

Realcomm *EDGE*

@ the Intersection of Commercial/Corporate Real Estate and Technology

May 2010

Bob Peck: Making GSA a Smart Green Proving Ground

IN THIS ISSUE:

Enterprise Convergence: The Strategic Future of Real Estate

Connecting Smart Buildings to the Smart Grid

Smart Cities, Intelligent Communities and u-Cities

ROI: The New Driver for Innovation

DC: The New AC

BONUS! Technology Buyers Guide



www.realcomm.com

**CONFERENCE
EDITION**



Bob Peck: Making GSA a Smart Green Proving Ground

By Tom Shircliff and Rob Murchison

SAN FRANCISCO FEDERAL BUILDING, SAN FRANCISCO, CALIFORNIA

SANDRA DAY O'CONNOR



As the primary landlord and real estate broker for the federal government, the General Services Administration's Public Buildings Service (PBS) acquires space and manages federal properties across the country. They own or lease 9,600 properties in 2,100 communities in all 50 states and the US territories. Heading this agency is Bob Peck, appointed the Commissioner of Public Buildings for GSA by the Obama Administration in 2009.

Peck was no newcomer to GSA, having previously served in this role during the Clinton administration. As Commissioner, he is responsible for the nationwide asset management, design, construction, leasing, building management and disposal for 361 million square feet of government-owned and leased space, accommodating 1 million federal workers. He oversees an annual budget of more than \$8.6 billion and a workforce of 6,700.



Tom Shirdiff
Intelligent
Buildings, Inc.



Rob Murchison
Intelligent
Buildings, Inc.

GSA/PBS has a variety of space types including federal buildings, courthouses, and land ports of entry. However, the majority of its properties are traditional office buildings. Like commercial landlords, PBS charges market rent, does pro forma projections, wrestles with operational expenses and has to realize net income to cover necessary capital repairs. It hires and manages operations and maintenance contractors, negotiates tenant improvement allowances, plans equipment refresh and everything else a traditional owner would do. PBS is largely self-funding and, because of its size, is a major force in the real estate industry.

Indeed, it is big enough to make markets ... and that is exactly what Bob Peck has set out to do. "GSA will be a 'green proving ground.' We hope to find sustainable product and service innovations from vendors that we can evaluate and purchase in quantity so as to make the market for the rest of the American building industry," commented Peck.

What is driving Peck in this direction? He has a keen understanding of how the public and private sectors work, and he understands both the realities of the commercial market and the opportunity government has to be an example and proving ground. It seems to be a perfect fit since PBS is large enough to show statistically meaningful results, functions nearly identically to the commercial sector and has a lower risk profile that allows for very progressive solutions. This also serves taxpayers well—to foster and promote more sustainable, cost-efficient real estate as well as clean tech and green jobs. It creates a positive ripple effect through the industry and the overall economy.

Not surprisingly, being a green proving ground



San Francisco Federal Center is one of the greenest buildings in America and was designed to consume 50% less power than a standard office tower.

is also in line with the Obama Administration's goals that have been expressed in Executive Orders (such as EO 13514—Federal Leadership in Environmental, Energy and Economic Performance), as well as existing legislation (such as the Energy Independence and Security Act of 2007 (EISA) and the Energy

Policy Act of 2005). Meeting these goals will require much more than traditional efficiency measures. It will require a game-changing, high-performance strategy that deals with the buildings, modern technologies, the people who plan, build, and manage the portfolio, and most importantly, the people who occupy the buildings. It can't be implemented in a bubble; to be true to the PBS mission statement, the agency must "... provide superior workplaces for federal customer agencies at good economies for the American taxpayer." In short, it has to meet environmental goals and maintain high levels of tenant experience and value while making money at the same time. This is not very different from the commercial sector which, similarly, also has developed social and environmental goals as part of company values and has done so in response to tenant demands. Thus, a carefully measured and managed strategy is the key.

GSA's action plan is practical and includes immediate as well as lasting results.

First, it will practice the 80/20 rule. The agency has determined that nearly 80% of its energy, emissions and expenses come from approximately 20% of the buildings in its portfolio, so that will be the focus of the bulk of the effort. Second, it is setting performance standards for filtering new expenditures (including a portion of the American Recovery and Reinvestment Act stimulus money), so that they are enabled for future flexibility and scalability. Third, it will measure the performance of green proving ground efforts and actively manage towards goals including the Executive Orders. Finally, it will invest in the transformation of people with industry-leading information dashboards, training and collaboration.

This will be developed through an operations model that is people and region-centric. Peck emphasizes "People are the lynchpin of the strategy and the only way to achieve game-changing environmental, financial and operational excellence goals. No technology can replace effective management, make necessary building improvements and meaningfully collaborate with tenants." The PBS headquarters supports and enables its regional network. New databases, analyses, dashboards and other technology will be designed and focused on empowering its eleven regions to optimize performance and serve tenants because that is where the rubber meets the road. The results will be continuously monitored and posted for managers in both the central office and the regions.

A team of PBS executives is developing the technology and measurements now and they will be used by the PBS Chief Greening Officer (CGO). The CGO position has just been created with Scott Conner from GSA's Rocky Mountain Region 'acting' in the position. While sustainability and the reduction of energy and emissions are paramount to PBS and the Administration, PBS still has a laser focus on service, value and performance. Peck intends to

The most valuable fraction of a cent you'll ever spend.

REALOGIC BUDGET

- Web-Based Budgeting
- Unlimited Users
- Accounting Integration

FIND US @

Realcomm

June 9th-10th Las Vegas 2010

reallogic.net

http://reallogic.net/rce
(312) 782-7325

prove that those attributes and green are not mutually exclusive.

PBS CGO Conner will be working closely with all the various PBS disciplines, as well as private sector practitioners. From the operational side, he'll be working with the Facilities Management and Services Program (FMSP) under the leadership of Assistant Commissioner Larry Melton. FMSP is where the smart building program is located. "Sustainability and overall performance are about the lifecycle and operational excellence and not just a one-time specification, which is why it was placed in FMSP," says Melton. Melton has tapped Frank Santella as the Project Executive for Smart Buildings because "Frank has a facility and field background and not specifically a technology background, which keeps us sensitized to the 'so what' of certain technologies and tactical plans."

In IT, the PBS's CIO, Diane Herdt and the GSA's CIO Casey Coleman have embraced the technology requirements of today's building systems and are contributing to the technology standards of controls, such as data security and even open protocols that encourage competition and innovation. They are also making plans to provide IT backbones for building controls systems such as HVAC, lighting and electrical metering in both GSA-occupied and multi-tenant buildings. They are working with leading IT vendors to develop the new services for this approach. Herdt has already experienced this convergence of disciplines while working with PBS Energy Director Mark Ewing, who has aggressively been rolling out smart electrical meters that require IT connectivity, security and management.

PBS's CGO will also work closely with GSA's Office of High-Performance Green Buildings. This office sets policies and standards for building construction, operations and maintenance across government. It was mandated by the EISA legislation to ensure all federal



President Obama signs Executive Order 13514 – Federal Leadership in Environmental, Energy and Economic Performance.

buildings meet sustainable design and energy-reduction targets mandated in the Act. Kevin Kampschroer, a veteran GSA official and a recognized leader in the sustainability movement, heads the office.

High-performance green building strategies invariably cross business lines, budgets, geographies, vendor roles and other traditional lines. Owners and managers must be prepared to make changes to the way they work internally, the way they make decisions and what they look for in vendors. The traditional processes in design, construction and management of buildings will not hold up in the current environment of technology changes, rising operational expenses and sustainability goals. With owner strategies driving the process in the industry, architects, engineers, contractors and new types of IT vendors will likewise need to be more collaborative and flexible to work with their customers and help drive the strategy and desired results.

Already a force in the market because of their size, PBS is also a leader in high-performance, leading edge sustainability solutions,



The Denver Federal Center will install roof-mounted solar panels that will save over \$300,000 in electricity per year.

innovative use of technology and transformation of its work force. It has invited the industry to keep a watchful eye as it proves out a bold, new model. •

Tom Shircliff and Rob Murchison are co-founders of Intelligent Buildings, Inc. (www.intelligentbuildings.com) which provides strategic technology consulting for real estate stakeholders. They serve as real estate technology strategy consultants for the GSA/PBS.

eSight®

The most advanced and intuitive energy suite available

Are you looking for a complete solution to manage and reduce energy using targeted techniques?

Do you need a way to interface with different types of equipment on site; BAS, loggers, supplier data, spreadsheets, etc?

Are you searching for the flexibility for energy management across a large portfolio of sites?

If so, you need eSight!

eSight Energy, Inc.
 1931 N. Meacham Road, Suite 345
 Schaumburg, IL 60173
 Phone 847 701 2340 Fax 847 701 2341 Email sales@eSightenergy.com

www.eSightenergy.com

Available online and to install