

CASE STUDY



U.S. General Services Administration

The Largest Property Manager in the U.S. Takes a Strategic View of Its Facility Portfolio

The Client

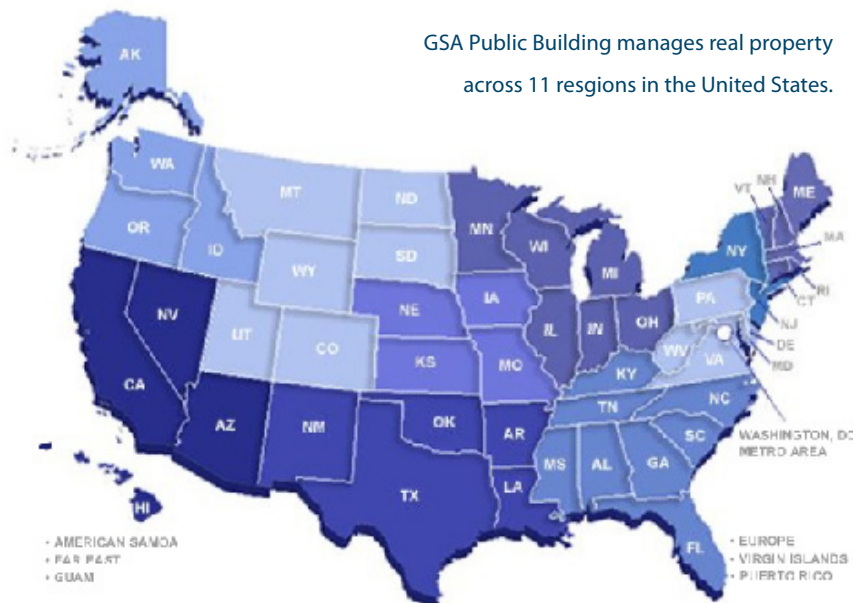
While many government organizations and multinational corporations oversee wide-ranging real estate portfolios, few are responsible for such extensive property holdings as the U.S. General Services Administration (GSA). In addition to its role as the primary procurement arm of the U.S. federal government, supplying equipment, supplies, telecommunications and information technology to other federal agencies, GSA also serves as “the government’s landlord.” In this capacity, it meets the office and other space requirements of 1.1 million federal government employees at over 400 civilian agencies.

GSA’s Public Building Service (PBS), the largest public real estate organization in the United States, oversees an inventory of over 354 million square feet of workspace, comprising more than 8,600 government-owned and leased facilities. PBS manages a wide range of property types, including office buildings, courthouses, post offices and border stations. It maintains more than 400 historic properties, and 100 child care centers. Among some of the better known facilities managed by GSA are the Ronald Reagan Building and the International Trade Center, the largest U.S. federal building after The Pentagon.

The Challenge

Given the size and range of its building portfolio, maintaining accurate, up-to-date information about the conditions of all of the facilities and building systems under its management was a significant challenge for GSA. In order to meet the inspection and documentation expectations of Congress, GSA previously completed full Building Engineering Reports on its facilities every five years, and maintained a repository of information in its Inventory

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became increasingly important as federal requirements for real property management evolved. Federal property management guidelines issued in 2004, under the President's Executive Order 13327, required that U.S. federal agencies follow specific guidelines to promote the efficient and economical use of federal real property assets and accountability in their management.

The Order required each federal agency to determine what it owns, what it needs, and what it costs to manage its real properties and then develop and implement an asset management plan consistent with the goals and objectives set forth in its overall strategic plan. This plan prioritizes actions to be taken – with associated lifecycle costs – to improve the operational and financial management of an agency's real property inventory. The Order also required agencies to measure progress against their asset management goals based on specific performance measures including utilization, condition index, mission dependency, and annual operating and maintenance cost.

The Results

In fiscal year 2006, GSA demonstrated significant results in rightsizing its portfolio. GSA improved utilization by increasing occupancy by 3.2 percent. It met or exceeded Federal Real Property Council standards for facility conditions in over 75 percent of its inventory, while maintaining operating costs at approximately 4.2 percent below market and reducing energy consumption 4.4 percent below the 2005 baseline. Vacant space was reduced from 9.2 percent to 7 percent, significantly below the 2006 industry average rate of 11.6 percent. By eliminating underutilized facilities, including the demolition of 52 facilities totaling over 15 million square feet, GSA avoided approximately \$588 million in reinvestment liabilities, providing additional reinvestment dollars for core facilities to support its long-term customer requirements.

GSA was also the first agency recognized by the Administration for achieving and maintaining "Green" status on the President's Management Agenda scorecard, a mechanism for rating the progress of agencies in implementing government policies promoting greater efficient use of federal resources.

With the growing needs of a challenging and dynamic work environment, GSA eventually needed an enhanced version of PCS that would offer greater functionality. In 2008, a customized version of VFA.auditor®, ePCS, was rolled out to replace the original PCS solution. VFA.auditor is a web-based facility self-assessment survey platform that is designed to quickly capture facility condition data. The software is based on best-practice assessment

With a baseline of facility condition information in place, and a mechanism for keeping it up-to-date, GSA realized the value this data could add in the ongoing process of formulating and refining its asset management plans.

GSA has become a leader in implementing the Executive Order 13327 on Real Property Asset Management, becoming the first agency recognized by the Administration for achieving and maintaining "Green" status on the President's Management Agenda scorecard.

methodologies used to gather both system lifecycle and deficiency data. Users are guided to enter specific information and are assisted with built-in expert support. It is designed to be used by both expert and non-expert resources.

ePCS was a major improvement over the old solution in terms of functionality, reporting capability and user interface. The new solution provided enhanced functionality that was more flexible and robust, with an enhanced reporting capability, and a superior user interface. A built-in process flow is now available with user roles such as Responder, Reviewer, and Approver. ePCS helps in assessing the infrastructure of GSA's building inventory and in developing an initial forecast of capital needed for reinvestment. It also helped determine GSA's immediate capital needs for President Obama's Stimulus Bill. GSA now has a better overall understanding of their entire portfolio, giving them a significant jumpstart in the capital planning process.

The Web-based surveys GSA developed with VFA have evolved into a suite of surveys, based on the VFA.auditor platform, that not only federal agencies but all types of organizations can use to collect baseline data about their real estate assets.

Today, GSA is a leader among both public and private sector organizations in ensuring real property assets are maintained in the appropriate condition, at the appropriate cost to help its tenant agencies carry out their missions, and that unneeded properties are disposed of in an efficient manner. It has the processes and systems in place to advance its long-term goal of achieving a viable, self-sustaining inventory of government-owned facilities.

About VFA, Inc.

VFA helps organizations strategically manage their facility portfolios with Capital Planning and Management Solutions (CPMS™) that combine software, assessment services and business process consulting. Organizations in government, education, healthcare and corporate markets employ VFA solutions to manage over three billion square feet of real estate.

Contact us to learn how VFA can help your organization to optimize its facilities investment.

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