

Office of
Governmentwide
Policy

News and Views on Real Property and Workplace Policy

— **Special Edition - December 1999** —

REAL PROPERTY POLICY SITE

*Amor Patriae
Ducit*

UNITED STATES OF AMERICA

Best Practices



U.S. General
Services
Administration

U.S. Courthouse, Tampa, FL

A Message from David Bibb, Deputy Associate Administrator for Real Property

The Office of Governmentwide Policy (OGP) is pleased to publish the Special Edition of Real Property Polycysite newsletter. This is the third issue of the newsletter that highlights best practices and policies and success stories from the real estate community. Each article summarizes a policy or practice that substantially improved operations by reducing costs and time, increasing efficiency and productivity, improving financial performance, and/or helping to achieve strategic goals.

Many of the policies and practices described in this newsletter were candidates for the 1999 GSA Achievement Award for Real Property Innovation. Others came to our attention during the course of our office's ongoing activities with the Federal and private sector real estate communities.



1999 GSA Achievement Award for Real Property Innovation Jury Members. Pictured left to right: John Kamensky, Deputy Director, National Partnership for Reinventing Government; James S. Toothaker, Director, Bureau of Office Systems and Services, Pennsylvania Department of Environmental Protection; Barbara Hampton, Past President and Chairperson of the Board, International Development Research Council; Paul Choquette, Regional Director General, Ontario Region, Public Works and Government Services Canada. Not pictured: Todd Lewers, Vice President, Apex Incorporated, Building Owners and Managers Association.

In This Issue:

Contracting Initiatives	3
Disposal/Reuse	4
Energy Savings Initiatives	8
Facility Management	11
Innovative Policy Changes	14
Organizational Improvements	15
Outleasing	17
Space Planning	19
Tools and Models	21
Points of Contact	22
Publication Survey	25

I would like to thank those organizations that generously shared their ideas for this newsletter. We hope this newsletter will provide information and resources that will lead to better management of your real estate assets.

The Office of Real Property urges your organization to submit nominations for the 2000 Real Property Innovation Awards Program. We hope to share your best practices in next year's Best Practices edition of Polycysite.

We welcome your comments and suggestions. Please call Mr. Chris Coneeney at 202-208-2956 or e-mail to chris.coneeney@gsa.gov.

David L. Bibb

Nationwide Contracting Program

GSA's Greater Southwest Region established numerous nationwide contracting programs in an effort to accomplish their mission with fewer employees. Through research, the Region discovered that the cost to contract for certain services was significantly greater than the actual cost of the service. With fewer employees to oversee these contracts, a group was formed to develop a plan to manage the workload.

Using such resources as indefinite quantity multiple awards and commercial procedures to facilitate selection based on the best value, and source selection procedures to ensure quality, the group established 12 nationwide contracting programs consisting of the following real estate services:

- Security/Guard Services
- Energy Service Performance Contract
- Security Equipment Repair and Maintenance
- Fire Alarm System Inspection
- Environmental Management and Industrial Hygiene
- Modular Buildings

- Office Relocation and Storage
- Elevator Maintenance and Repair
- Utility Audit
- Energy Management Systems
- IQ for General Construction With Design/Build Capabilities, Paving/Road Repair, Line Item Repair and Alterations, and Roofing
- Occupational Safety and Health Surveys and Fire Safety Surveys

Most of these contracts are currently available, with the others in the negotiation or solicitation phase. The

group was also able to insert clauses into these contracts that make them available nationwide, and in some cases worldwide.

The Region estimates that these contracts will create an estimated cost avoidance of approximately \$65,000,000. This figure does not include the savings that the Federal government could achieve through leveraging its volume to create reduced prices.

For more information, contact Ms. Shirley Rohmer at 817-978-7096 or via e-mail at shirley.rohmer@gsa.gov.

Procurement Access Equity Initiative

GSA's Southeast Sunbelt Region began an aggressive outreach effort to small, small disadvantaged, and woman-owned businesses that expanded the base and improved the quality of its real property contractors. Before January 1998, there was no consistent approach to including these firms as prime contractors or subcontractors.

The outreach effort has increased the

number of qualified contractors bidding on contracts. In fact, the Region has awarded 2 multi-million dollar contracts to a minority and woman-owned firm, respectively. The Region has even increased its goal of contracts to small, small disadvantaged, and woman-owned businesses.

For more information, contact Mr. David Gibson at 404-331-2366 or via e-mail at davida.gibson@gsa.gov.

Best Practices

Law Enforcement Vehicle Storage Facility

GSA's Pacific Rim Region and the U.S. Marshals Service (USMS) have collaborated to convert a warehouse, which was seized from a criminal smuggling organization, into the USMS's first government owned/contractor operated (GOCO) vehicle facility. In addition, the USMS awarded its first performance based contract for the operations at the facility.

The "Tunnel Building" warehouse facility in San Diego, CA was seized in 1993 by the Federal government, as it was the planned destination for a smuggling tunnel under the United States-Mexican border. GSA, with support from the USMS and the Department of Justice, transformed the warehouse into a highly secure indoor vehicle storage facility. GSA also obtained 31 acres of adjoining land and converted it to a secure outdoor storage lot for receiving, storing, and disposing of seized vehicles. This outdoor site also has a 4,000 square foot office building for USMS personnel and associated staff. The facility was



Law Enforcement Vehicle Facility, San Diego, CA

appraised at \$880,000 in 1993, when it was seized. GSA and the USMS have invested \$1.5 million in improvements to the vehicle storage facility. Within a year of the improvements, the facility has doubled its value to \$4.6 million.

USMS issued a performance based contract at the vehicle storage facility to cover the towing, maintenance, and disposal of seized vehicles. Previous contracts for the storage of seized vehicles were awarded to companies with their own storage facilities. This situation limited the government's ability to inspect and monitor the facility. The GOCO arrangement in San Diego provides the necessary security within the facility and allows the USMS to monitor the contractor's performance.

This facility consolidates the vehicle storage needs of law enforcement agencies in the area, and has significantly reduced the cost of long term storage of its vehicles. The facility has been so successful that the USMS is exploring similar facilities in areas with a large concentration of law enforcement agencies.

For additional information, contact Mr. Peter Watson at 619-557-5337 or via e-mail at peter.watson@gsa.gov.



Law Enforcement Vehicle Facility, San Diego, CA

Maine Lights Program

The First District of the U.S. Coast Guard owns several hundred properties in the coastal region of the northeastern United States. A few of these properties date back to the late 1700's. With the development of technological aids to navigate merchant and sailing vessels, the need for lighthouse keepers greatly diminished. Without the day to day upkeep from the lighthouse keepers and other personnel, the lighthouses began to deteriorate. The Coast Guard also became unable to maintain the properties at the standards of the state historic preservation guidelines given the level of funding for repairs and alterations.

In response to this situation, the Coast Guard developed the Maine Lights Program that outleased and divested 28 historic lighthouse properties to organizations that will ensure the maintenance, repair and care of these historically significant properties. For their efforts, the U.S. Coast Guard has been awarded the 1999 GSA Achievement Award for Real Property Innovation in the Best Practice category.

In the past, these properties would be evaluated on an individual basis for utilization. The Maine Lights Program was an effort to analyze the utilization and oversee the disposition of these historic lighthouses, as a whole. The Coast

Guard formed a committee to select those qualified organizations that would accept outleasing and transfer of the 28 historic lighthouse properties. Groups were judged on several categories including non-profit status, public benefit, financial ability, and community status. The deeds mandated that the groups repair, maintain, and uphold the historic value of the properties, within state historic guidelines.

This program ensures the lighthouses will maintain their

historic integrity, while at the same time allowing the Coast Guard to benefit from the cost avoidance from the continual maintenance and repair costs for these properties. The Coast Guard estimates that the divestiture will save annually between \$3 to 5 million in repair and maintenance costs.

For further information on the Maine Lights program, you may contact Mr. Ted Dernago, Jr. at 401-736-1748 or via e-mail at tdernago@ceuprovidence.uscg.mil.



Pictured left to right: Captain Patrick Layne, Chief, Office of Civil Engineering; Melissa J. Allen, Assistant Secretary for Administration, Department of Transportation; Captain Jeffrey Florin, Chief, Office of Civil Engineering, Maintenance and Logistics Command Atlantic; Shelley A. Renzi (Award Recipient); G. Martin Wagner, Associate Administrator, Office of Governmentwide Policy, General Services Administration; Theodore P. (Ted) Dernago, Jr. (Award Recipient); Commander Mark Frost, Commanding Officer, Civil Engineering Unit, Providence; David J. Barram, Administrator of General Services. Not pictured: Michael Butler (Award Recipient).



Curtis Island Lighthouse, Camden, ME

Partnering With Local Officials

GSA's Greater Southwest Region worked with the City of Albuquerque, NM to find a suitable location within the central business district (CBD) for 600 Social Security Administration (SSA) employees. This agreement has benefits for SSA, the City of Albuquerque and GSA.

The SSA is currently located in a leased facility outside of the CBD. SSA approached GSA to locate a replacement facility for the teleservice center in Albuquerque. GSA met with the city on several occasions to locate a site within the CBD large enough to house a 150,000 square foot facility.

Through a series of negotiations, GSA and the city came to an agreement on an undeveloped site that the city had previously condemned. The city agreed to an assignable purchase option on the site at below market rate, to lease 450 parking spaces in a city owned parking structure adjacent to the building site, and to pay for \$100,000 in site improvements.

SSA will now have the first build to suit teleservice center in the nation with enough parking to satisfy its employees. The city attracts 600 employees back downtown that will boost the economy in the area. GSA is able to locate a major facility in the CBD, which complies with Executive Order 12072, and at the same time improves its relations with the city.

For additional information, contact Mr. Walter Marcinowsky at 817-978-3804 or via e-mail at walter.marcinowsky@gsa.gov.

Report of Excess Preparation Service

GSA's Southeast Sunbelt Region streamlined the process for preparing Reports of Excess (ROE) for Federal property.

In response to the U.S. Coast Guard's request for assistance in developing ROE's for 24 lighthouse properties. GSA was able to avoid duplicative actions and to save time by packaging the properties together for the National Environmental Protection Act (NEPA) and historic preservation review.

The Coast Guard did not have the available resources to complete 24 separate ROE's for each lighthouse property being excessed. GSA was able to eliminate unnecessary or repetitive steps in the ROE process. Normally, the agency and GSA would each inspect the property being excessed. Now the second inspection is eliminated and the two agencies

divide the costs for one inspection. Organizations consulted under NEPA and historic preservation laws are now sent a single list of the properties under their purview, instead of multiple letters. This change has shortened response time dramatically. The Regional office has also standardized and computerized several parts of the ROE process that further reduced the preparation time.

The Coast Guard was so impressed that they have asked the Regional office to present their streamlined process to several district Coast Guard offices. GSA is also applying the streamlined ROE process to several other Coast Guard properties.

For more information, contact Ms. Laura Yeager at 404-331-1142 or via e-mail at laura.yeager@gsa.gov.

Check out our home page on the Internet for more information on Best Practices



<http://policyworks.gov/realproperty>

Our home page also includes The Real Property Clearinghouse that can meet your real estate and workplace needs! It contains valuable information on:

- Vacant Space
- Property for Sale
- Property Inventory
- Federal Space Needs
- Best Practices and Performances Measures
- Real Estate Suppliers
- Policies and Procedures
- Organizations
- Training
- Workplace Initiatives
- Integrated Workplace
- Publication
- FIRM
- Federal Agency websites



Contact the Office of Real Property of the U.S. General Services Administration on 202-501-0856 for more information, or to link to the home page.

REAL PROPERTY POLICYSITE

is a quarterly publication of the Office of Real Property (MP), Office of Governmentwide Policy, U.S. General Services Administration, Washington, DC, David L. Bibb, Deputy Associate Administrator. To be placed on our mailing list, please fax your name, complete address, fax number, and e-mail address to (202) 208-7240, attn: Office of Real Property Newsletter Mailing List.

Sale/Leaseback

GSA's Mid-Atlantic Region completed the sale/leaseback of the Federal Building at 500 Quarrier Street in Charleston, WV. This is the first sale/leaseback of a Federal facility in the GSA inventory.

With the construction of the new Robert C. Byrd U.S. Courthouse in Charleston, WV, tenants vacated the Federal Building at 500 Quarrier Street. GSA's original plans involved exceeding this 130,000 square foot building. However, the Social Security Administration (SSA) contacted GSA with a space request of approximately 82,000 square feet of space to consolidate their

functions with the state Disability Determination Agency.

In analyzing housing alternatives, GSA considered continued use of the 500 Quarrier Street facility; however, the building required more than \$11 million in renovations. With very limited resources, GSA explored other options, with the sale/leaseback of the building becoming the most cost-effective alternative. Congress inserted language into the appropriation law for the Byrd Courthouse that approved the sale and leaseback of the 500 Quarrier Federal Building, and allowed GSA to retain funds from the sale of the building.

GSA executed the sale/leaseback in September 1998 with the developer

paying GSA \$3.5 million for the facility and investing \$11 million that will upgrade the building from Class C to Class A space. In exchange, GSA committed to lease the facility for 20 years. In addition to the up-front cost avoidance of repairing the building, GSA has a cost avoidance of approximately \$4.6 million in leased costs for a build-to-suit facility. With this project SSA is able to continue to have a presence within the central business district of Charleston and increase its productivity by consolidating functions and collocating with the State social service agency.

For additional information, contact Mr. Frank McCafferty at 215-656-5888 or via e-mail at frank.mccafferty@gsa.gov.

Federal Building, 500 Quarrier Street, Charleston, WV



Energy Team

GSA's Greater Southwest Region Energy Team was created in 1997 to develop contracting tools and best practices that have created significant energy savings throughout the Region. Facing a deficit in operating funds and several laws and regulations mandating a reduction in energy consumption, a group was formed to reduce the Region's energy consumption.

The team developed energy savings performance contracts (ESPC) that used private sector financing to install energy savings systems in Federal facilities in the Region with the design and construction costs being repaid through the guaranteed energy savings. The Region will realize significant cost savings with these energy management systems in place. The first three ESPCs will save GSA approximately \$9,300,000 during the 20-year life of the equipment. The estimated total savings for projects to be awarded this year are approximately \$20,300,000.

For more information, contact Ms. Shirley Rohmer at 817-978-7096 or via e-mail at shirley.rohmer@gsa.gov.

Utility Services Contracting

GSA's Public Buildings Service (PBS) Energy Center of Expertise greatly expanded the use of area-wide contracts for utility services in response to the radically evolving energy environment. As the need for additional power for computers and other office machines grew, the power companies were denied the opportunity to open more power plants to meet the demand. As a

result, utility companies began demand side management programs to reduce energy usage and offered rebates for lower power usage.

The Energy Policy Act of 1992 set a 20 percent reduction in energy consumption by 2000 and encouraged Federal agencies to partner with local utility companies to meet this standard. GSA began to

continued on next page

Eisenhower Center Energy Savings Performance Contract

GSA's Heartland Region, the Department of Energy (DOE) and the National Archives and Records Administration (NARA) partnered to implement an energy savings performance contract (ESPC) at the Eisenhower Center in Abilene, KS.

The Eisenhower Center, which is considered a national historic site, consists of six buildings on a 22 acre site - the Eisenhower family home, the Dwight D. Eisenhower Presidential Library, the Dwight D. Eisenhower Museum,

the Place of Meditation, a visitors center, and a services building.

GSA, DOE, and NARA worked together to issue the ESPC for the Eisenhower Center. The contract will provide energy efficient systems, maintain the historic integrity of the site, and pay for itself with future guaranteed savings. The contractor has installed \$300,000 of equipment, including a state of the art energy management control system, and energy conserving lighting with special ultra violet lens shielding for archive records protection.

For additional information, contact Mr. Ronald Noll at 202-708-9791 or via e-mail at ronald.noll@gsa.gov.



*Dwight D. Eisenhower
Presidential Library, Abilene, KS*

UTILITY from previous page

modify the area-wide utility contracts so that an agency could obtain such services as energy audits and the financing of energy efficient mechanical systems through energy savings performance contracts (ESPC). The Department of Energy estimates that approximately \$282 million in Federal energy projects are being completed with ESPC.

The ESPCs have currently saved the Federal government \$47 million annually, and this figure is expected to grow to \$60 million annually once all 360 Federal energy projects are completed in 2002.

For additional information, contact Mr. Mark Ewing at 816-823-2691 or via e-mail at mark.ewing@gsa.gov.

Energy Savings Performance Contracts

GSA's Pacific Rim Region financed a portion of the Tucson, AZ Courthouse by awarding energy savings performance contracts (ESPC) for the facility's building systems. This creative financing reduced the amount of initial funds needed to construct the Courthouse.

While ESPC's have been widely used to replace or upgrade mechanical systems in existing buildings, the ESPC in the Tucson, AZ Courthouse is one of the first to be used in a new facility. After the facility is constructed, the ESPC contractor

will operate and maintain these mechanical systems on a long-term basis.

The ESPC allows the cost of the mechanical systems to be removed from the project's initial construction cost. By financing the mechanical systems with an ESPC, Congress funded and approved the Courthouse on schedule due in part to the reduced construction funding request.

For more information, contact Mr. John Tate at 415-522-3378 or via e-mail at john.tate@gsa.gov.



U.S. Courthouse, Tucson, AZ

Strategic Positioning

The GSA PBS Energy Center of Expertise in the Heartland Region developed a program to manage Federal utility budgets during the nationwide restructuring of the electric utility industry. For their efforts PBS was awarded the 1999 GSA Achievement Award for Real Property Innovation in the Best Policy category.

Before electric utility deregulation, the utility company oversaw the transmission, distribution, and sale of electric power within a given area. Under deregulation, the customer is able to purchase electricity from one of several marketers or directly from the

electric system operator. In this scenario, the power marketers will target those customers with stable power requirements, offering them better rates for electricity. These customers with stable power needs over time allow the marketers to more easily predict electric production requirements.

Strategic Positioning shifts GSA's energy retrofit investment away from technologies that strictly reduced energy consumption to those that also improve the building's load factor.

GSA aggregated its power needs with other agencies. This allows GSA to improve its competitiveness

with power marketers by combining GSA's stable power requirements, which is considered to have a lower load factor, with other Federal agencies in the area with facilities that have high load factors due to unique or continuous operation requirements, such as laboratories and hospitals. In the state of Pennsylvania, GSA realized \$5.1 million cost avoidance by awarding an aggregated power contract for a 1-year period. GSA's share of the cost avoidance was approximately \$812,000.

As a part of strategic positioning, GSA investigated alternative methods of providing power that would improve the load factor of its inventory, especially during the peak hours of occupancy. GSA has begun to use utility-financed energy projects. This equipment allows the Federal government to leverage its capital investment funds and expertly manage power load and utility costs.

GSA has also explored renewable sources of energy, such as wind, sun, biomass, and geothermal. These sources are an emerging industry in terms of market penetration, cost of production, and optimum application. However, there is a limit to their use in different geographic locations. GSA was able to purchase \$2.2 million in renewable energy equipment in 1999. GSA plans to increase its use of renewable energy equipment in future years.

For further information on the Strategic Positioning program, you may contact Mr. Mark Ewing from the GSA Energy Center of Expertise at 816-823-2691 or via e-mail at mark.ewing@gsa.gov.



Pictured left to right: Mark V. Ewing (Award Recipient); G. Martin Wagner, Associate Administrator, Office of Governmentwide Policy, General Services Administration; Beth L. Shearer (Award Recipient); Buster Rosser, Assistant Regional Administrator, GSA Heartland Region; Robert A. Peck, Commissioner, GSA Public Buildings Service; Bond Faulwell, Deputy Regional Administrator, GSA Heartland Region; David J. Barram, Administrator of General Services.

First Impressions

GSA's PBS created the First Impressions initiative to enhance the public's perception of the GSA, agencies occupying GSA facilities, and the Federal government by improving the appearance and efficiency of GSA buildings. The initiative is a collaboration between GSA, other Federal agencies, regional and building managers, and the design community. The goal of First Impressions is to:

1. Make visitors and employees feel welcome in Federal buildings
2. Make visitors and employees feel safe in Federal buildings
3. Create an environment where citizens expect to receive a high level of professional service from federal agencies in the buildings

PBS conducted a comprehensive survey of 24 GSA facilities around the nation. With this initial survey, a team of architects, designers, and graphic specialists identified the factors that most influence visitors' first impressions of the buildings, including: the approach and



*Lobby (Before),
Byron G. Rogers Federal Building/Courthouse, Denver, CO*

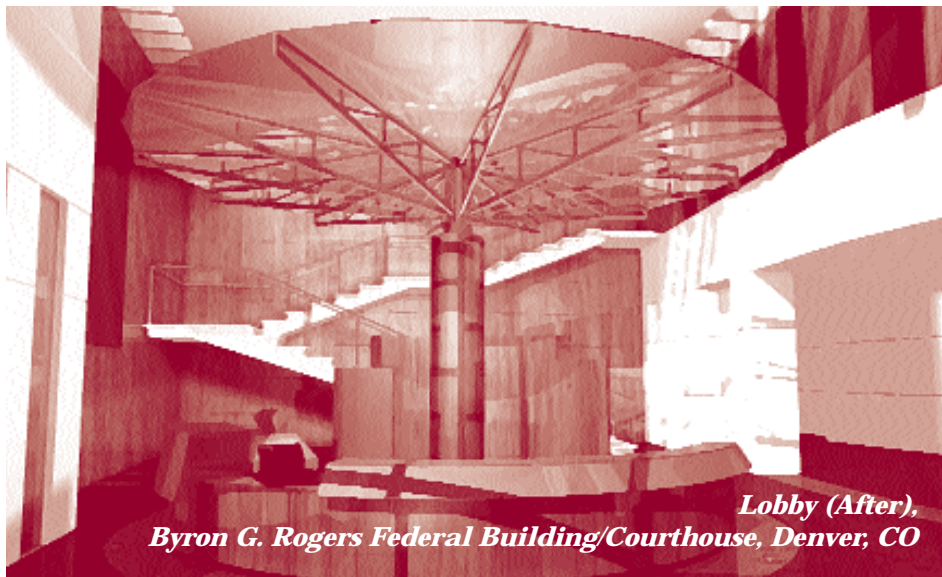
immediate exteriors; entrances; building lobbies; elevator lobbies and corridors; elevators; stairs and escalators; agency entrances; and public concession areas.

While most of the buildings surveyed show that the building managers do an excellent job of maintaining the physical facilities, other factors create negative public impressions. For example, some buildings, in an effort to provide

services to their tenants, have inadvertently cluttered their lobbies with temporary signs, mailboxes, and ATMs. Additionally, since the Oklahoma City incident, many of these buildings have been forced to accommodate increased security that disrupts circulation in the entry and lobby. Finally, some spaces may not have been designed appropriately from the beginning. First Impressions suggests actions and ideas that may be appropriate to your own situation. There are always opportunities to create a better first impression.

PBS has selected three facilities to serve as pilot projects for First Impressions - the William S. Moorehead Federal Building in Pittsburgh, PA, the Peter H. Rodino, Jr. Federal Building in Newark, NJ, and the Wilbur J. Cohen Federal Building in Washington, DC. These three building will provide lessons learned and innovations for future projects.

For additional information, contact Mr. Mark Krone at 303-236-7250 ext. 375 or via e-mail at mark.krone@gsa.gov.



*Lobby (After),
Byron G. Rogers Federal Building/Courthouse, Denver, CO*

Pennsylvania Department of Environmental Protection "Green" Building

The Pennsylvania Department of Environmental Protection South Central Region is housed in the state's first "green" building project. The facility will use

50 percent less energy than a conventional commercially leased building. Other features include recycled steel and furniture, and individually controlled airflow and

temperature controls to greatly increase worker comfort and productivity. You can find out more at the building's web site:

<http://www.gggc.state.pa.us/GreenBldg/StoryBehindGreenBuilding/storyhom.htm>

Theodore Roosevelt Federal Building Corridor Modernization

The Office of Personnel Management (OPM) and GSA's National Capital Region partnered on the upgrades to the public corridors in the agency's headquarters in the Theodore Roosevelt Federal Building (FB) in Washington, DC. The corridors in the Roosevelt FB had not been significantly modified since the building opened in the early 1960's. OPM and GSA partnered in developing the scope of the project in an effort to upgrade the facility to

meet the requirements of both agencies. Some of the work included:

- Replacing the ceiling and light fixtures with energy efficient lighting
- Removing the asbestos vinyl floor tiles and laying down high quality carpet
- Installing state-of-the-art cabling to support the current voice and data communications needs
- Improving corridor and public entry signage

- Installing a new fire alarm system with fire sprinklers.

By combining work items, OPM and GSA were able to save money and reduce construction time. Once the project is completed, the Roosevelt FB will provide a modern workplace for its employees and a visitor friendly facility for the public.

For more information, contact Mr. Thomas Thompson, Jr. at 202-606-1616 or via e-mail at tethomps@opm.gov.

Theodore Roosevelt Federal Building, Washington, DC

Occupant Emergency Plan Process

GSA's Great Lakes Region and Federal Protective Service developed a new Occupant Emergency Plan (OEP) process. In the past the OEP, which provides the instructions on what steps should be taken in case of an emergency or natural disaster (fire, earthquake, flood, etc.), was very cumbersome and at times difficult to implement. The team started from scratch in developing the process for creating a new OEP. The group developed a desk guide that will aid in developing the OEP and training the tenants, emergency response teams, and other officials.

The guide includes a glossary, web

site references, helpful hints and training ideas for building tenants and emergency response teams. The contacts for emergencies (fire department, utility companies, etc.) are now contained in an easy use database for quicker retrieval in an

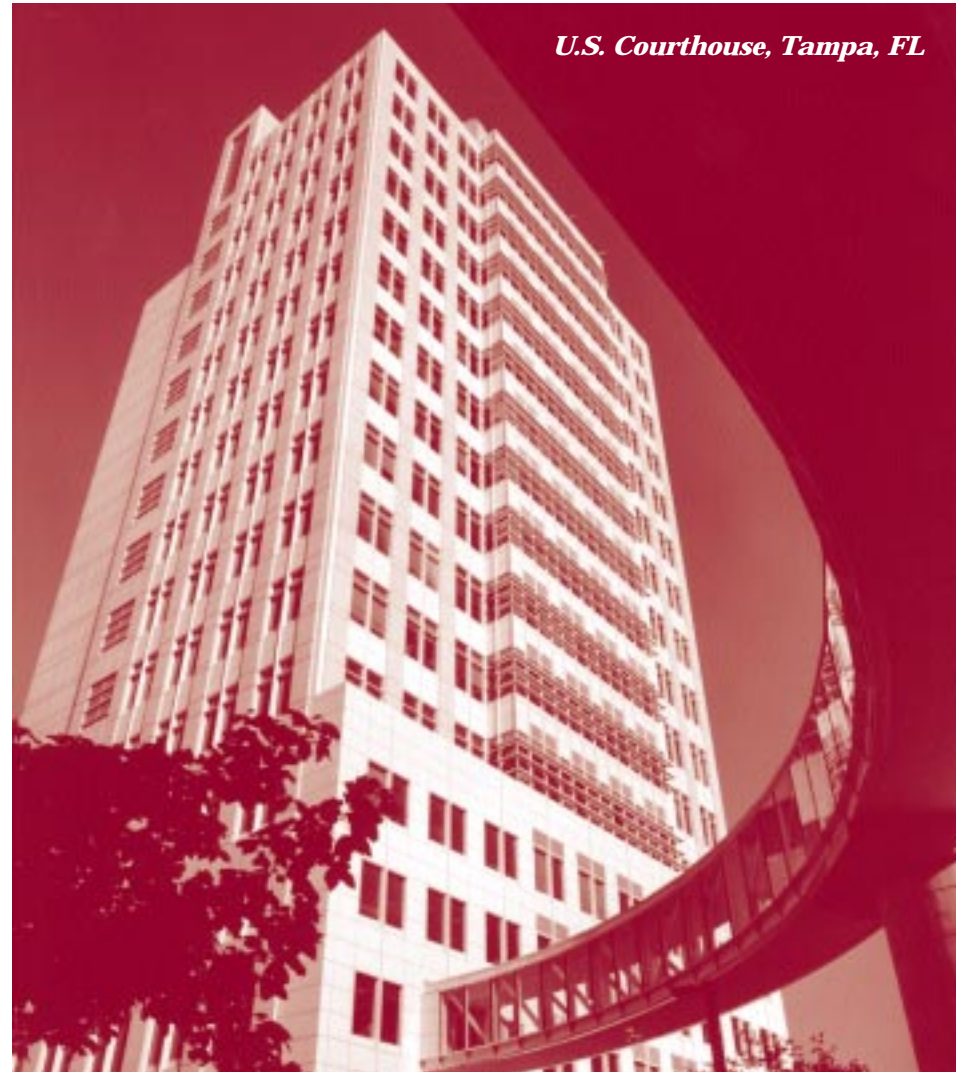
emergency. The ease of this process allows appropriate security officials to develop the OEP in a shorter amount of time.

For additional information, contact Ms. Phyllis Smith at 312-886-1777 or via e-mail at phyllis.smith@gsa.gov.

Turkey Buzzard Roosting Solution

GSA's Southeast Sunbelt Region utilized a non-lethal approach to prevent turkey buzzards from roosting on the window ledges of the new U.S. Courthouse in Tampa, FL. This breed of vulture, which weighs between 6 and 9 pounds, is migratory in nature and found the new Courthouse to be a prime spot to search for prey.

The building manager researched several methods of preventing the roosting by the turkey buzzards. Netting and noisemakers would not be suitable solution to the building tenants or the local community. After discussions with the affected parties, the building manager installed a low voltage grid system on the window ledges of the Courthouse to prevent the roosting. The voltage will not harm the



U.S. Courthouse, Tampa, FL

buzzards, but will deter them from using the building as a perch.

In just three years, the reduced exterior cleaning costs will offset the installation cost of the grid system. This solution will drastically reduce the exterior cleaning costs for the

new Courthouse, which had increased to almost \$45,000 during the buzzards' migratory season.

For more information you may contact Mr. George Post at 813-228-2351 ext. 16 or via e-mail at george.post@gsa.gov.

Asbestos Policy for Design and Construction

The Department of the Navy developed a standard policy for the management of asbestos during facility renovation and demolition of Navy buildings. The policy sets minimum requirements for asbestos identification, abatement, and related training in adherence to Asbestos Hazard Emergency Response Act. The policy also mandates a thorough asbestos

survey for all renovation and demolition projects before advertising the project.

The Navy reengineered the policy, which supplements existing policy from the Environmental Protection Agency, the Occupational Health and Safety Administration, and the State of South Carolina Environmental Protection Agency with new and

revised guidance and synthesized all the information into user-friendly five-page report with supporting information.

The Navy expects that this new policy will ensure cost effective safe designs while avoiding the liability and costs that have occurred in the past when asbestos is found after the contract is awarded.

For additional information, contact Mr. John Knox at 843-820-5558 or via e-mail at knoxjl@efdsouth.navyfac.navy.mil.

Linking Budget to Performance

GSA's PBS has instituted a unique program that links its budget to performance measurement goals in each of its eleven regional offices. This process allows PBS to focus on providing the best service for its customers while achieving the maximum return on investment, and indicates how PBS is performing and the areas where improvement can be made.

In 1997, PBS established a group to develop the linking budget to performance initiative. The mission of the team was to "devise a means of allocating a portion of the budget to regions that rewards success in meeting performance measures." The Performance Management Oversight Committee, with representation from several PBS business units and regional offices, made recommendations for defining outcomes, identifying performance measures, establishing budget allocation levels, developing performance targets, monitoring actual performance and rewarding success. The measures, known as the "Big 9" are:

- Funds from Operations
- Customer Satisfaction
- Impact of non-revenue Producing Space
- Lease Costs
- Maintenance Costs
- Cleaning Costs
- Construction Costs within Budget
- Construction Costs within Schedule
- Indirect Costs as a Percent of Revenue

Evolution of Realty Practices

GSA's PBS took an in depth look at the way it has done business and how it needed to change in an era of shrinking resources. PBS focused on three aspects of its organization to improve its performance:

- **Assets** - ensure that every employee adds value to the business and that every employee career provides an opportunity to add value to their lives.
- **Business** - optimize the performance of the portfolio for GSA and its customers. Expand market share in profitable business services.
- **Customers** - partner with customers to meet their definition of success in the workplace.

The group has implemented numerous best practices throughout PBS that allow employees to work

more productively. The group also analyzed its activities to ensure that the revenue PBS creates covers the cost of doing business. PBS has also undertaken an initiative to link its budget to the performance of its business units. For more information, please see the Linking Budget to Performance article.

PBS has also placed a renewed emphasis on the customer. It has participated in the Integrated Solutions program with the Federal Supply Service and the Federal Technology Service to provide one stop shopping for GSA products and services. PBS has also used its account management program to form strategic partnerships with its customers at the national and regional level.

For more information, contact Mr. Mark Krone at 303-236-7250 ext. 375 or via e-mail at mark.krone@gsa.gov.

In September 1998, the PBS Office of Business Performance sent the targets for the nine performances measures to the regional offices. For each of the 9 measurement categories, a target was set for the regional office to achieve based on PBS national goals and the regional baseline measurement from historical data.

Each regional office received budgetary allocation in each of the categories based on its ability to exceed or meet the targets previously set. In addition, a bonus pool of money was established for those regional offices that exceeded the national performance goal for each of the measures. In the latest performance period, PBS distributed \$69 million in budget

apportionments and bonus awards as a result of Regional achievement.

PBS still maintained a focus on serving the needs of its customers. While operating costs were reduced as much as six percent, the national customer satisfaction level increased over the same period.

The linking budget to performance initiative has demonstrated PBS's commitment to the Government Performance and Results Act. The initiative has also shown how organizational goals can be met in an efficient, cost-effective manner while providing optimal service to its customers.

For more information, contact Mr. Eric Dunham at 202-501-1240 or via e-mail at eric.dunham@gsa.gov.

Service First Initiative

The Department of the Interior (DOI) and the U.S Department of Agriculture (USDA) implemented the service first initiative to better manage the real property assets of the DOI Bureau of Land Management (BLM) and the USDA Forest Service (USFS). In Colorado, Oregon, Washington, and New Mexico, the USFS and BLM have collocated and even combined their operations. This cooperation between DOI and USDA broke down institutional barriers without relinquishing authority of either agency.

The two bureaus purchase services from one another on a reimbursable basis. For example, the BLM uses a USFS archaeologist for certain tasks in Alamosa, CO. In the past, BLM would fly in an archaeologist of its

own from Canon City, CO, some 150 miles away. This has created a win-win situation for both organizations. The BLM and USFS currently share more than 50 employees in Oregon and Washington through reimbursable details.

The service first initiative has created numerous instances of cost avoidance and savings in addition to the increased efficiency of both agencies. BLM and USFS collocations in New Mexico and Oklahoma created a cost avoidance of \$2.4 million over a five-year period. Since BLM was able to use USFS staff in Alamosa, it was able to relocate its own staff to other locations saving \$700,000 over the next five years.

For additional information, contact Ms. Terri Barry at 202-208-4328 or via e-mail at teresa_barry@os.doi.gov.

Reorganization

GSA's Rocky Mountain Region installed a new organizational structure that will focus on its business, its customers, and its employees. In 1994, the Region was designated a reinvention lab under the National Performance Review. As a part of this effort, the Region reorganized to focus on its customers and employees.

While this initiative greatly improved customer service, the Region failed to balance the cost of service with the revenue generated by its activities. The Region designated a Board of Directors to create a new vision for the organization that balanced the needs of the customer, the employee, and the bottom line. The Office of Portfolio Management was charged with measuring the Region's performance with a series of business measures that are benchmarked against the private sector.

The reorganization also assigned responsibility for the strategic, operational, and tactical functions of the organization. The Region established new positions (account managers, business center managers, and community business center managers) that will focus on a select portfolio of buildings. These positions are accountable for providing excellent customer service, while ensuring that the portfolio is generating adequate revenue to cover its expenses. This approach emphasizes the balance between customer service and the bottom line throughout all levels of the organization.

For more information, contact Mr. Mark Krone at 303-236-7250 ext. 375 or via e-mail at mark.krone@gsa.gov.

Real Estate Certification Program

The Department of Energy (DOE) instituted a real estate certification program that allows certified realty specialists to execute real estate actions without having to get DOE Headquarters approval. DOE created a Certification Board that reviews the applications of realty specialists. The board grants certification in one of four real estate areas (acquisition, non-GSA leasing, land management, and disposal) based on the experience and training of the applicant.

This program allows the agency to be more productive as its realty specialists have significantly reduce the amount of time reviewing an action. DOE estimates that they

have saved \$10,800 per transaction on the hundreds of real estate transaction that occur each year. DOE also allows the headquarters officials to concentrate on other duties with the assurance that the certified realty specialists are acting in the best interests of the government.

The program has proven to be very popular, as there are approximately 50 certified realty specialists. The U.S. Army Corps of Engineers has also contacted DOE to establish a similar program in their agency.

For more information you may contact Mr. Jim Cayce at 202-586-0072 or via e-mail at james.cayce@hq.doe.gov.

Galveston, Texas Customhouse Outleasing

GSA's Greater Southwest Region entered into a lease agreement with the Galveston Historical Foundation (GHF) for the Customhouse in Galveston, TX. The Customhouse, which is one of the oldest Federal buildings west of the Mississippi River, was outleased to the GHF for a term of 60 years. The GHF will preserve and restore the Customhouse to ensure the historic integrity of the asset, which is listed on the National Register of Historic Places. Once repairs are made, the Customhouse will house the GHF headquarters and a visitor center for the historic Strand District of Galveston.

While the exterior of the building was in good condition, the interior

space had fallen in disrepair. Most tenants had relocated to the newer Federal Building in Galveston. Recently the building housed only six people. The cost to operate and maintain the historic Customhouse became too much for such an underutilized asset. The second floor had been declared uninhabitable, as it was only accessible via an open iron stairwell. However, due to the historical significance of the building, it was not a candidate for disposal. Initial efforts to lease space to private sector tenants were unsuccessful because GSA did not have the funds to renovate the Customhouse.

That is when the GHF stepped forward. They leased the Customhouse for 60 years and

assumed all operating expenses, alleviating the financial strain on GSA of operating an underutilized asset. This outlease will provide GSA \$162,000 in an annual cost avoidance for operating the building. The Customhouse also benefits from \$1 million that the GHF has invested in restoration and repair work. The city and Historic Strand District also benefit by the continued use and preservation of one of its most significant buildings.

For more information, contact Mr. Harold Hebert at 817-978-4660 or via e-mail at harold.hebert@gsa.gov.

U.S. Customhouse, Galveston, TX

Cooperative Use Outlease for Restaurant and Retail Center

GSA's Great Lakes Region signed an outlease of 17,600 square feet of space, through the Public Buildings Cooperative Use Act, for a restaurant and retail center in the Railroad Retirement Board (RRB) Building in Chicago, IL. The Cooperative Use Act encourages the government to develop the highest and best use of pedestrian access areas in Federal facilities.

The outlease generates a substantial revenue stream for the government as the build-out costs were paid for by the project developer. The developer is also responsible for the utility, maintenance, and insurance

costs for the project. GSA also benefits from the revenue stream of approximately \$10 million over the life of the lease. GSA is also negotiating to upgrade the sidewalks surrounding the building under its Good Neighbor policy. This joint effort between GSA, RRB, the City of Chicago, and the developer will place new pavers, planters, trees, and lampposts



*Railroad Retirement Board
Federal Building, Chicago, IL.*

outside the RRB.

For additional information, contact Mr. Edward Kanne at 312-353-3299 or via e-mail at ed.kanne@gsa.gov.

McCormack Post Office - Courthouse Outleasing

GSA's New England Region worked with the Commonwealth of Massachusetts to outlease 228,000 square feet of courtroom and court related space in the John W. McCormack Post Office-U.S. Courthouse (PO-CT) in Boston, MA. Most outleasing involves small pockets of vacant space in Federal facility. This outlease was done under Section 111 of the National Historic Preservation Act, which allows the funds from outleasing to be used to preserve historical properties in the GSA inventory. This outlease maintains the viability of a historic asset and ensures a safe and productive work environment for the State Court of Massachusetts.

The Federal courts in Boston relocated to the new U.S. Courthouse in Boston in the fall of 1998. During

development of the new Courthouse, the Regional office sought potential candidates to backfill the space in the PO-CT. The Massachusetts State Trials Courts were looking for a large amount of courtroom space for a short-term lease, so the State could renovate its courthouse. The state accepted the PO-CT in an "as is" condition and agreed to a 5-year lease in the PO-CT on February 1, 1999. With the common functions of the Federal and State courts, there



*John W. McCormack
Post Office - Courthouse, Boston, MA*

was little build out of space required.

For more information, contact Mr. George Klueber at 617-565-5824 or via e-mail at george.klueber@gsa.gov.

Best Practices in Federal Warehousing

GSA's Office of Governmentwide Policy recently completed a three-state study of the best practices in Federal Government warehousing operations.

The study, which consisted of site visits to 50 Federal and 4 private sector sites in the states of Florida, Georgia and Tennessee, includes many insights and lessons learned in Federal agency warehousing requirements. The study team visited facilities containing 39.3 million square feet of warehouse and storage space.

Some of the best practices observed were:

- Providing adequate space for shipping and receiving in designing warehouses, so that one operation does not interfere with the other (flow-through operations are very efficient)
- Computerized inventory tracking using bar code technology has drastically reduced the need for constant physical inventories
- Designing flexibility into the warehouse to allow for easier future program requirement changes
- Cross training employees for all warehouse functions
- Utilizing vertical space (e.g., installation of a racking system over loading dock doors and building higher to save on the cost of land)

- Locating a warehouse facility to provide good access to major roadways and railways

The use of emerging concepts in warehousing such as "just-in-time" order/delivery and use of prime vendor contracting has reduced the overall need for warehouse and storage space. In addition to other best practices and lessons learned,

the report includes several recommendations for agencies to improve the overall efficiency and reduce cost for the warehousing of personal property.

For additional information or to obtain copies of the report, please contact Sheldon Greenberg at (202) 501-0629 or sheldon.greenberg@gsa.gov.

Space Justification Document Process

The National Institute of Health (NIH) created a space justification document (SJD) process to evaluate proposed space requests within the agency. The process established a series of steps that begin with the offices use to submit space requirements and follows through the review and approval process. The SJD creates a centrally managed process that independently analyzes space requests. The NIH has also placed this space request process on the Internet.

When an institute within NIH needs additional space, it downloads the SJD from the Internet at:

<http://www.nih.gov/od/ors/dsfm/space.htm>

The space request, which includes the amount of space requested, location requirements, date space is needed, and the purpose for which the space will be used, is then submitted for review and approval. The Office of Research Services established a standardized timeframe for review and approval of space requests.

The SJD process has created a standard method of reviewing space requests, which along with placing the SJD on the Internet has reduced the time required reviewing each request. In the past year, 20 space requests have used the SJD process, and NIH has received positive feedback on its new approach.

For additional information, contact Ms. Joan Swaney at 301-402-0872.

Franconia Depot, Franconia, VA

Kirtland Air Force Base Collocation Effort

The Department of Energy (DOE), the Federal Aviation Administration (FAA) and the U.S. Air Force (USAF) consolidated their space requirements in the vicinity of Kirtland Air Force Base (AFB) in Albuquerque, NM. The DOE Sandia National Laboratories

(SNL) is assisting the FAA with the Airworthiness Assurance Nondestructive Inspection Validation Center (AANC), which provides scientific expertise in inspection, maintenance, and repair of aging aircraft. SNL needed approximately 50,000 square feet of

hangar, laboratory, and office support space for this AANC effort. About the same time, an organization that support DOE's operations in Albuquerque needed to replace approximately 140,000 square feet of light industrial and office space. Kirtland AFB was also in the process of relocating its fire department that provides emergency response for civilian and military aviation. As part of their missions, all three organizations needed space with flight line access at Kirtland AFB.

An initial assessment revealed that no existing facility could meet the needs of either the DOE or USAF. Both agencies, with the FAA, decided to participate in a joint real estate plan that would address their immediate space needs. The real estate plan identified a consolidated site that met the requirements of all organizations.

The coordination of all parties was able to improve efficiencies and reduce the project development time. The cost of the project was also reduced since the facility was situated so it could use existing runway, taxiway, and flight lane ramps at Kirtland AFB. And once the AANC project was completed, either the USAF or the Albuquerque International Airport, which shares runways with Kirtland AFB, could acquire the hangar and associated support space in the new facility.

For more information, contact Ms. Deborah Garcia-Sanchez at 505-845-5460 or via: e-mail at dgarcia-sanchez@doeal.gov.

Civic Square II Project

The U.S. Postal Service's (USPS) Realty Asset Management Group completed a very complicated ground lease with a public-private partnership for the Civic Square II project in New Brunswick, NJ. The long-term lease has benefits for the USPS and the city and county agencies.

The City of New Brunswick formed a partnership with a development company to complete this project, which was a key to the city's downtown redevelopment efforts. The Civic Square II project involved the construction of the 135,000 square foot Public Safety Building that houses the Middlesex County Prosecutor's Office, the New

Brunswick Police Department, an underground parking garage and a newly restored Main Post Office for the USPS. Previously the Post Office, which was constructed in 1936, had been underutilized and had an increasing amount of deferred maintenance. The USPS now has a restored Post Office along with significant revenue from the ground lease. All Federal, city and county offices have benefited from the building through improved operations, higher customer satisfaction, and greater employee morale.

For more information, contact Mr. Edward Rynne, Jr. at 703-526-2856 or via e-mail at erynnel@email.usps.gov.



*Civic Square II,
New Brunswick, NJ*

Multi-Asset Planning Model

GSA's Office of Portfolio Management created the multi-asset planning model (MAPP), a financial analysis tool to examine the impact of major construction and rehabilitation projects on a discrete set of real property assets. Previously, the office used pro-forma models and the automated prospectus system (TAPS) to determine the most cost effective housing alternative. However, the pro-forma models and TAPS analyzed the project on the basis of one specific Federal asset. GSA was considering a proposed

Easy Step Space Planning Tool

GSA's Pacific Rim Region and National Capital Region collaborated on the development of the Easy Step Space Planning Tool. This computer model provides accurate and quick space requirements. The realty specialist or space planner can input the tenant requirements and receive detailed reports on organizational

structure, adjacencies, and space needs. The program combines several manual space planning processes into one automated tool and was developed to reduce project delivery time. GSA has conducted training classes for the program.

For more information, contact Mr. Arthur Brown at 415-522-3292 or via e-mail at arthur.l.brown@gsa.gov.

capital project that entailed the demolition of an existing Federal asset and the construction of a larger facility on the same site. GSA used

the MAPP to analyze the financial impact of numerous alternatives that impacted several Federal assets. The model calculates two figures — the overall cost of each alternative, as well as the net impact to the Federal Buildings Fund (FBF), a key measure as the FBF is GSA's primary source of revenue.

GSA used MAPP to arrive at a housing alternative that balanced the overall costs with the net impact to the FBF. GSA will begin to use MAPP on a much wider basis as it reviews future capital project proposals.

For additional information, contact Mr. Ivan Swain at 202-208-1154 or via e-mail at ivan.swain@gsa.gov.

Office Construction Planner

The Davis, Langdon, Adamson company developed a web-based construction planner for office buildings. This tool is a general planning model to help the user understand the financial impacts of project decisions and conditions that apply to the construction of office buildings. The planner focuses on construction costs and is primarily

built around actual construction experience. The model does not attempt to address all costs that go into a building project, nor do the costs reflect actual costs for any project in particular. For more information, log on to FM Datacom's web site at <http://www.fmdata.com/> and scroll down to Construction Cost Planners.



Best Practices

POINTS OF CONTACT

Contracting Initiatives

NATIONWIDE CONTRACTING PROGRAM

Ms. Shirley Rohmer 817-978-7096 shirley.rohmer@gsa.gov

PROCUREMENT ACCESS EQUITY INITIATIVE

Mr. David Gibson 404-331-2366 david.gibson@gsa.gov

Disposal/Reuse

LAW ENFORCEMENT VEHICLE STORAGE FACILITY

Mr. Peter Watson 619-557-5337 peter.watson@gsa.gov

MAINE LIGHTS PROGRAM

Mr. Ted Dernago, Jr. 401-736-1748 tdernago
@ceuprovidence.uscg.mil

PARTNERING WITH LOCAL OFFICIALS

Mr. Walter Marcinowsky 817-978-3804 walter.marcinowsky@gsa.gov

REPORT OF EXCESS PREPARATION SERVICE

Ms. Laura Yeager 404-331-1142 laura.yeager@gsa.gov

SALE/LEASEBACK

Mr. Frank McCafferty 215-656-5888 frank.mccafferty@gsa.gov

Energy Savings Initiatives

EISENHOWER CENTER ENERGY SAVINGS PERFORMANCE CONTRACT

Mr. Ronald Noll 202-708-9791 ronald.noll@gsa.gov

Points of Contact

ENERGY SAVINGS PERFORMANCE CONTRACTS

Mr. John Tate **415-522-3378** **john.tate@gsa.gov**

ENERGY TEAM

Ms. Shirley Rohmer **817-978-7096** **shirley.rohmer@gsa.gov**

STRATEGIC POSITIONING

Mr. Mark Ewing **816-823-2691** **mark.ewing@gsa.gov**

UTILITY SERVICES CONTRACTING

Mr. Mark Ewing **816-823-2691** **mark.ewing@gsa.gov**

Facility Management

FIRST IMPRESSIONS

Mr. Mark Krone **303-236-7250 x375** **mark.krone@gsa.gov**

OCCUPANT EMERGENCY PLAN PROCESS

Ms. Phyllis Smith **312-886-1777** **phyllis.smith@gsa.gov**

PENNSYLVANIA DEPT. OF ENVIRONMENTAL PROTECTION "GREEN" BUILDING

<http://www.gggc.state.pa.us/GreenBldg/StoryBehindGreenBuilding/storyhom.htm>

THEODORE ROOSEVELT FEDERAL BUILDING CORRIDOR MODERNIZATION

Mr. Thomas Thompson, Jr. **202-606-1616** **tethomps@opm.gov**

TURKEY BUZZARD ROOSTING SOLUTION

Mr. George Post **813-228-2351 x16** **george.post@gsa.gov**

Real Property Polycysite - Best Practices Edition

Office of Real Property Publication Survey

Your feedback is important to us. Please take a few minutes to complete this survey for this publication so we may better meet our customers' needs.

1. The publication is of interest to you.

Strongly agree ____ Agree ____ Disagree ____ Strongly disagree ____

2. The publication format provides easy access to matters of interest to you.

Strongly agree ____ Agree ____ Disagree ____ Strongly disagree ____

3. The publication addressess issues which are of value to you in your position

Strongly agree ____ Agree ____ Disagree ____ Strongly disagree ____

4. The information provided in the publication is fair and impartial.

Strongly agree ____ Agree ____ Disagree ____ Strongly disagree ____

5. The publication is an appropriate length.

Strongly agree ____ Agree ____ Disagree ____ Strongly disagree ____

6. The publication is easy to understand.

Strongly agree ____ Agree ____ Disagree ____ Strongly disagree ____

7. Please provide any additional comments on the publication:

Organization _____

Name (optional) _____ Title _____

E-mail address (optional) _____

Please tear this survey page out and fax it to us at 202-208-7240; or fold it in thirds,k tape closed, and mail it back to us. Thank you for your participation.

**U S GENERAL SERVICES ADMINISTRATION
OFFICE OF GOVERNMENTWIDE POLICY
1800 F ST NW
WASHINGTON DC 20405-0001**

**OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE \$300**

BUSINESS REPLY MAIL

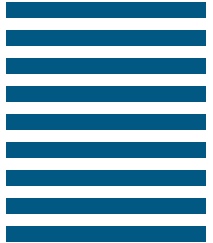
FIRST CLASS MAIL PERMIT NO 12710 WASHINGTON DC

POSTAGE WILL BE PAID BY THE U S GENERAL SERVICES ADMINISTRATION

**U S GENERAL SERVICES ADMINISTRATION
OFFICE OF REAL PROPERTY (MPE)
OFFICE OF GOVERNMENTWIDE POLICY
1800 F ST NW
WASHINGTON DC 20405-0001**



**NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES**



continued from page 24

GALVESTON, TX CUSTOMHOUSE OUTLEASING

Mr. Harold Hebert 817-978-4660 harold.hebert@gsa.gov

MCCORMACK POST OFFICE-COURTHOUSE OUTLEASING

Mr. George Klueber 617-565-5824 george.klueber@gsa.gov

Space Planning

BEST PRACTICES IN FEDERAL WAREHOUSING

Sheldon Greenberg 202-501-0629 sheldon.greenberg@gsa.gov

CIVIC SQUARE II PROJECT

Mr. Edward Rynne, Jr. 703-526-2856 erynnel@email.usps.gov

KIRTLAND AIR FORCE BASE COLLOCATION EFFORT

Ms. Deborah Garcia-Sanchez 505-845-5460 dgarcia-sanchez@doeal.gov

SPACE JUSTIFICATION DOCUMENT PROCESS

Ms. Joan Swaney 301-402-0872

Tools and Models

EASY STEP SPACE PLANNING TOOL

Mr. Arthur Brown 415-522-3292 arthurl.brown@gsa.gov

MULTI-ASSET PLANNING MODEL

Mr. Ivan Swain 202-208-1154 ivan.swain@gsa.gov

U.S. General Services Administration
Evaluation and Innovative Workplaces Division (MPE)
Office of Governmentwide Policy
1800 F Street, NW
Washington, DC 20405

Official Business
Penalty for Private Use, \$300

First Class Mail
Postage and Fees Paid
GSA
Permit No. G-30