it relates to real property asset management. In many cases, authority has been delegated (sometimes by legislation) to sub-Departmental organizations, resulting in no single point of visibility or control at the agency level.

This observation was validated by a joint survey conducted by the Federal Real Property Association (FRPA) and VISTA, the findings of which were presented in October 2005. Over half of the respondents believed that their agency's Senior Real Property Officer (SRPO) lacked the authority to influence compliance across all subordinate organizations. In particular, some respondents indicated that regional and field operations have "too much autonomy and do not report to the SRPO in any way." What's more, in some Departments, real property asset management as a function is not always directly aligned under the Departmental CFO. (This survey was taken in September 2005. A copy of the joint FRPA/VISTA survey findings can be downloaded via the Internet by visiting <http://www.vistatsi.com>.)

To be successful in preparing as well as implementing an AMP, responsibility and authority must be regained at the Departmental level and with sufficient sustainable effort to provide measurable benefit. The challenge in doing so, however, will be to manage the control of real property asset decisions while



Photo Credit: Graphic Systems, Inc.

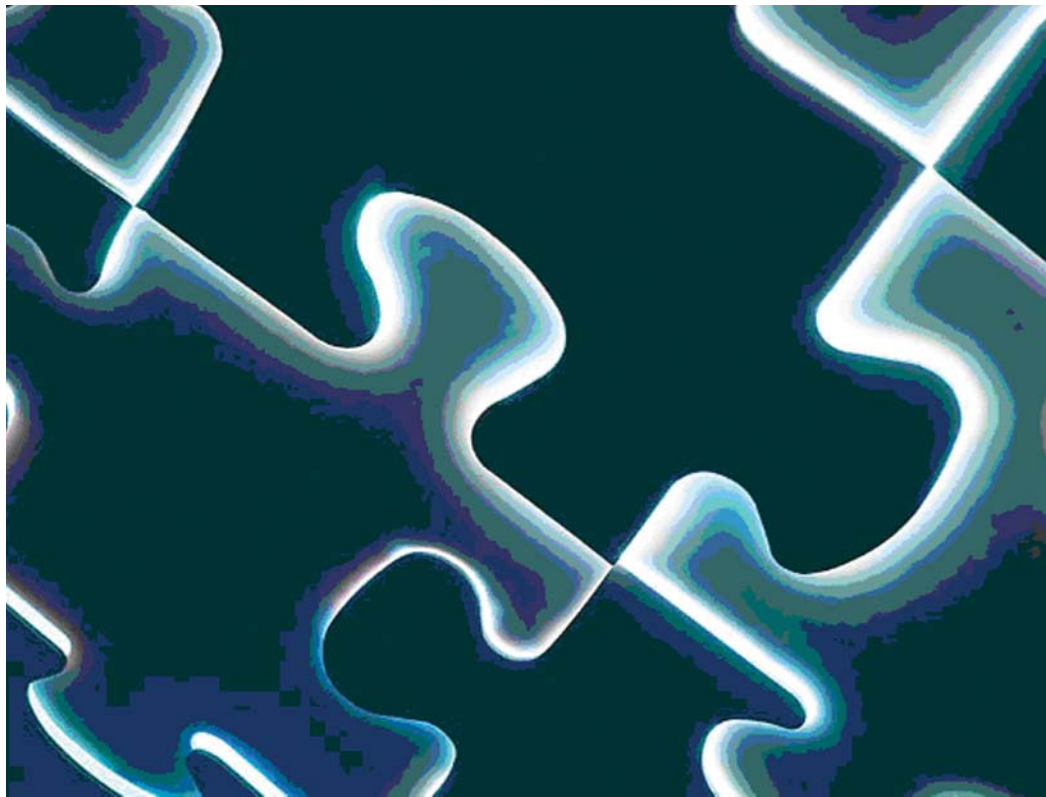
maintaining a certain level of management autonomy at the subordinate levels.

Repackaging of Current Business Processes:

AMPs cannot merely describe the way an agency or Department currently does business. Rather, an AMP must be a forward-looking document, providing transparency in understanding and visibility of cash flow commitments to each constructed asset managed by that particular organization. This can be a time- and cost-intensive exercise that requires significant commitment from senior financial executives. Unfortunately, because compliance with the Executive Order is, for now, an unfunded mandate, the highest echelons in some agencies are reluctant to make that type of time and budgetary commitment.

Insufficient Data: One key to a solid AMP is to have the document reflect a process for maintaining comprehensive and validated data on the current inventory of a Department's real property assets. Unfortunately, in many cases such high-quality data currently does not exist – nor is it sustainable, to ensure accuracy of the plans through subsequent iterations of implementation. Compounding that difficulty is the issue of whether, as an unfunded initiative, agencies are willing to invest in maintaining such data, even if the maintenance can be done at a reasonable cost.

Congress is working on developing incentives to help facilitate comprehensive real property asset data collection. The latest version of HR 3134, a five-year pilot legislation from the House of Representatives, would allow agencies to keep as much as 10 to 20 percent of the proceeds after expenses arising from



disposition of surplus assets. The challenge here, however, is to understand that there may not be as many surplus owned assets as Congress may believe. In preparing real property asset data, and the AMPs on which they are based, it may be in a Department or agency's best interest to look for opportunities to consolidate or dispose of leased space as well.

Recommendations

What is the best course of action, from a cost-effective perspective, to develop a useful and workable AMP?

Buy-in from the Top: The commitment to a new way of looking at business processes must come from the highest Departmental level. SRPOs must have the power to affect change and the domain

expertise to be able to impose such change from a knowledgeable perspective. Visible and sustainable executive leadership is essential for success – and success in compliance with EO 13327 means success in meeting a key President's Management Agenda initiative, as well.

SRPO Support: In VISTA's experience, those organizations that have been most successful in their AMP preparation have established an internal Real Property Council within their Departments. This council includes representation from key sub-Department stakeholders, supports the SRPO, and is empowered to consider issues of process, policy, procedures and compliance, creating consensus-based direction on how the >>>



>>> Department overall will be run and managed.

Understanding of Financial

Impact: A Department's compliance efforts with EO 13327 must be understood in the context of cross-functional financial implications. As one example, compliance ought to be tied to the tenets of OMB Circular A-123, which calls for repeatable and verifiable disclosure methods for reporting financial assets and transactions. Because real property assets are among the most significant of a Department's holdings, true fiscal responsibility under OMB A-123 demands a comprehensive inventory of data on owned and leased property. The more complete this inventory, the more readily real property can be transformed from a "must-pay" bill

to a bottom line benefit.

Inter-Departmental

Consolidation: To fully realize the benefits of compliance with EO 13327, regional master plans ought to be considered, by way of inter-Departmental consolidation in real property portfolio holdings. Ideally, these master plans ought to be refreshed on a rolling three-year basis, to parallel recommendations from OMB.

Regional master planning would enable optimized space utilization among all agencies with a regional presence. A useful inventory of real property assets can be established readily by examining current facilities utilization at the regional level, and comparing lease agreements against the life

expectancy of those facilities.

This inventory would not only enable a Department or agency to optimize its utilization of owned and leased properties, it also would provide a framework for continuing real property requirements, which are sure to be handed down on a recurring basis. This information, when profiled against validated facilities requirements, can form a baseline for planning, consolidation, intra-Departmental assignment of assets, and Department-wide financial performance improvement.

By avoiding the stumbling blocks outlined here and taking action on the subsequent recommendations, a Department or agency's AMP stands a much greater chance of earlier approval by OMB. In addition, long-term compliance with this important PMA initiative is much more likely to be achieved. ■

(David Baxa is president and CEO of VISTA, a Herndon-based company specializing in real asset management planning for government. Mr. Baxa can be reached at 703-561-4100, or by email at david.baxa@vistatsi.com. For more information, visit <http://www.vistatsi.com>.)

ONE INTEGRATED SOLUTION MEETS CHALLENGE

By Dennis Goldstein, GSA Office
of Real Property Management,
dennis.goldstein@gsa.gov

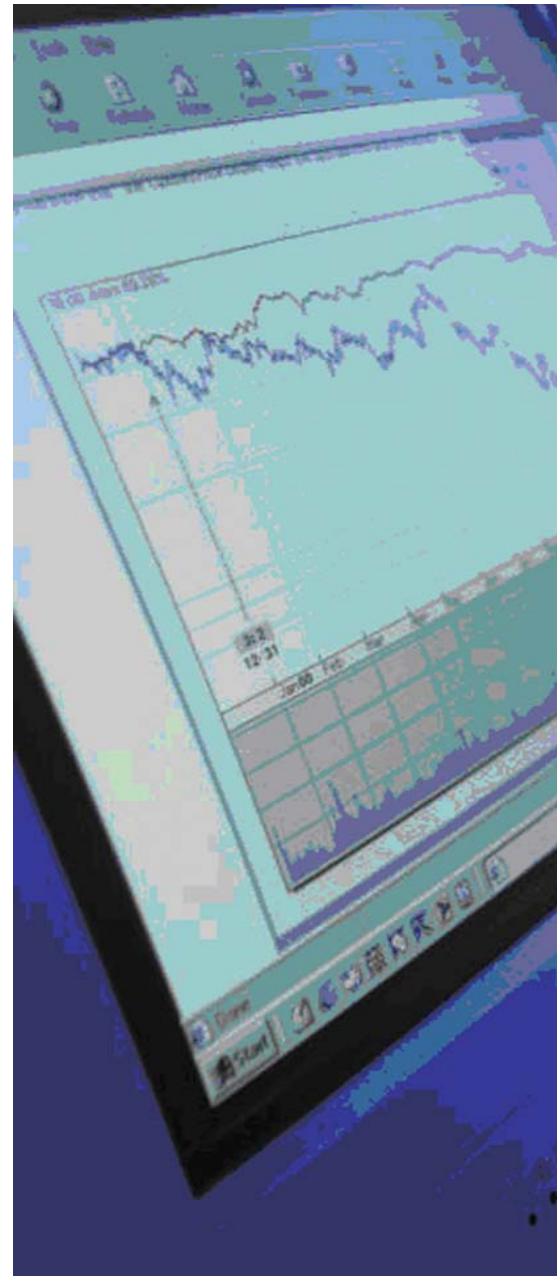
Background

"... long-standing problems in the Federal real property area include ...unreliable real property data ..." according to the GAO report High Risk Series, Federal Real Property, (GAO-03-122), January 30, 2003. "These factors have multibillion dollar cost implications and can seriously jeopardize the ability of Federal agencies to accomplish their missions. Federal agencies also face many challenges securing real property due to the threat of terrorism."

In addition, Federal real property is at an alarming state of deterioration, a significant repair restoration and maintenance backlog exists, key decision makers lack reliable and useful data for real property strategic asset management, and the government is becoming increasingly reliant on costly leasing, concluded the October 1, 2003, GAO testimony numbered GAO-04-119T and titled "Federal Real Property - Actions Needed to Address Long Standing and Complex Problems." >>>

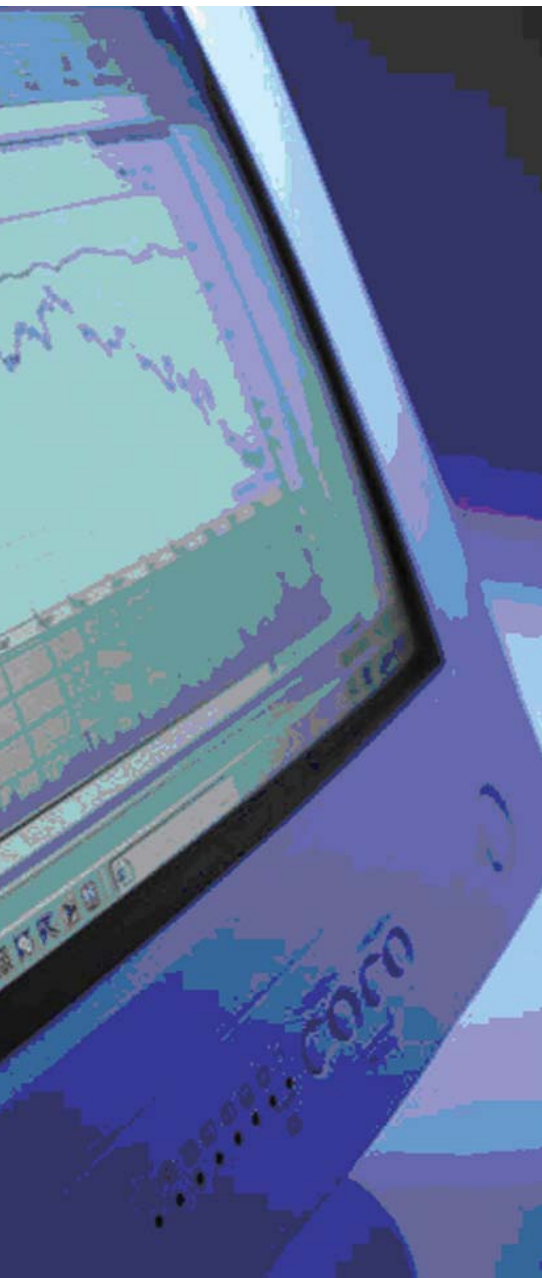
*"...key decision makers lack reliable and useful data
for real property strategic asset management..."*

(October 1, 2003, GAO testimony)



EO 13327 Charts a New Course

In response to these GAO reports citing weaknesses in Federal real property asset management and the High-Risk designation assigned to



the Federal infrastructure in 2003, Executive Order 13327 was signed on February 4, 2004 and Federal Real Property Asset Management was added to the Presidents Management Agenda.

The Executive Order, which was created to promote the efficient and economical use of the Federal Government's real property assets, directs the heads of all executive branch departments and agencies covered by the Executive Order to designate a Senior Real Property Officer (SRPO) among their senior management officials. The Executive Order also established a Federal Real Property Council (FRPC) within the Office of Management and Budget (OMB) for administrative purposes that shall be composed exclusively of all agency SRPO's, the OMB Controller, GSA Administrator, and any other Federal officials or employees deemed necessary by the Chairman of the Council who shall be OMB's Deputy Director for

Management. The FRPC is responsible for developing guidance, serving as a clearinghouse for best practices, and facilitating the efforts of the SRPO. The FRPC has established four Committees including, most importantly --Inventory.

One Integrated Database Provides the Answer

The Executive Order also directed GSA, in consultation with the FRPC, to establish and maintain 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. Under the direction of the FRPC and its Committees, the Office of Real Property Management is developing the technical requirements for the governmentwide descriptive real property database.

Inventory Architecture

The FRPC Committees have made a great deal of progress on this initiative. For instance, the FRPC approved an asset management template and 23 data elements to be captured in an inventory system. These data elements are:

- | | | |
|-----------------------|----------------------------|--|
| 1. Real Property Type | 3. Legal Interest | 14. Main Location |
| 2. Real Property Use | 4. Status | 15. Real Property Unique Identifier |
| | 5. Historical Status | 16. City |
| | 6. Reporting Agency | 17. State |
| | 7. Using Organization | 18. Country |
| | 8. Size | 19. County |
| | 9. Utilization | 20. Congressional District |
| | 10. Value | 21. ZIP Code |
| | 11. Condition Index | 22. Installation and Sub-Installation Identifier |
| | 12. Mission Dependency | 23. Restrictions |
| | 13. Annual Operating Costs | |



Additionally, the FRPC decided that agencies will submit their data, starting in October 2005, for the data elements listed above. Due to budgetary resources and timing, the FRPC decided that the architecture of Federal Real Property Profile (FRPP) inventory system should be modified to accept the 23 data elements in FY 2005. The modified FRPP-IA will have the following capabilities:

1. Capture data at the constructed asset level for all assets

addressed by the EO. Initially, agencies may report at a level higher than the constructed asset. The goal, however, is to capture data at the constructed asset level at each agency.

2. Accept data from agencies more frequently than on an annual basis.
3. Use in conjunction with a disposal decision tree model, developed by the FRPC.
4. Provide for an automated data

interface that is low cost to the agencies and a web interface for entering data for agencies with a small inventory of assets.

- a. Accept XML.
 - b. Support data entry through a web-enabled portal.
5. Provide baseline reports related to the performance measures.
 6. Run queries (by the end user) utilizing FRPC data elements and create custom reports in a web environment.
 7. Conduct quality assurance checks on data submitted by the agencies.

Additional Capability

The FRPC Systems Committee has also directed that by October 2006, the federal real property inventory system must have the capability to perform several additional tasks:

1. Integrate additional performance measures as defined by the FRPC's Performance Measurement Committee.
2. Run enhanced canned reports for performance measures information, including agency comparisons and progress against government-wide targets available to end-users via the website.
3. Store historic data from the initial FRPC submission for each record by unique asset identifier >>>

>>> and after disposal is complete, even after the asset is no longer in the active agency inventory.

4. Add edit/validation on data received from agencies of a level TBD.
5. Capture additional data elements as directed by the FRPC.

Latest Transformation

GSA conducted a cost benefit analysis in July/August 2005 to evaluate the modified FRPP for the FY 2005 governmentwide inventory collection versus an existing government inventory system (GOTS) or commercial off the shelf system (COTS). This analysis recommended that GSA continue to use the FRPP, a system well underway that provides functionality and meets the FRPC requirements. The FRPP should continue to be transformed through enhancements, including the addition of a COTS reporting tool. The large FRPP database would benefit from a



sophisticated reporting tool to accommodate increased reporting and querying functions, particularly for ad hoc reporting capabilities. ■

*Washington, DC -
Photo Credit: NASA*

GAO to Reassess “Hi-Risk” Status of Real Property

The Government Accountability Office (GAO) will soon begin re-evaluating whether real property should remain on its high-risk list. Managing federal real property was put on the list in 2003. Mark Goldstein, GAO’s director of physical infrastructure issues, said the agency plans to take a close look at the results of the inventories and agency asset management plans this summer (2006). “Our general assertion is that [agencies] have made some strides and taken some action, but we don’t know the effect because we haven’t evaluated them yet. That’s what we’ll be doing in the coming months,” he said. Goldstein said it’s too soon to say whether the detailed inventories and asset management plans from most agencies would be enough to get real property off the high-risk list. ■

(Excerpt provided by permission from FederalTimes.com, article "Inventories are Step toward Better Property Management", by Ms. Aimee Curl, March 30, 2006)

Federal Asset Disposition: Ways and Means

FEDERAL ASSET SALES: ONE STOP SOLUTION A Web Portal Solution Transforms Customer Access

Submitted by Bob Holcombe, Office of Travel, Transportation, and Asset Management, GSA Office of Governmentwide Policy, and George Deryckere, Real Property Disposal Division, GSA Public Buildings Service

The Federal Asset Sales (FAS) initiative is one of twenty-five Presidential Electronic Government initiatives (<http://www.whitehouse.gov/omb/egov>). FAS is

assets. The FAS goal is to improve and optimize the way the Federal Government sells its property

FAS Vision: Federal agencies currently sell government assets via a myriad of online and offline methods, however, FAS recently explored a means to optimize federal



E-GOV

among the "Government to Business" initiatives designed to help business interact efficiently and effectively with the Federal government.

These initiatives help reduce burden on businesses, provide one-stop access to information, and enable digital communication using the language of E-Business (XML). Each year, the Federal Government sells billions of dollars worth of property, including surplus, forfeited, abandoned, and exchange/sale

real estate and personal property sales channels by creating a centralized FAS portal. FAS will make it easier for citizens and businesses to locate government assets for sale; and improve the promotion of government sales through a centralized, citizen-centric web portal. The vision for the FAS portal is a secure, efficient, and effective online e-marketplace that will serve as a single-point for the public to find and buy Federal assets.

Phased Approach: As the managing partner, GSA is implementing the FAS initiative through a phased approach. GSA released the first phase on September 30, 2005 by modifying the FirstGov.gov "Government Sales and Auctions" web page. Links on the FirstGov.gov website now >>>

The vision for the FAS portal is a secure, efficient, and effective online e-marketplace...



>>> direct the public to online and offline sales events, where citizens may buy government real estate, vehicles and other items for sale. Citizens can access the FAS portal and shop for thousands of assets, from valuable French gold coins to National Historic Lighthouses.

Real Property: To sell the Government's Real Property, FAS launched its Real Property Web portal in September 2005. The purpose of the portal is to provide citizens easier access to federal real properties available for sale. The site also provides agencies the opportunity to increase the exposure of their properties in a centralized location while retaining the flexibility to determine the sales method that best meets their needs.

Personal Property: For Personal

Property, FAS will have personal property sales agents known as Centers of Excellence (COEs) that will provide other agencies with sales support designed to reduce asset sales costs and cycle time and increase sales proceeds. The COEs will be selected based on existing "best in class" sales solutions. In 2007, agencies will begin selling their unwanted assets through COEs that best meet their needs.

Benefits: Citizens and businesses can benefit from the FAS initiative. By simplifying the processes of searching, bidding, and buying items both offline and online, the public gains access to real estate and personal property items for sale.

Agencies benefit by efficiently, effectively, and economically disposing of assets no longer needed within the government.

For more information on the FAS initiative, contact Chris Fornecker via e-mail at christopher.fornecker@gsa.gov or visit us online at <http://www.gsa.gov/fedassetsales>. ■

(This article was a collaborative effort by GSA's Bob Holcombe and Rob Miller of the Office of Travel, Transportation, and Asset Management, Office of Governmentwide Policy, and George Deryckere, Real Property Disposal Division, Public Buildings Service)



Photo: www.gsa.gov/fedassetsales

*"Last year, on-line transactions accounted for \$115 million of total federal surplus asset sales."
(www.whitehouse.gov/omb/egov)*

EFFECTIVE DISPOSITION METRICS FOR BETTER PERFORMANCE

Federal Facilities Council (FFC) Addresses High-Risk Federal Real Property Issue

By Mike Cohn, FFC Standing Committee on Organizational Performance and Management, mcohn@nas.edu, and Richard Ornburn, GSA Office of Real Property Management, richard.ornburn@gsa.gov

Under the purview of the FFC, GSA's Office of Real Property Management and Public Buildings Service (PBS) are collaborating closely on a new initiative examining the process for the effective and successful identification and disposition of excess Federal facilities, and related metrics.

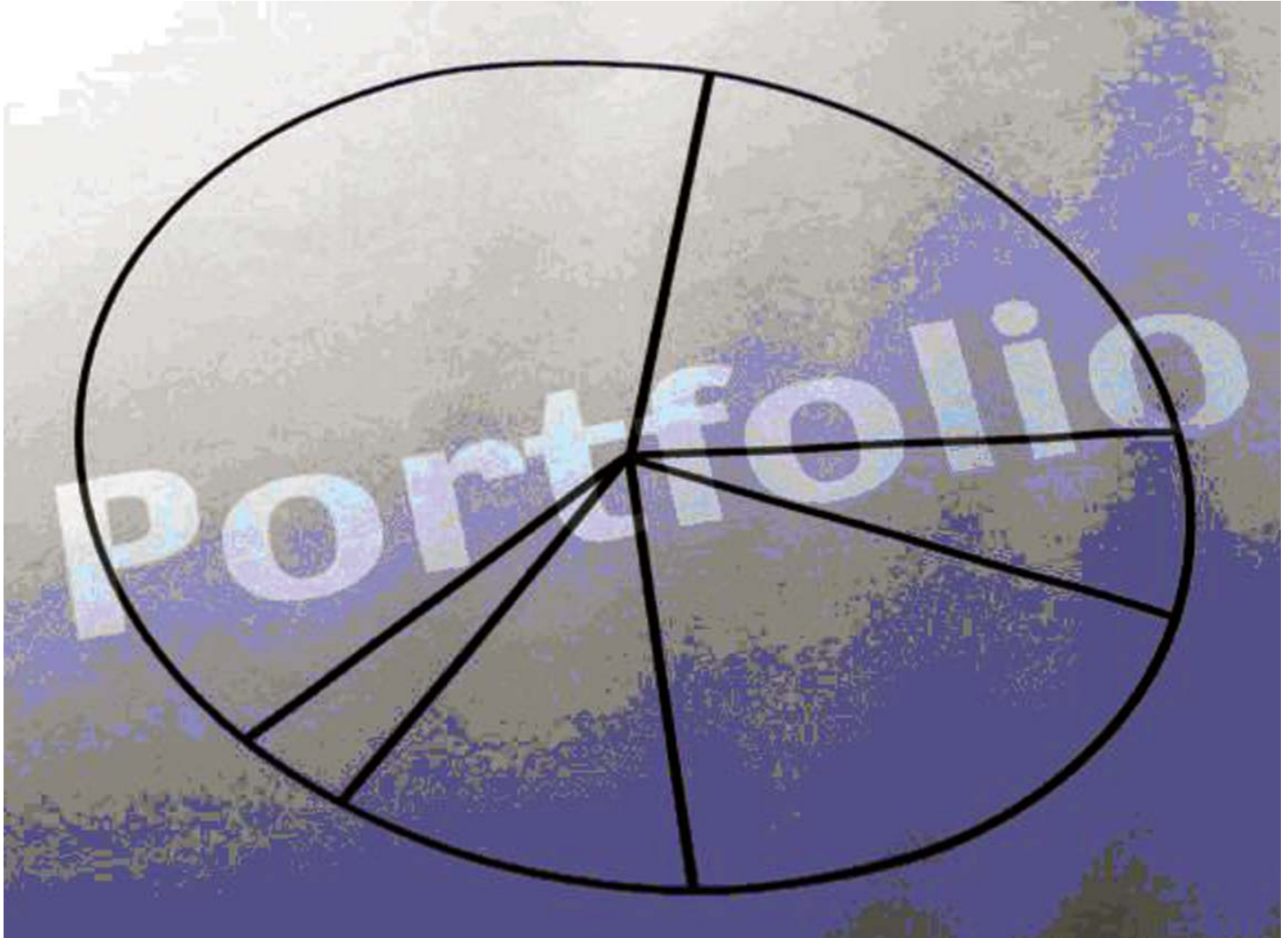
Model Development: In January 2003, the Government Accountability Office (GAO) designated Federal real property a high-risk area, and identified excess and underutilized property as one of the major factors for the designation. The Administration has acknowledged the problems in this area by adding the Federal Asset Management

Initiative to the President's Management Agenda.

Stan Kaczmarczyk, Deputy Associate Administrator for the Office of Real Property Management (MP), and associates from PBS and other Federal agencies have been working with Mike Cohn, from the Federal Facilities Council (FFC) Standing Committee on Organizational Performance and Management, on this initiative. The committee, co-chaired by Kaczmarczyk, is attempting to define the reasons for the large amount of excess and underutilized federal property and possible solutions and metrics that can be applied government-wide. GSA and FFC are starting by developing case studies of >>>

Federal Facilities Council





>>> successful disposal efforts from identification of a property as being excess to final disposition.

FFC Role: Originally established in 1953, the FFC operates under the auspices of the Board on Infrastructure and the Constructed Environment (BICE) of the National Research Council. The FFC identifies and advances technologies, processes, and facilities

management practices that improve the performance of federal facilities over their entire life-cycle, from planning to disposal. As part of the FFC, the Standing Committee on Organizational Performance and Management addresses policies and issues related to the organizational structure and administration of federal facilities management agencies and their programs with the objective of improving effectiveness.

Future Course: The Standing Committee will facilitate the use of the initial GSA project model by other Federal landholding agencies to identify successful disposition metrics for excess real property, charting the course for improved portfolio performance.

Contact Mike Cohn at the Federal Facilities Council for more information at mcohn@nas.edu. ■

GSA'S ROLE IN THE FEDERAL REAL PROPERTY COUNCIL

By David L. Winstead, Commissioner, GSA Public Buildings Service

David L. Winstead, Commissioner, GSA Public Buildings Service



One of my top priorities since joining the Public Buildings Service (PBS) in 2005 has been advancing the President's Management Agenda (PMA) and Executive Order 13327 for Federal Real Property Asset Management which sets forth specific requirements that promote efficiency and effectiveness of federal real property management.

I have been impressed by the work the Federal Real Property Council (FRPC) has accomplished to date, but there is more to be done. As the new chair of the Asset Management committee, I would like to build off the success the previous chair, former Commissioner F. Joseph Moravec, and the Asset Management Committee had in developing the FRPC Guiding Principles and the Council's Asset Management Plan (AMP) template items.

I intend to focus the committee's attention on three primary areas: legislative reform, best practice sharing, and establishing a communication strategy. First, I will work with the Committee to continue its work in partnership with the Office of Management and Budget (OMB) to pursue legislative reform. The Disposal Pilot Legislation introduced by Representative Davis and the Pilot Disposal Authority proposed in the President's budget are a good first step. Any strengthening of language that can add more incentive within the

pilot, given the constraints imposed by budgetary scoring, would be tremendous.

Also, I will continue working with OMB to gather, share and discuss best practices in managing the life-cycle of real property assets. This would include sharing Agency Asset Management Plans that have been approved and discussing the process, discussing the content of the three-year rolling timeline (a component of the Asset Management Plan), and finally, managing the results of the Disposition Decision Tree, a tool used to provide information useful for management decisions by segmenting assets based upon performance criteria.

Finally, I would like to build upon the internal communications plan that was developed with input from member agencies of the Asset Management Committee. The objective of the plan is to communicate the value of federal real property reform as made possible by Executive Order 13327. The plan includes strategic messages that support the goals of the Executive Order. These messages can be tailored to suit individual agencies as they communicate to their employees and stakeholders the intent of the Executive Order. The plan also includes tools and tactics for agencies to use including background on the initiative, a fact sheet, frequently asked questions and a chronology of >>>

The Public Buildings Service (PBS) is the landlord of the civilian federal government, with a total inventory of over 345 million square feet of workspace for a million federal employees in 2,000 American communities. This comprises over 1,600 government-owned buildings, or approximately 55 percent of GSA's total inventory. The remaining 45 percent is in privately owned leased facilities. For more information about GSA's Public Buildings Service, visit it's website at www.gsa.gov/pbs. ■

>>> actions to date by the Council.

In my role as Commissioner of Public Buildings, I am pleased to report that the GSA has become a recognized leader in implementing Executive Order 13327 and carrying out the work of the Council. Our agency has made significant improvements in the management of its real property assets in recent years. Beginning in FY 2002, PBS began an aggressive portfolio restructuring effort to reshape its inventory to consist of financially performing assets for which there is a long-term federal need. To identify the strongest performing assets which provide the most benefit to customer agencies and the taxpayer, GSA developed a tiering methodology to segment its portfolio based upon financial performance and asset condition. Workout strategies were developed for non-performing assets to improve asset performance or move unneeded assets to disposal. GSA's tiering process directly considers two of the Federal Real Property Council's

performance measures, asset condition and operating costs.

As a result, GSA has targeted reinvestment dollars to assets based on customer need, market conditions, financial performance, cumulative reinvestment needs and historical and architectural significance. Additionally, GSA has disposed of underutilized assets that no longer meet customer needs, often with high capital reinvestment requirements and operating expenses that could be eliminated. Removing excess properties and poorly performing assets will improve PBS's ability to meet the reinvestment requirements of the remaining assets, thus improving the condition of the core PBS portfolio.

In FY 2005, GSA refined its asset management process to more closely align with the FRPC's guidance and performance measures and launched an initiative to assign holding periods for each government-owned asset by identifying its core assets based upon the asset utilization, asset condition, operating costs, and mission

dependency or customer need.

This commitment to improved asset management has led to progress throughout FY 2005 in meeting the President's right-sizing goals for real property asset management outlined in the PMA by:

- Disposing of 27 vacant or underutilized properties
- Improving asset utilization to 93.2% in government owned assets and 98.8% in leased assets
- Improving the condition of our inventory with over 76% of assets meeting the FRPC standards for facility condition
- Operating buildings at the appropriate costs with PBS cleaning maintenance and utility expenses 10.5% below private sector BOMA benchmarks

Most notably, however, the hard work of all our associates across the country in the past few years in reducing vacant space, disposing of unneeded assets, making prudent reinvestments in the inventory, and working to reduce operating costs has led us to become the first agency to receive a "Green" rating on the PMA scorecard for Federal Real Property Asset Management. While this is a significant accomplishment, there is a great deal of work ahead of us and I am confident that together we can get the job done. ■

"This commitment to improved asset management has led to progress throughout FY 2005 in meeting the President's right-sizing goals for real property asset management..."

TRANSFORMATION OF ASSET MANAGEMENT AT DOT

**By Rita Martin, Director,
Administrative Management
Policy Division, Department of
Transportation**

Asset management changes at the Department of Transportation (DOT) are being proactively led by the DOT Senior Real Property Officer (SRPO), Linda Washington, Acting Assistant Secretary for Administration; and the SRPOs from the Office of the Secretary, each of ten DOT operating administrations, and the Office of the Inspector General.

The Federal Aviation Administration (FAA), which has the largest real property inventory, is leading the Department's asset management implementation effort. FAA is the liaison to the Office of Management and Budget (OMB) for the President's Management Agenda (PMA) initiative and scorecard reporting.

Asset Management Plan: DOT has presented a consolidated Asset Management Plan (AMP) to OMB for consideration implementing the requirements of Executive Order (EO) 13327 for efficient and economical use of real property assets, and meeting Federal Real Property Council (FRPC) guidelines. The AMP provides prioritized initiatives, goals, and targets for implementing DOT wide

changes in real property management. DOT's initiatives focus on establishment of a real property decision making framework, standardized procedures, common performance measures, core competencies and continual learning, an agency template for Asset Business Plans (ABPs), a consolidated DOT inventory management system, and ensuring AMPs for each operating administration and office are maintained current. Literally, most every aspect of real property management in DOT will change in some way as a result of these initiatives.

Inventory Management: After examining options, DOT decided to transform FAA's existing inventory management system into a Department wide real property database. Modification of FAA's existing Real Estate Management System (REMS) database application will allow the Department to achieve a single comprehensive DOT inventory and meet FRPC requirements at the lowest possible implementation cost. FAA serves as the systems administrator and maintains the >>>



“Literally, most every aspect of real property management in the Department of Transportation will change in some way as a result of these initiatives.”

each of the prioritized initiatives in the DOT AMP.

Asset Management Organization:

Within FAA, a significant transformation is taking place to create an Asset Management Organization (AMO) in headquarters



>>> Oracle-based application. Approximately 70,000 DOT real property records are maintained in REMS and each DOT component with an inventory will feed its unique data into the FAA managed system. All data currently available has been populated in the FRPC mandatory data fields. REMS has an on-line interface with DELPHI, the Department's financial management system, that allows the inventory and financial data to be synchronized at all times. In December, FAA used REMS for the first time to provide DOT's real property information to GSA for the federal worldwide inventory. As we move forward, REMS will require further modifications to enhance systems interface, create new modules, and populate the system with additional data. For example, REMS is being modified to include ABPs for DOT major facilities this fiscal year.

Decision Making: Another transformation underway is in real property decision making. Recently, the Secretary of Transportation approved two charters to create an executive committee and planning

council for real property. The DOT Real Property Executive Steering Committee is a senior management policy-making body chaired by the Deputy Secretary. The DOT Real Property Planning Council is chaired by the DOT SRPO and is comprised of SRPOs from DOT operating administrations and offices. The Planning Council serves as a working group that makes recommendations to the Executive Steering Committee on real property activities. The Steering Committee and Planning Council provide forums for taking DOT wide approaches to real property issues and engaging real property managers across DOT in the transformation effort. For example, the Planning Council has established a series of working groups drawn from its own members to study and implement

that will strengthen the management of its real property portfolio at the program planning and design phases. The role and function of the AMO is to actively manage the life-cycle of real property (from acquisition, through maintenance to disposal); to gather, analyze and track performance measurements; to maintain an accurate inventory; and to implement policies that ensure the efficient and effective management of the real property portfolio.

While asset management transformation is far from over, DOT is proud of its progress to date taking least cost implementation approaches toward EO 13327 requirements.

For more information about the Department of Transportation, visit <http://www.dot.gov>. ■

OMB has recognized DOT's implementation efforts. For the first quarter of FY 2006, DOT received Green for Progress and Yellow for Status for making significant advancements with the AMP, inventory, and performance measures.

***GEOSPATIAL TECHNOLOGY
REMAPPING GOVERNMENT ASSETS
The Federal Geospatial Initiative***

**By Sandra Downie, GSA Office
of Real Property Management,
sandra.downie@gsa.gov**



**Photo Credit: www.geology.com,
Hobart King, Digital Map Store.**

R real property is LAND and all that is attached to it. Property becomes Real Property when it is attached to a specific location on the earth's surface. Location is an essential data element in the management of real property.

Real property is by definition spatial.

Managers of Real Property use alpha numeric geospatial data in the form of building addresses, property records,

leases, permits, incident reports. Spatial correlation of graphics in computer aided drawings (CAD), to specific records in the asset inventory is a useful tool for property management. The standardization of location data in business transactions facilitates the calculation of the life cycle cost of an asset.

Humans visualize spatial relationships very well. Conceptually, we know that the state of Virginia is west of Washington D.C. and that if we travel east on Route 50 we will be in Maryland on our way to the city >>>

“...spatially enabling the delivery of government services and providing a geographical component for all internet based E-Gov activities...”

>>> of Annapolis and the Chesapeake Bay.

When we think about location in the physical world we visualize the geometric shapes of states, counties, roads, cities, and landmarks. When we communicate with each other we use place names to represent the points, lines and polygons that we see in our minds eye. When we use location codes in data entry, we use a system of alpha numeric symbols to facilitate the exchange of machine-readable data. When we specify location in the context of a specific addressing system, we use a combination of place names and codes.

“The Executive Office of the President will use the geospatial profile of the FEA to ensure that all organizations will architect, invest, and implement geospatial capabilities in a coordinated way.”

The Geospatial E-Gov strategy calls for spatially enabling the delivery of government services and providing a geographical component for all internet based E-Gov activities and interagency support for the use of geospatial data in the implementation of Homeland Security Initiatives to ensure the protection of key resources including dams, government facilities, and commercial facilities.

The FEA Geospatial Profile v1.1

released January 26, 2006 establishes a framework for more effective use and management of both graphic and alpha numeric geospatial data and services as part of agencies' enterprise architectures. It will help agencies identify geospatial data and integrate it into the business process to enhance service delivery and mission accomplishment.

Geospatial One-Stop is a strategic Initiative in OMB's Federal Enterprise Architecture Action Plan. The development and implementation of this electronic web tool builds upon its partnership with the Federal Geographic Data Committee (FGDC) to improve the ability of the public and government to use geospatial information to support the business of government. For the large landholding federal agencies, like the Department of Interior, the Geospatial Line of Business is part of their mission.

Most GIS activities are focused on the technical aspects of accurately describing and representing spatially distributed geographic features, events and concepts on a map. The term geospatial is often used in place of geographic in reference to maps, graphic representations of location on the earth's surface, navigation information acquired from a global positioning system (GPS), or digital satellite imagery of the earth.

The coupling of geospatial data, services and technology with conventional data and technologies are often one of the most significant enablers of improved decision making within business operations. A Geographic Information System (GIS) is an information management technology with capabilities to effectively collect, organize, store, access, process, integrate and analyze both spatial and traditional alpha numeric types of data and records. Used as a tool for data management and spatial analysis, the information derived from GIS information is as accurate as the data that goes into the system and as relevant as the questions posed.

Spatial coordinates are stored in a database table along with other alpha numeric data attributes. In a non spatial database, the complex geometrical construct looks like a blob of data. In a spatially enabled database, the spatial coordinates in each feature record are mathematically compared, converted to a common format and overlaid. From these calculations, the attributes for any given point in each overlay can be combined. The typical user of geographic information software does not need to write code or understand the complex calculation hidden behind the graphic interface. The geospatial calculations and functions built into the software are transparent to the user. Automated wizards are provided to prompt the user for data input. The power of geospatial functionality is the ability to use the geoprocessing functions to combine the spatial data from one or more data files to produce new information.

Traditionally, business statistics have relied on alpha numeric codes

to aggregate information geographically...total amount of dollars spent, people served, roads traveled, tons shipped within the selected administrative boundary. Geocodes facilitate the collection of statistical data sets used to measure the socio-economic activity of the country and the impact that government programs. The location codes for state, county, city, census tract, metropolitan areas represented a commonly recognized boundary extent on the earth's surface. Geospatial technology automates the geocoding, reduces manual coding errors and updates boundary changes automatically.

GSA'S Federal Real Property Profile (FRPP), has used geographic identifiers since 1953 to

describe the geographic and political distribution of federal assets. In 1972, geographic location/city/place codes (GLC's) were created and used in the FRPP for the "interchange of formatted machine sensible coded data between and within agencies,"

Recently GSA has negotiated a MOU with OPM and USGS to validate and synchronize the GLC city codes and the OPM duty station codes with the FIPS55 Place Code and the GNIS Feature ID. One of the objectives of this MOU provides federal agencies and the public with one stop access to the statistical location codes associated with the GNIS feature attribute data. The existing GNIS database includes attributes such as

Latitude/Longitude, State and county FIPS55 codes and government unit classification codes. Other location codes, such as CD and MSA, will be included if the data is supplied by the agency that maintains them.

The Federal Geographic Data Committee (FGDC), Geospatial One-Stop (GOS), and The National Map are three national geospatial initiatives that share the goal of building the NSDI.

FGDC focuses on policy, standards, and advocacy; GOS focuses on discovery and access; and The National Map focuses on integrated, certified base mapping content. The National Geospatial Programs Office (NGPO) of the U.S. Geological Survey is the organizational host for these complementary activities. >>>



San Francisco; Source: NASA

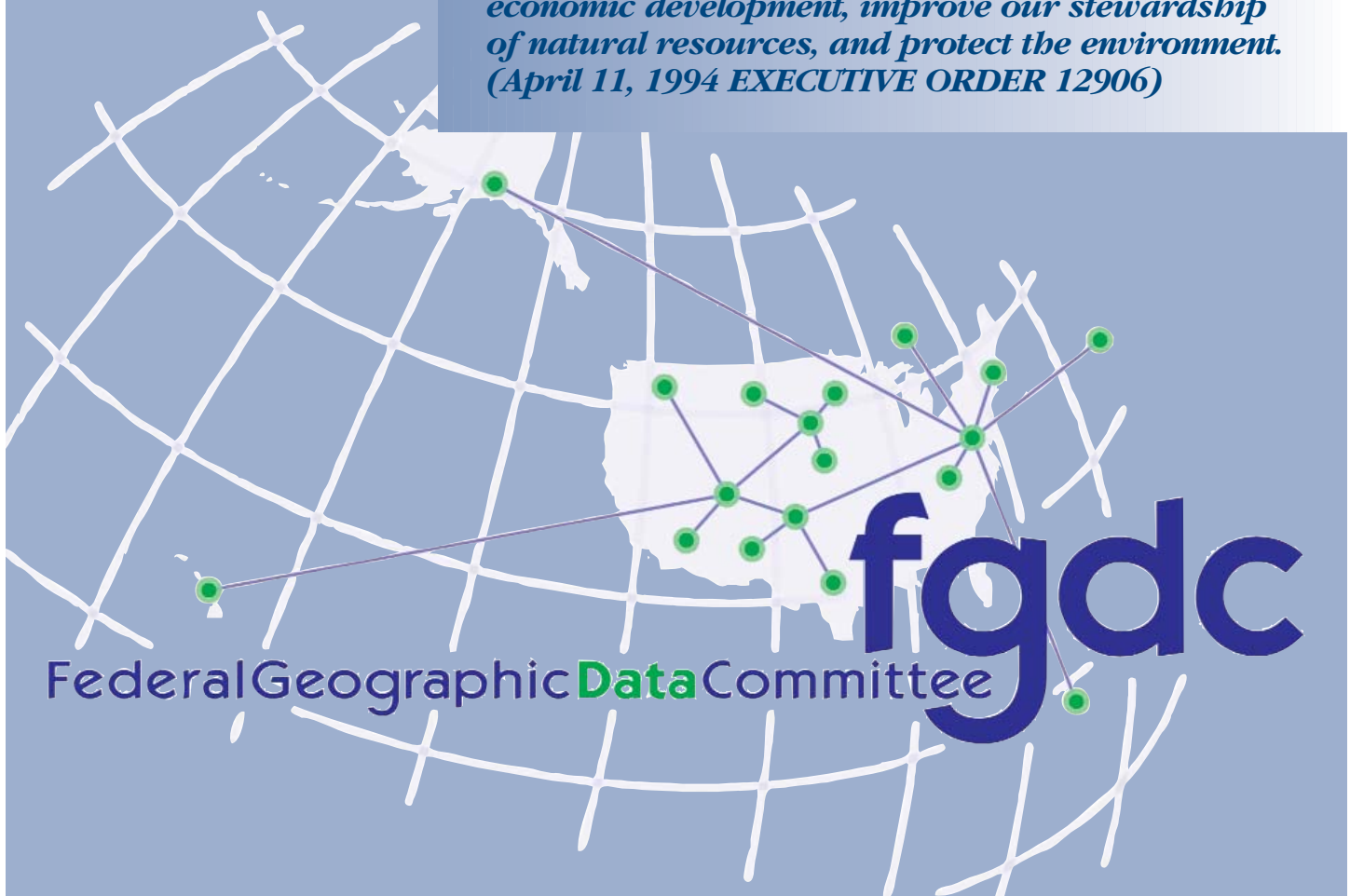
Federal Geographic Data Committee (FGDC)

The FGDC is an interagency committee responsible for facilitating Circular A-16 (provides direction for federal agencies that produce, maintain or use spatial data either directly or indirectly in the fulfillment of their mission. This Circular establishes a coordinated approach to electronically develop the National Spatial Data

Infrastructure and establishes the Federal Geographic Data Committee (FGDC), related activities and implementation of the NSDI. The FGDC is chaired by the Secretary of the Department of the Interior, with the Deputy Director for Management, OMB, serving as Vice-Chair. Chair and Vice-Chair may designate an individual to act

in their stead. All agencies responsible for spatial data themes are required to be members of the FGDC (Circular No. A-16 Revised August 19, 2002). Geospatial One-Stop: The Geospatial One-Stop initiative promotes coordination and alignment of geospatial data collection and maintenance among all levels of government. ■

Geographic information is critical to promote economic development, improve our stewardship of natural resources, and protect the environment. (April 11, 1994 EXECUTIVE ORDER 12906)



6. International Transformation Perspective

ASSET DATA INTEGRITY PROJECT: ADDING VALUE TO ASSET MANAGEMENT

By Tom Corrigan, Corporate Communications, Public Works and Government Services Canada, www.pwgsc.gc.ca



Building and maintaining an inventory of organizational assets is never an easy task. Implementing a solution to manage assets in some of the most spectacular cultural and ecological heritage sites in North America takes the challenge to a whole new level.

Asset Data Integrity Project: Parks Canada Agency of the Government of Canada is responsible for National Parks and Historical Sites across the country. Building on its long-

established service delivery relationship with the agency, Public Works and Government Services Canada (PWGSC) has been managing a multi-year Asset Data Integrity Project (ADIP) to provide accurate baseline information on the condition of assets, and to provide recommendations and cost estimates for required work. Led by PWGSC's Western Region, the project encompasses National Parks and Historical Sites throughout vast and varied regions of northern and western Canada. >>>

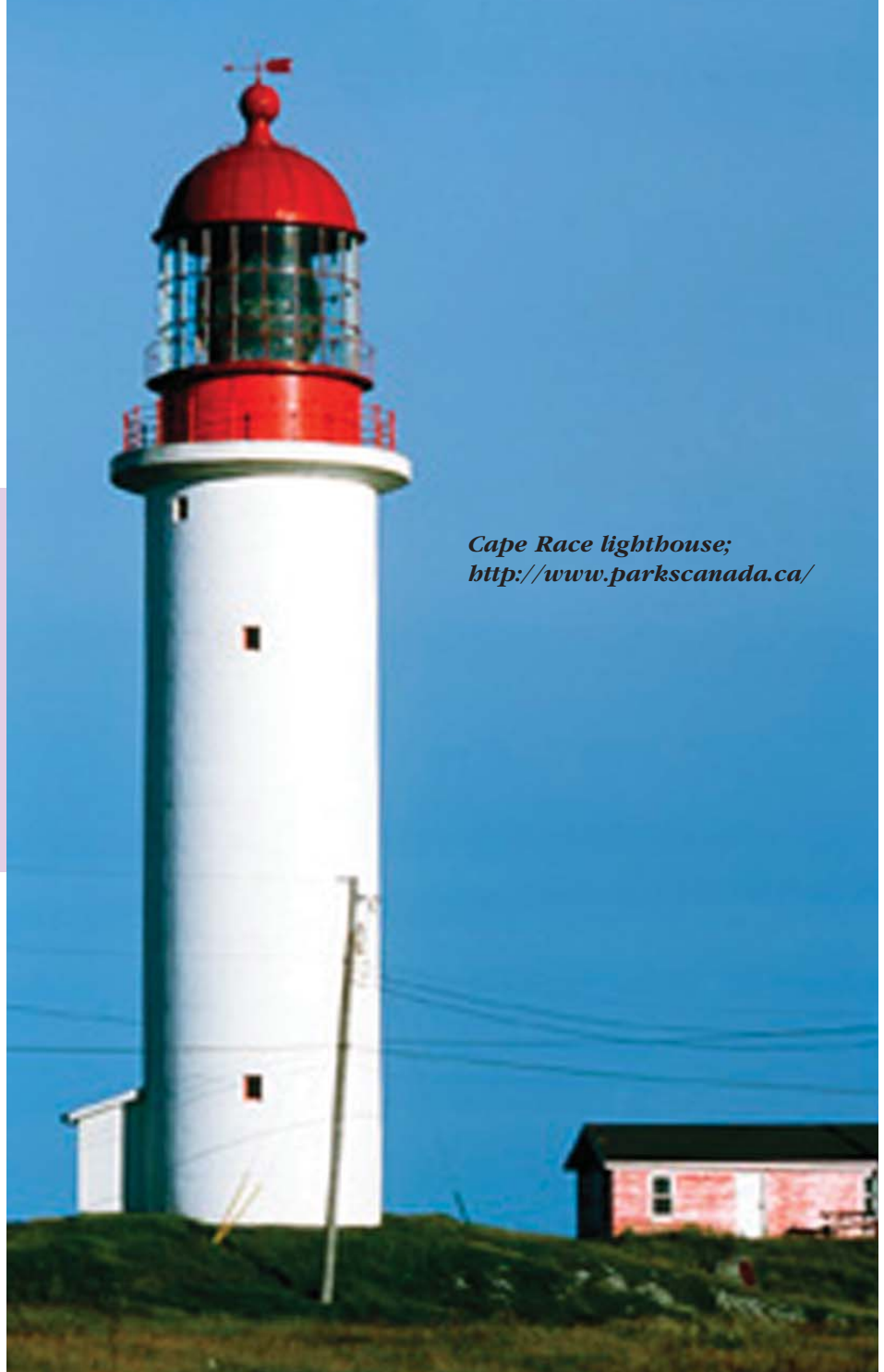
“Public Works and Government Services Canada (PWGSC) has been managing a multi-year Asset Data Integrity Project (ADIP) to provide accurate baseline information on the condition of assets..”

Public Works and Government Services Canada (PWGSC)

PWGSC manages one of the largest and most diverse portfolios of real estate in the country and is the Government of Canada's real estate expert. ■

>>> **Challenges:** In recent years gaps in the quality and quantity of their assets inventory became apparent to Parks Canada. Although the agency worked with an asset management system, its full potential was not being realized. There were concerns with inconsistency in capturing asset data, including condition ratings and projected costs for upgrades or replacements. The agency faced various challenges in its role as custodian of national parks and historical sites, such as recapitalization of infrastructure. To meet these challenges, achieving integrity and completeness of asset data would be critical; trusted, professional expertise would be needed to make it happen. And that's where PWGSC came in.

Approach: Parks Canada and PWGSC launched the ADIP in 2003, with PWGSC taking on a holistic, from-the-ground-up approach to the



*Cape Race lighthouse;
<http://www.parkscanada.ca/>*

task. A team of engineers, architects, and technologists was formed, with the first step being the diligent capturing of tombstone data through on-site visits focused mainly on “front-country”, or most-frequently accessed assets, such as administrative buildings, campgrounds, operations buildings,

and day use areas. It also included historical assets officially recognized by the Government of Canada's Federal Heritage Building Review Office. In time, a complete and extensive inventory was built for each asset, including replacement costs, condition ratings and an evaluation of required works for

each, which has been invaluable in assisting Parks Canada in planning for maintenance or for more extensive recapitalizations.

Deliverables included:

- updating the existing asset management database,
- developing a Geomatics Information System (GIS) model of each site, with links to asset

information, technical records, photo logs and inspection reports, and

- development of plans for addressing possible issues identified during the inspections.

In addition to being seamlessly integrated from multiple sources, asset data is graphically represented through a web browser. Users can

effortlessly filter and merge several layers of asset, mapping information and other data on their desktops, in a multitude of combinations.

For example, the new system allows customized merging of GIS mapping information with any of photographic records, or even with associated financial, engineering, (global positioning system) GPS or survey information, for any asset – or group of assets -- in the inventory.

"Our pre-existing knowledge of Parks Canada's extensive assets, and the unique challenge of capturing and consolidating their data, put us at a distinct advantage at the outset", explains PWGSC's Sandy Cummings, the ADIP Project Manager. "With the new system in place, they are now well-positioned to plan and make well-founded business decisions on maintenance works, not to mention major recapitalizations." ■

PWGSC's expertise, and innovative approach to providing a cutting-edge solution has proved that information is indeed a powerful asset.



A SUSTAINABLE SHOWPIECE IN A NORTHERN CLIMATE

By Tom Corrigan, Corporate Communications, Public Works and Government Services Canada, <http://www.pwgsc.gc.ca>

Environmental Showcase: The new Greenstone building, located in the City of Yellowknife in Canada's Northwest Territories, is an environmental showpiece for the north. The result of a project led by the Western Region of Public Works and Government Services Canada (PWGSC), the building's innovative "green" design features will realize substantial energy savings and reflect the Government of Canada's commitment to sustainable development. The 7,200 m² building

has another unique distinction in that a minimum of LEED[®] Silver Certification is being pursued. This will make it the first project north of the sixtieth parallel to earn this achievement.

In addition to being the first northern building specifically designed with LEED certification in mind, this project was also one of the first to be registered under the recently-established Canadian Green Building Council (CaGBC). CaGBC

Canada Green Building Council (CaGBC): *The CaGBC exists to accelerate the design and construction of Green Buildings across Canada. The Council is a broad-based inclusive coalition of representatives from different segments of the design and building industry. Visit it's website at:*

<http://www.cagbc.org>

***The CaGBC Vision.....A TRANSFORMED BUILT ENVIRONMENT,
LEADING TO A SUSTAINABLE FUTURE***

"...the (Greenstone) building's innovative "green" design features will realize substantial energy savings and reflect the Government of Canada's commitment to sustainable development."

evaluates LEED worthiness under six broad categories: the site, water conservation, energy consumption, materials, indoor environmental quality, and innovation. LEED provides an effective and consistent framework for gauging sustainable design.

PWGSC: In its role as core service provider for the Government of Canada, PWGSC led the project to design and construct a new facility that would serve as a focal point for federal services and program delivery in the north. LEED certification was a goal from the outset. PWGSC chose a previously-used site, rather than a green-field site, for the building. This involved demolition of a vacant building, which was once home to a retail store, and environmental remediation of the

property. The demolition/ remediation phase exceeded expectations on minimizing environmental impact, with over 95 per cent of deconstruction materials being recycled and diverted from landfill.

Sustainable Elements:

Environmentally-friendly practices continued during the construction phase of the project. To limit the volume of materials directed to landfills, careful, consistent and documented separation of construction waste was performed on site during deconstruction. Silt fences were used to keep construction-related water away from storm sewers. The cement mixture used to construct the building was composed of 25 per cent fly ash (waste from burnt coal), a material which otherwise

would have been considered waste. The

Greenstone project was the first in Yellowknife to use fly ash, opening the door to this material being available for future construction in the area.

PWGSC committed to a sustainable approach to building design and this is realized in countless ways. By using design features, which capture available sunlight for heating and lighting, energy consumption will be lowered significantly. A south-facing photovoltaic wall maximizes the use of sunlight; furthermore, a curved façade serves as a passive sun catcher, and long, narrow floorplates allow for high levels of sunlight to enter the building. The photovoltaic curtain wall will generate electricity to meet approximately 5 per cent of the building's electrical demand. The 31.3 kilowatts produced will represent the highest proportion of photovoltaic solar power supplied within a Canadian public building. PWGSC anticipates that, as a cumulative result of these design elements, energy consumption will be 44 per cent lower than the American Society of Heating, Refrigerating and Air-Conditioning Engineers' >>>



Greenstone Building



>>> (ASHRAE's) 90.1 standard. It's also expected the building will save Canadian taxpayers an estimated \$CAD 112,000 per year in energy costs and reduce greenhouse gases by approximately 364 tons per year.

Smart use of water is another important design consideration. The building's "green" roof not only helps insulate the building all year round, but also gathers rainwater for purposes not requiring potable water, such as landscaping. A six-inch layer of soil anchors plants to reduce radiant-heat gain and absorb water that otherwise would drain off site, an important consideration as there is no storm-sewer in Yellowknife. Inside the building, waterless urinals and dual-flush toilets reduce water usage by over 30% per cent, relative to similar-sized buildings.

The Greenstone Building boasts an under-floor air distribution system, designed to be flexible to meet the

changing needs of tenants and differing space layouts. A floor-based air-delivery system saves energy by relying on rising air as an alternative to traditional forced-air requiring a larger HVAC system. The elevated floor in place throughout the building also enables easy access to a "plug-and-play" electrical system.

Other material choices influenced by LEED requirements include the use of carpet with high quantity of recycled content, and the use of carpet tile rather than broadloom provides long-term flexibility. Achieving a "healthy" building for federal employees and visitors is another key objective; minimal use of paints and adhesives containing volatile organic compounds enhances the indoor environment.

Even the building name has an environmental dimension. "Greenstone" refers to the "Yellowknife Greenstone Belt", a

geological feature recognizable by its pale green rocks and upon which the City of Yellowknife is built. The Belt is the source of the region's gold and other valuable minerals, and its exposed rock is a prominent feature of the area's landscape. In fact, the building is built over the West Bay Fault, with the fault line marked on the lobby floor.

Legacy: Officially opened in October 2005, the Greenstone Building was welcomed by "Yellowknifers" as a new addition to the downtown, and as a new home for the Government of Canada.

Through the implementation of the latest environmentally-friendly design features and high standards on reducing energy costs, the new Greenstone building also demonstrates PWGSC's leadership role in sustainable development, and is an environmental legacy to the community it serves. ■

A REALITY CHECK: PERFORMANCE RESULTS 2005

By Ray Wynter, GSA Office of Real Property Management, ray.wynter@gsa.gov

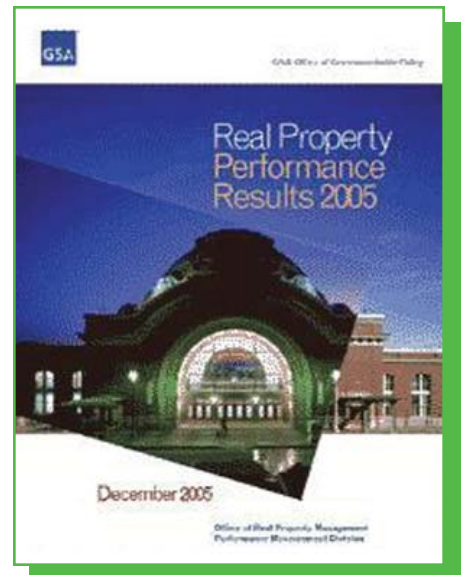
Introduction

How is your workspace "measuring up?" What is the CycleTime for Real Property Disposals? How does telework fit in? How is your real property really performing?

Find these answers and more in the latest issue of the **Real Property Performance Results**, the eighth annual analysis of real property performance in the Federal office space sector.

Being able to measure your performance is key to improvement.

In the Real Property Performance Results 2005 report, you will find the annual update on key measures of Federal real property performance. Published by GSA's Office of Real Property Management, this edition includes even more useful measures than before for all government agencies. It features an update on the number of Federal teleworkers, the most current private sector benchmarks, and an update on sustainability. New for this year is the



inclusion of the cycle time for real property disposal and the sale price as a percentage of the fair market value of disposal assets. Special features included this year are updates on Executive Order 13327.

What is Real Property Performance?

From an initial 5 measures of Governmentwide real property activity, and 2 broad statistical measures in 1998, we assessed twelve indicators of performance in 2005:

1. Cost per Square Foot (Owned)
2. Cost per Square Foot (Leased) >>>

*"In every program, and in every agency, we are measuring success not by good intentions or by dollars spent, but rather by results achieved."
(2/6/06 President George W. Bush, "The Budget Message of the President")*

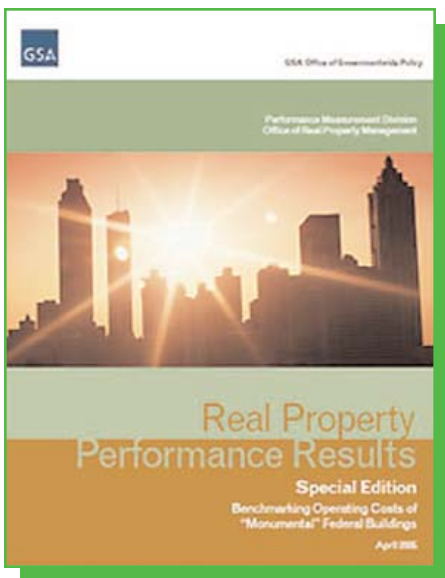
>>>

3. Vacancy Rate
4. Cost per Person
5. Customer Satisfaction
6. Employees Housed
7. Total Square Feet
8. Federal Teleworkers
9. Sustainability
10. Federal Property and Admin. Services Act of 1949 Disposal Cycle Time
11. Reimbursable Disposal Cycle Time
12. Sales Price as a Percentage of EFMV (Estimated Fair Market Value)

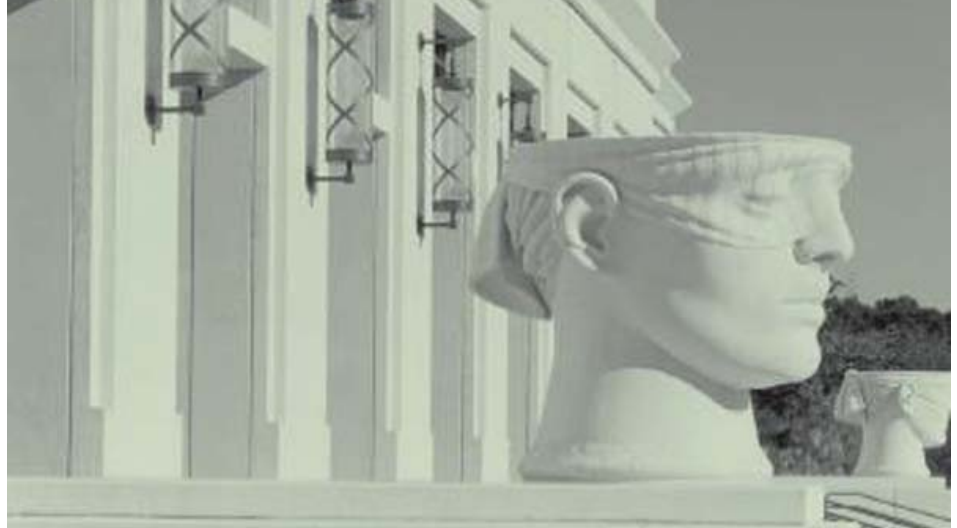
What is the Cost per Person Model?

Is there a new approach to measuring the 21st Century workplace?

We originally developed a Cost per Person (CPP) Model in 1999. In 2004, our Office updated and enhanced this Excel-based model which has helped



Real
Property
Policysite



Federal agency customers estimate their total cost per person, including other administrative cost components in addition to real estate, as a new approach to measuring the "new" workplace. The cost per person is one of GSA's seven original governmentwide performance indicators and continues to be a useful benchmark for Federal agencies. The model estimates the average cost per person in each of the following areas: real estate (space usage), telecommunications, information technology (IT), and alternative work environment. An additional feature is a "what-if" tool that calculates potential cost savings resulting from an alternative work environment, such as hoteling or desk sharing.

The GSA CPP Model and its accompanying user's guide are available electronically at no charge. Visit our website: <http://www.gsa.gov/realpropertypolicy> for more information or e-mail your request to patrice.walker@gsa.gov.

What's Next for Performance Measures?

Our annual benchmarking exercise

focuses on a category generally referred to as "generic" or "vanilla" office space. Many Federal buildings do not fit neatly into this category. They are mixed-use, special purpose, operating longer than 8 hours per day and 5 days per week, accommodating museum space or high public access, etc. We have ventured outside the box to produce the highly acclaimed *Special Edition: Benchmarking Operating Costs of "Monumental" Federal Buildings*. The Performance Measurement Division will again work "off line" from the Performance Results exercise to benchmark the operating costs of laboratory space and space use in the Federal government and the private sector. These studies will include cost-savings and flexibility decisions regarding lab support space and space planning.

For more information.... you can check all the results, which are compiled in the *Real Property Performance Results 2005*. Previous reports are available electronically for download from our web site <http://www.gsa.gov/realpropertypolicy>. For information on the performance measurement program, contact Shirley Morris at shirley.morris@gsa.gov. ■

The government owns and leases about 3.7 billion square feet of building space.

***TRANSFORMING THE GOVERNMENT
INTO A SUSTAINABLE ENTERPRISE
Creating A High-Performance GSA***

**By Jonathan Herz, Office of Real Property Management,
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Almost seven years ago, David Bibb, then-Deputy Associate Administrator of the Office of Real Property Management, started the Office of Governmentwide Policy's (OGP) sustainability program by asking a simple question: What is Sustainable Development? The result was our first publication, "The GSA Real Property Sustainable Development Guide."

Over the years, we have continued to explore aspects of sustainable development, particularly as they relate to the workplace. Our latest study, the GSA sustainable enterprise model, is intended to be a roadmap for integrating sustainable development into all of our operations, to create a high-performance GSA. >>>



Photo Credit: NASA

GSA Sustainable Enterprise Model Initiative

The Sustainable Enterprise Model project was the result of the desire to create an annual sustainability report for our stakeholders, and to answer questions about the lifecycle-cost basis for green buildings. Both tasks are essential to the effective application of sustainable principles. And both, to some degree, have been a part of how GSA does business. However, both, if they are to be meaningful tools, must be considered in a broader framework that considers all aspects of sustainability

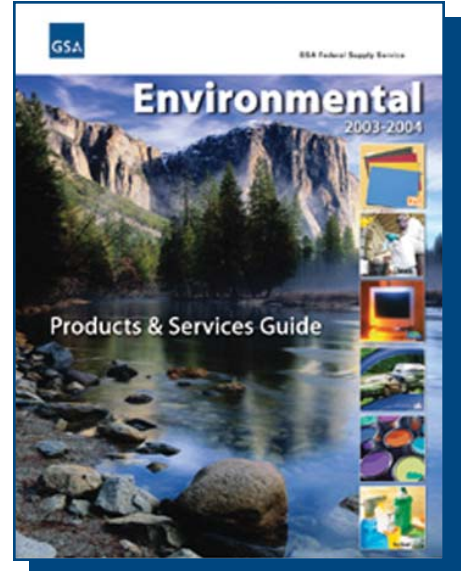
In the first case, reporting of GSA's accomplishments needs to be put into a broader context if it is going to be meaningful. When considered in relation to GSA's environmental impact, or "footprint," such a report can provide the basis for developing agency-wide performance goals and measures. In the second case,

enhancing the cost-effectiveness of GSA products and services can only be accomplished with an understanding of current lifecycle thinking – one that tries to avoid long-term environmental costs by redefining cost-benefit analysis.

This Initiative will support OGP's efforts, as discussed in the "**GSA Real Property Sustainable Development Guide**," to transform the Government into a sustainable enterprise, and enable GSA to:

- Translate GSA's Strategic Plan into specific Service Plans;
- Implement the Service Plans;
- Report on the progress of plan implementation;
- Track GSA and customer agencies' purchases and report on sustainable enterprise progress.

Our project team, led by LMI Government Consulting, includes Natural Logic, Inc., Sustainability Partners, and Sylvatica. Among the topics we're researching are:



1. Legal requirements that support sustainability, including those concerning economic, environmental, and social responsibility;
2. Best practices in life cycle models, sustainable development decision tools, and sustainable development reporting models.

Building on this research, the report will develop an implementation plan to move GSA's focus from reactive, compliance-oriented to a continuous improvement approach. Our goal is to develop new GSA policies on sustainability life cycle costing and a comprehensive, enterprise-wide decision-making model. This should help us to:

1. Understand where we are, by benchmarking GSA service lines' sustainable 'footprints.' What are we doing – what can we do? What are our liabilities?
2. Translate GSA's strategic plan into specific service plans, identifying agency-wide

"...a roadmap for integrating sustainable development into all of our operations, to create a high-performance GSA."

“This Initiative will support (our) efforts ... to transform the Government into a sustainable enterprise...”

performance goals and measures for long-term improvement.

3. Integrate program performance with budgeting.
4. Enhances the cost-effectiveness of GSA products and services by anticipating or avoiding the need for regulatory change; with operational decisions informed by science-based, lifecycle analysis.
5. Provide a framework for an integrated annual report and an environmental website.
6. Track GSA and customer agencies' purchases and reports on their sustainable progress.
7. Identify policies with immediate application and areas of future study.

GSA and other agencies are already doing much of this, or starting to - but it needs to be integrated. We're not doing “sustainability” – we're primarily doing compliance and minimization.

Conclusion

GSA acts as a catalyst for nearly \$66 billion in federal spending—more than one-fourth of the government's total procurement dollars. The agency also influences the management of federal assets valued at nearly \$500 billion. These assets include more than 8,300 government-owned or leased

buildings, an interagency fleet of 170,000 vehicles, and technology programs and products ranging from individual laptop computers to systems that cost tens of billions of dollars.

For decades, the GSA has led the Nation in energy efficient, resource-conserving building design, construction, and operations. Our facilities led the way in accessibility for all; our purchasing power has contributed to national adoption of better business practices and products – such as seatbelts standard in every automobile. We have also made great progress in water conservation, use of recycled products and renewable energy sources.

But, how do we ensure that GSA is meeting its goals and providing the best value to its customers, in compliance with Federal Laws, Executive Orders and regulations? OGP has taken the lead in promoting the idea that sustainable development provides the best decision-making model through its comprehensive consideration of economic, environmental, and social issues associated with every business decision we make. As we write in the OGP publication, “Sustainable Development and Society,” “Getting the best value for the American people means doing more than just the lowest first cost.

It means understanding, acknowledging, and even celebrating the choices that the Government makes across the broad spectrum of its programs and responsibilities.”

This initiative will establish a GSA sustainability life cycle cost policy through a comprehensive, enterprise-wide decision-making model and create a framework for consolidated annual reports to Congress, and others, on GSA's progress towards becoming a sustainable enterprise. In this way, GSA can better carry out our mission, to help federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies. ■



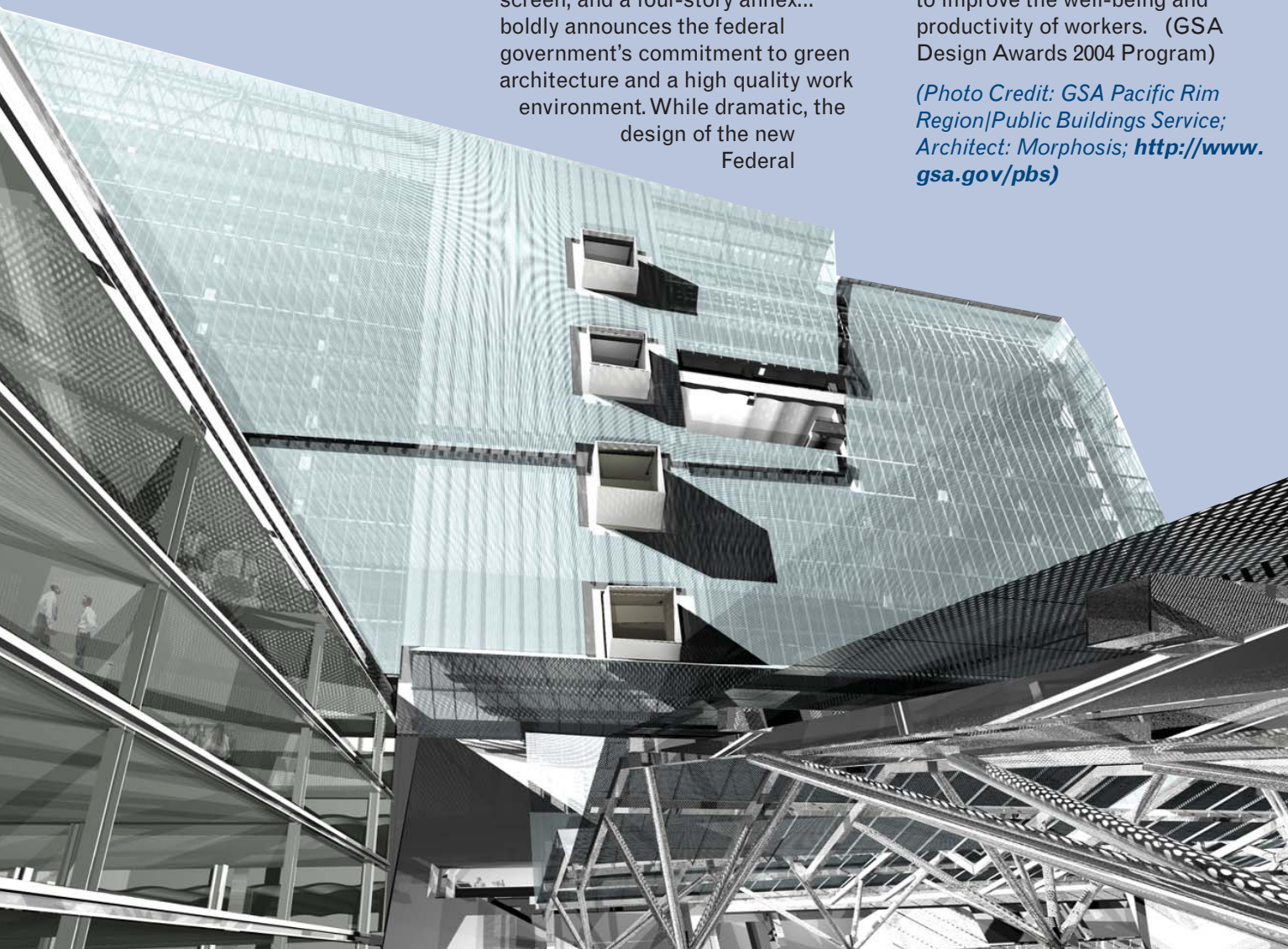
San Francisco “Green” Federal Building

Award winning “green” design... integral to GSA PBS’s commitment to creating a sustainable legacy...

A long, slender, translucent tower, 60 feet wide, 234 feet high, sheathed with glass and an undulating perforated metal screen, and a four-story annex... boldly announces the federal government’s commitment to green architecture and a high quality work environment. While dramatic, the design of the new Federal

Building in San Francisco is not form for form’s sake. It is user-centric, blending energy efficiency and sustainability with strategies to improve the well-being and productivity of workers. (GSA Design Awards 2004 Program)

(Photo Credit: GSA Pacific Rim Region|Public Buildings Service; Architect: Morphosis; <http://www.gsa.gov/pbs>)



ALTERNATIVE WORKPLACE ARRANGEMENTS - CHANGING WITH THE TIMES: Federal Agency Issues Groundbreaking Telework Guidelines

By Ken Holstrom and Richard Ornburn, GSA Office of Real Property Management

To begin with - what is the first thing you think of as an Alternative Work

Arrangement (AWA)? It's usually teleworking from home or from a community telecenter. But other more unique shared space arrangements in an office environment such as the virtual office or hot desking are becoming more commonplace. These relatively new concepts, in combination with teleworking and other AWA considerations, are expected to play a progressively greater role in the future space needs and the asset management decisions made by Federal agencies.

AWA is needed for many reasons.....commuting issues, environmental impact considerations, quality of life, employee retention, technological advances, the changing nature and place of work.

“What’s Not to Like?”

Treasury Inspector General for Tax Administration (TIGTA)

Improved morale, higher productivity and dramatic savings in real estate costs... TIGTA is executing a telework/hoteling strategy that shows how government agencies can save millions.

To facilitate agencies' increased implementation of telework and other alternative workplace arrangements.....GSA published FMR Bulletin 2006-B3, Guidelines for Alternative Workplace >>>



UNITED STATES
DEPARTMENT OF
THE TREASURY



*“The world is changing... We need to make sure government changes with the times....”
(President George W. Bush, July 30, 2004)*

>>> Arrangements, in the Federal Register on March 17, 2006.

Impetus for the increased use of AWA arises from two recent legislative actions. Section 359 of Public Law 106-346 requires agencies to establish policy under which eligible employees may participate in telecommuting if it will not diminish their performance. OMB has also indicated that the law requires agencies to look at possible barriers to the use of AWA and remove them to increase participation. Additionally, 40 U.S.C. § 587(c)(2), (Pub. L. 107-217), requires Federal agencies considering whether to acquire space, quarters, buildings, or other facilities for use by their employees to consider whether AWA can be

used in meeting their space needs.

Ultimately, these guidelines will help agencies in meeting the Administration's goal to promote more flexibility in the workplace for today's (and tomorrow's) changing workforce and to make better asset management decisions.

To access the entire bulletin, click into FMR Bulletins under the website <http://www.gsa.gov/fmr>.

For additional information or questions, please contact Stanley C. Langfeld, Director, Regulations Management Division in GSA's Office of Real Property Management, on 202-501-1737, or email stanley.langfeld@gsa.gov. ■



An aerial photograph of a city, likely Washington D.C., showing a river (the Potomac River) on the left side. The city is overlaid with a grid of purple and green lines, representing spatial data. A large, dark silhouette of a tree is overlaid on the left side of the image, with its trunk extending down the river and its branches spreading across the city. The text is positioned on the right side of the image.

***“Spatial
data is a
National
Capital
Asset.”***

***(Office of
Management
and Budget
Circular No. A-16
Revised)***

U.S. General Services Administration
GSA Office of Governmentwide Policy
Regulations Management Division (MPR)
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Washington, DC 20405

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