

114TH CONGRESS
2D SESSION

H. R. 6451

To improve the Government-wide management of Federal property.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 7, 2016

Mr. DENHAM (for himself and Mr. CHAFFETZ) introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To improve the Government-wide management of Federal property.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Property Man-
5 agement Reform Act of 2016”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to increase the efficiency
8 and effectiveness of the Federal Government in managing
9 property of the Federal Government by—

1 (1) requiring the United States Postal Service
2 to take appropriate measures to better manage and
3 account for property;

4 (2) providing for increased collocation with
5 Postal Service facilities and guidance on Postal
6 Service leasing practices; and

7 (3) establishing a Federal Real Property Coun-
8 cil to develop guidance on and ensure the implemen-
9 tation of strategies for better managing Federal
10 property.

11 **SEC. 3. PROPERTY MANAGEMENT.**

12 (a) IN GENERAL.—Chapter 5 of subtitle I of title 40,
13 United States Code, is amended by adding at the end the
14 following:

15 **“Subchapter VII—Property Management**

16 **“§ 621. Definitions**

17 “In this subchapter:

18 “(1) ADMINISTRATOR.—The term ‘Adminis-
19 trator’ means the Administrator of General Services.

20 “(2) COUNCIL.—The term ‘Council’ means the
21 Federal Real Property Council established by section
22 623(a).

23 “(3) DIRECTOR.—The term ‘Director’ means
24 the Director of the Office of Management and Budg-
25 et.

1 “(4) FEDERAL AGENCY.—The term ‘Federal
2 agency’ means—

3 “(A) an executive department or inde-
4 pendent establishment in the executive branch
5 of the Government; or

6 “(B) a wholly owned Government corpora-
7 tion (other than the United States Postal Serv-
8 ice).

9 “(5) FIELD OFFICE.—The term ‘field office’
10 means any office of a Federal agency that is not the
11 headquarters office location for the Federal agency.

12 “(6) POSTAL PROPERTY.—The term ‘postal
13 property’ means any property owned or leased by the
14 United States Postal Service.

15 “(7) PUBLIC-PRIVATE PARTNERSHIP.—The
16 term ‘public-private partnership’ means any partner-
17 ship or working relationship between a Federal
18 agency and a corporation, individual, or nonprofit
19 organization for the purpose of financing, con-
20 structing, operating, managing, or maintaining one
21 or more Federal real property assets.

22 “(8) UNDERUTILIZED PROPERTY.—The term
23 ‘underutilized property’ means a portion or the en-
24 tirety of any real property, including any improve-
25 ments, that is used—

1 “(A) irregularly or intermittently by the
2 accountable Federal agency for program pur-
3 poses of the Federal agency; or

4 “(B) for program purposes that can be
5 satisfied only with a portion of the property.

6 **“§ 622. Collocation among United States Postal Serv-**
7 **ice properties**

8 “(a) IDENTIFICATION OF POSTAL PROPERTY.—Each
9 year, the Postmaster General shall—

10 “(1) identify a list of postal properties with
11 space available for use by Federal agencies; and

12 “(2) not later than September 30, submit the
13 list to—

14 “(A) the Committee on Homeland Security
15 and Governmental Affairs of the Senate; and

16 “(B) the Committee on Oversight and Gov-
17 ernment Reform of the House of Representa-
18 tives.

19 “(b) VOLUNTARY IDENTIFICATION OF POSTAL PROP-
20 ERTY.—Each year, the Postmaster General may submit
21 the list under subsection (a) to the Council.

22 “(c) SUBMISSION OF LIST OF POSTAL PROPERTIES
23 TO FEDERAL AGENCIES.—

24 “(1) IN GENERAL.—Not later than 30 days
25 after the completion of a list under subsection (a),

1 the Council shall provide the list to each Federal
2 agency.

3 “(2) REVIEW BY FEDERAL AGENCIES.—Not
4 later than 90 days after the receipt of the list sub-
5 mitted under paragraph (1), each Federal agency
6 shall—

7 “(A) review the list;

8 “(B) review properties under the control of
9 the Federal agency; and

10 “(C) recommend collocations if appro-
11 priate.

12 “(d) TERMS OF COLLOCATION.—On approval of the
13 recommendations under subsection (c) by the Postmaster
14 General and the applicable agency head, the Federal agen-
15 cy or appropriate landholding entity may work with the
16 Postmaster General to establish appropriate terms of a
17 lease for each postal property.

18 “(e) RULE OF CONSTRUCTION.—Nothing in this sec-
19 tion exceeds, modifies, or supplants any other Federal law
20 relating to any competitive bidding process governing the
21 leasing of postal property.

22 **“§ 623. Establishment of a Federal Real Property**
23 **Council**

24 “(a) ESTABLISHMENT.—There is established a Fed-
25 eral Real Property Council.

1 “(b) PURPOSE.—The purpose of the Council shall
2 be—

3 “(1) to develop guidance and ensure implemen-
4 tation of an efficient and effective real property
5 management strategy;

6 “(2) to identify opportunities for the Federal
7 Government to better manage property and assets of
8 the Federal Government; and

9 “(3) to reduce the costs of managing property
10 of the Federal Government, including operations,
11 maintenance, and security associated with Federal
12 property.

13 “(c) COMPOSITION.—

14 “(1) IN GENERAL.—The Council shall be com-
15 posed exclusively of—

16 “(A) the senior real property officers of
17 each Federal agency;

18 “(B) the Deputy Director for Management
19 of the Office of Management and Budget;

20 “(C) the Controller of the Office of Man-
21 agement and Budget;

22 “(D) the Administrator; and

23 “(E) any other full-time or permanent
24 part-time Federal officials or employees, as the
25 Chairperson determines to be necessary.

1 “(2) CHAIRPERSON.—The Deputy Director for
2 Management of the Office of Management and
3 Budget shall serve as Chairperson of the Council.

4 “(3) EXECUTIVE DIRECTOR.—

5 “(A) IN GENERAL.—The Chairperson shall
6 designate an Executive Director to assist in
7 carrying out the duties of the Council.

8 “(B) QUALIFICATIONS.—The Executive
9 Director shall—

10 “(i) be appointed from among individ-
11 uals who have substantial experience in the
12 areas of commercial real estate and devel-
13 opment, real property management, and
14 Federal operations and management; and

15 “(ii) hold no outside employment that
16 may conflict with duties inherent to the po-
17 sition.

18 “(d) MEETINGS.—

19 “(1) IN GENERAL.—The Council shall meet
20 subject to the call of the Chairperson.

21 “(2) MINIMUM.—The Council shall meet not
22 fewer than 4 times each year.

23 “(e) DUTIES.—The Council, in consultation with the
24 Director and the Administrator, shall—

1 “(1) not later than 1 year after the date of en-
2 actment of this subchapter, establish a real property
3 management plan template, to be updated annually,
4 which shall include performance measures, specific
5 milestones, measurable savings, strategies, and Gov-
6 ernment-wide goals based on the goals established
7 under section 524(a)(7) to reduce surplus property
8 or to achieve better utilization of underutilized prop-
9 erty, and evaluation criteria to determine the effec-
10 tiveness of real property management that are de-
11 signed—

12 “(A) to enable Congress and heads of Fed-
13 eral agencies to track progress in the achieve-
14 ment of property management objectives on a
15 Government-wide basis;

16 “(B) to improve the management of real
17 property; and

18 “(C) to allow for comparison of the per-
19 formance of Federal agencies against industry
20 and other public sector agencies;

21 “(2) develop utilization rates consistent
22 throughout each category of space, considering the
23 diverse nature of the Federal portfolio and con-
24 sistent with nongovernmental space use rates;

1 “(3) develop a strategy to reduce the reliance of
2 Federal agencies on leased space for long-term needs
3 if ownership would be less costly;

4 “(4) provide guidance on eliminating inefficien-
5 cies in the Federal leasing process;

6 “(5) compile a list of field offices that are suit-
7 able for collocation with other property assets;

8 “(6) research best practices regarding the use
9 of public-private partnerships to manage properties
10 and develop guidelines for the use of those partner-
11 ships in the management of Federal property; and

12 “(7) not later than 1 year after the date of en-
13 actment of this subchapter and annually during the
14 4-year period beginning on the date that is 1 year
15 after the date of enactment of this subchapter and
16 ending on the date that is 5 years after the date of
17 enactment of this subchapter, the Council shall sub-
18 mit to the Director a report that contains—

19 “(A) a list of the remaining excess prop-
20 erty that is real property, surplus property that
21 is real property, and underutilized property of
22 each Federal agency;

23 “(B) the progress of the Council toward
24 developing guidance for Federal agencies to en-
25 sure that the assessment required under section

1 524(a)(11)(B) is carried out in a uniform man-
2 ner;

3 “(C) the progress of Federal agencies to-
4 ward achieving the goals established under sec-
5 tion 524(a)(7);

6 “(D) if necessary, recommendations for
7 legislation or statutory reforms that would fur-
8 ther the goals of the Council, including stream-
9 lining the disposal of excess or underutilized
10 real property; and

11 “(E) a list of entities that are consulted
12 under subsection (f).

13 “(f) CONSULTATION.—In carrying out the duties de-
14 scribed in subsection (e), the Council shall also consult
15 with representatives of—

16 “(1) State, local, and tribal authorities, as ap-
17 propriate, and other affected communities; and

18 “(2) appropriate private sector entities and
19 nongovernmental organizations that have expertise
20 in areas of—

21 “(A) commercial real estate and develop-
22 ment;

23 “(B) government management and oper-
24 ations;

25 “(C) space planning;

1 “(D) community development, including
2 transportation and planning;

3 “(E) historic preservation; and

4 “(F) providing housing to the homeless
5 population.

6 “(g) COUNCIL RESOURCES.—The Director and the
7 Administrator shall provide staffing, and administrative
8 support for the Council, as appropriate.

9 “(h) ACCESS TO REPORT.—The Council shall pro-
10 vide, on an annual basis, the real property management
11 plan template required under subsection (e)(1) and the re-
12 ports required under subsection (e)(7) to—

13 “(1) the Committee on Homeland Security and
14 Governmental Affairs of the Senate;

15 “(2) the Committee on Environment and Public
16 Works of the Senate;

17 “(3) the Committee on Oversight and Govern-
18 ment Reform of the House of Representatives;

19 “(4) the Committee on Transportation and In-
20 frastructure of the House of Representatives; and

21 “(5) the Comptroller General of the United
22 States.

23 “(i) EXCLUSIONS.—In this section, surplus property
24 shall not include—

1 “(1) any military installation (as defined in sec-
2 tion 2910 of the Defense Base Closure and Realign-
3 ment Act of 1990 (10 U.S.C. 2687 note; Public Law
4 101–510));

5 “(2) any property that is excepted from the def-
6 inition of the term ‘property’ under section 102;

7 “(3) Indian and native Eskimo property held in
8 trust by the Federal Government as described in
9 section 3301(a)(5)(C)(iii);

10 “(4) real property operated and maintained by
11 the Tennessee Valley Authority pursuant to the Ten-
12 nessee Valley Authority Act of 1933 (16 U.S.C. 831
13 et seq.);

14 “(5) any real property the Director excludes for
15 reasons of national security;

16 “(6) any public lands (as defined in section 203
17 of the Public Lands Corps Act of 1993 (16 U.S.C.
18 1722)) administered by—

19 “(A) the Secretary of the Interior, acting
20 through—

21 “(i) the Director of the Bureau of
22 Land Management;

23 “(ii) the Director of the National
24 Park Service;

1 “(iii) the Commissioner of Reclama-
2 tion; or

3 “(iv) the Director of the United
4 States Fish and Wildlife Service; or

5 “(B) the Secretary of Agriculture, acting
6 through the Chief of the Forest Service; or

7 “(7) any property operated and maintained by
8 the United States Postal Service.

9 **“§ 624. Information on certain leasing authorities**

10 “(a) IN GENERAL.—Except as provided in subsection
11 (b), not later than December 31 of each year following
12 the date of enactment of this subchapter, a Federal agency
13 with independent leasing authority shall submit to the
14 Council a list of all leases, including operating leases, in
15 effect on the date of enactment of this subchapter that
16 includes—

17 “(1) the date on which each lease was executed;

18 “(2) the date on which each lease will expire;

19 “(3) a description of the size of the space;

20 “(4) the location of the property;

21 “(5) the tenant agency;

22 “(6) the total annual rental payment; and

23 “(7) the amount of the net present value of the
24 total estimated legal obligations of the Federal Gov-
25 ernment over the life of the contract.

1 “(b) EXCEPTION.—Subsection (a) shall not apply
2 to—

3 “(1) the United States Postal Service; or

4 “(2) any other property the Director excludes
5 from subsection (a) for reasons of national secu-
6 rity.”.

7 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

8 (1) TABLE OF SECTIONS.—The table of sections
9 for chapter 5 of subtitle I of title 40, United States
10 Code, is amended by inserting after the item relating
11 to section 611 the following:

“SUBCHAPTER VII—PROPERTY MANAGEMENT

“Sec. 621. Definitions.

“Sec. 622. Collocation among United States Postal Service properties.

“Sec. 623. Establishment of a Federal Real Property Council.

“Sec. 624. Information on certain leasing authorities.”.

12 (2) TECHNICAL AMENDMENT.—Section 102 of
13 title 40, United States Code, is amended in the mat-
14 ter preceding paragraph (1) by striking “The” and
15 inserting “Except as provided in subchapter VII of
16 chapter 5 of this title, the”.

17 **SEC. 4. UNITED STATES POSTAL SERVICE PROPERTY MAN-**
18 **AGEMENT.**

19 (a) IN GENERAL.—Part III of title 39, United States
20 Code, is amended by adding at the end the following:

21 **“CHAPTER 29—PROPERTY MANAGEMENT**

“Sec.

“2901. Definitions.

“2902. Property management.

1 **“§ 2901. Definitions**

2 “In this chapter:

3 “(1) EXCESS PROPERTY.—The term ‘excess
4 property’ means any postal property that the Postal
5 Service determines is not required to meet the needs
6 or responsibilities of the Postal Service.

7 “(2) POSTAL PROPERTY.—The term ‘postal
8 property’ means any property owned or leased by the
9 Postal Service.

10 “(3) UNDERUTILIZED PROPERTY.—The term
11 ‘underutilized property’ means a portion or the en-
12 tirety of any real property that is postal property,
13 including any improvements, that is used—

14 “(A) irregularly or intermittently by the
15 Postal Service for program purposes of the
16 Postal Service; or

17 “(B) for program purposes that can be
18 satisfied only with a portion of the property.

19 **“§ 2902. Property management**

20 “(a) IN GENERAL.—The Postal Service—

21 “(1) shall maintain adequate inventory controls
22 and accountability systems for postal property;

23 “(2) shall develop current and future workforce
24 projections so as to have the capacity to assess the
25 needs of the Postal Service workforce regarding the
26 use of property;

1 “(3) may develop a 5-year management tem-
2 plate that—

3 “(A) establishes goals and policies that will
4 lead to the reduction of excess property and un-
5 derutilized property in the inventory of the
6 Postal Service;

7 “(B) adopts workplace practices, configu-
8 rations, and management techniques that can
9 achieve increased levels of productivity and de-
10 crease the need for real property assets;

11 “(C) assesses leased space to identify space
12 that is not fully used or occupied;

13 “(D) develops recommendations on how to
14 address excess capacity at Postal Service facili-
15 ties without negatively impacting mail delivery;
16 and

17 “(E) develops recommendations on ensur-
18 ing the security of mail processing operations;
19 and

20 “(4) if the Postal Service develops a template
21 under paragraph (3) shall, as part of that template
22 and on a regular basis—

23 “(A) conduct an inventory of postal prop-
24 erty that is real property; and

1 “(B) publish a report that covers each
2 property identified under subparagraph (A),
3 similar to the USPS Owned Facilities Report
4 and the USPS Leased Facilities Report, that
5 includes—

6 “(i) the date on which the Postal
7 Service first occupied the property;

8 “(ii) the size of the property in square
9 footage and acreage;

10 “(iii) the geographical location of the
11 property, including an address and descrip-
12 tion;

13 “(iv) the extent to which the property
14 is being utilized;

15 “(v) the actual annual operating costs
16 associated with the property;

17 “(vi) the total cost of capital expendi-
18 tures associated with the property;

19 “(vii) the number of postal employees,
20 contractor employees, and functions housed
21 at the property;

22 “(viii) the extent to which the mission
23 of the Postal Service is dependent on the
24 property; and

1 “(ix) the estimated amount of capital
2 expenditures projected to maintain and op-
3 erate the property over each of the next 5
4 years after the date of enactment of this
5 chapter.

6 “(b) RULE OF CONSTRUCTION.—Nothing in sub-
7 section (a)(4)(B) shall be construed to require the Postal
8 Service to obtain an appraisal of postal property.”.

9 (b) TECHNICAL AND CONFORMING AMENDMENT.—
10 The table of chapters for part III of title 39, United States
11 Code, is amended by adding at the end the following:

“29. Property Management 2901”.

12 **SEC. 5. INSPECTOR GENERAL REPORT ON UNITED STATES**
13 **POSTAL SERVICE PROPERTY.**

14 (a) DEFINITION OF EXCESS PROPERTY.—In this sec-
15 tion, the term “excess property” has the meaning given
16 the term in section 2901 of title 39, United States Code,
17 as added by section 4.

18 (b) EXCESS PROPERTY REPORT.—Not later than 2
19 years after the date of enactment of this Act, the Inspector
20 General of the United States Postal Service shall submit
21 to Congress a report that includes—

22 (1) a survey of excess property held by the
23 United States Postal Service; and

24 (2) recommendations for repurposing property
25 identified in paragraph (1)—

1 (A) to—

2 (i) reduce excess capacity; and

3 (ii) increase collocation with other
4 Federal agencies; and

5 (B) without diminishing the ability of the
6 United States Postal Service to meet the service
7 standards established under section 3691 of
8 title 39, United States Code, as in effect on
9 January 1, 2016.

10 **SEC. 6. DUTIES OF FEDERAL AGENCIES.**

11 (a) IN GENERAL.—Section 524(a) of title 40, United
12 States Code, is amended—

13 (1) in paragraph (4), by striking “and” at the
14 end;

15 (2) in paragraph (5), by striking the period at
16 the end and inserting a semicolon; and

17 (3) by adding at the end the following:

18 “(6) develop current and future workforce pro-
19 jections so as to have the capacity to assess the
20 needs of the Federal workforce regarding the use of
21 real property;

22 “(7) establish goals and policies that will lead
23 the executive agency to reduce excess property and
24 underutilized property in the inventory of the execu-
25 tive agency;

1 “(8) submit to the Federal Real Property Council
2 an annual report on all excess property that is
3 real property and underutilized property in the inventory
4 of the executive agency, including—

5 “(A) whether underutilized property can be
6 better utilized, including through collocation
7 with other executive agencies or consolidation
8 with other facilities; and

9 “(B) the extent to which the executive
10 agency believes that retention of the underutilized
11 property serves the needs of the executive
12 agency;

13 “(9) adopt workplace practices, configurations,
14 and management techniques that can achieve increased
15 levels of productivity and decrease the need
16 for real property assets;

17 “(10) assess leased space to identify space that
18 is not fully used or occupied;

19 “(11) on an annual basis and subject to the
20 guidance of the Federal Real Property Council—

21 “(A) conduct an inventory of real property
22 under control of the executive agency; and

23 “(B) make an assessment of each property,
24 which shall include—

1 “(i) the age and condition of the prop-
2 erty;

3 “(ii) the size of the property in square
4 footage and acreage;

5 “(iii) the geographical location of the
6 property, including an address and descrip-
7 tion;

8 “(iv) the extent to which the property
9 is being utilized;

10 “(v) the actual annual operating costs
11 associated with the property;

12 “(vi) the total cost of capital expendi-
13 tures incurred by the Federal Government
14 associated with the property;

15 “(vii) sustainability metrics associated
16 with the property;

17 “(viii) the number of Federal employ-
18 ees and contractor employees and functions
19 housed at the property;

20 “(ix) the extent to which the mission
21 of the executive agency is dependent on the
22 property;

23 “(x) the estimated amount of capital
24 expenditures projected to maintain and op-
25 erate the property during the 5-year period

1 beginning on the date of enactment of this
2 paragraph; and

3 “(xi) any additional information re-
4 quired by the Administrator of General
5 Services to carry out section 623; and

6 “(12) provide to the Federal Real Property
7 Council and the Administrator of General Services
8 the information described in paragraph (11)(B) to
9 be used for the establishment and maintenance of
10 the database described in section 21 of the Federal
11 Assets Sale and Transfer Act of 2016.”.

12 (b) DEFINITION OF EXECUTIVE AGENCY.—Section
13 524 of title 40, United States Code, is amended by adding
14 at the end the following:

15 “(c) DEFINITION OF EXECUTIVE AGENCY.—For the
16 purpose of paragraphs (6) through (12) of subsection (a),
17 the term ‘executive agency’ shall have the meaning given
18 the term ‘Federal agency’ in section 621.”.

19 **SEC. 7. TECHNICAL AMENDMENTS.**

20 (a) DEFINITION OF APPLICABLE ACT.—In this sec-
21 tion, the term “applicable Act” means the Federal Assets
22 Sale and Transfer Act of 2016 (H.R. 4465, 114th Con-
23 gress, 2d Session).

1 (b) BOARD.—Section 4(c) of the applicable Act is
2 amended by striking paragraphs (1) through (3) and in-
3 serting the following:

4 “(1) IN GENERAL.—The Board shall be com-
5 posed of a Chairperson appointed by the President,
6 by and with the advice and consent of the Senate,
7 and 6 members appointed by the President.

8 “(2) APPOINTMENTS.—

9 “(A) IN GENERAL.—In selecting individ-
10 uals for appointments to the Board, the Presi-
11 dent shall appoint members in the following
12 manner:

13 “(i) 2 members recommended by the
14 Speaker of the House of Representatives.

15 “(ii) 2 members recommended by the
16 majority leader of the Senate.

17 “(iii) 1 member recommended by the
18 minority leader of the House of Represent-
19 atives.

20 “(iv) 1 member recommended by the
21 minority leader of the Senate.

22 “(B) DEADLINE.—The appointment of
23 members to the Board shall be made not later
24 than 90 days after the date of enactment of
25 this Act.

1 “(3) TERMS.—The term for each member of
2 the Board shall be 6 years.”.

3 (c) AGENCY RETENTION OF PROCEEDS.—

4 (1) IN GENERAL.—Section 571 of title 40,
5 United States Code (as amended by section 20 of
6 the applicable Act), is amended by adding at the end
7 the following:

8 “(d) SAVINGS PROVISION.—Nothing in this section
9 modifies, alters, or repeals any other provision of Federal
10 law directing the use of retained proceeds relating to the
11 sale of property of an agency.”.

12 (2) EFFECTIVE DATE.—The amendments made
13 by this subsection shall take effect as if enacted as
14 part of the applicable Act.

15 (d) SALE.—Section 24 of the applicable Act is
16 amended—

17 (1) by redesignating subsection (c) as sub-
18 section (d); and

19 (2) by inserting after subsection (b) the fol-
20 lowing:

21 “(c) REQUIREMENT.—Notwithstanding any other
22 provision of law, the sale of the property by the Adminis-
23 trator of General Services shall ensure continuity of secu-
24 rity measures, parking access, and infrastructure require-

1 ments of the James Forrestal Building while it is occupied
2 by the Department of Energy.”.

3 (e) EFFECTIVE DATE.—Except as provided in sub-
4 section (c)(2), this section and the amendments made by
5 this section shall take effect immediately after the enact-
6 ment of the applicable Act.

○