



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

July 1, 2010

**MANAGEMENT PROCEDURES MEMORANDUM NO. 2010-07**

MEMORANDUM FOR: ALL CFO ACT AGENCIES

FROM: Danny Werfel  
Controller

SUBJECT: Development of a Real Property Cost Savings and Innovation Plan

DUE DATE: Friday, July 23, 2010

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**Purpose:** All Federal agencies are to develop a Real Property Cost Savings and Innovation Plan that corresponds with the actions required by the Presidential Memo, Disposing of Unneeded Federal Real Estate—Increasing Sales Proceeds, Cutting Operating Costs, and Improving Energy. This plan will focus on real property cost savings initiatives underway and planned, along with a list of the assets that correspond to the actions.

**Actions Required:** All Federal agencies are required to report to the Office of Management and Budget (OMB) their Real Property Cost Savings and Innovation Plan. This plan should include the agency's proposed share of the target of the \$3 billion and tangible actions the agencies plan to employ to achieve the target.

The \$3 billion in real property cost savings by the end of FY 2012 will be measured through:

- Capturing eliminated annual operating costs;
- Increasing the income generated through disposals; and
- Better utilizing existing real property by undertaking space realignment efforts including optimization or consolidation of existing space within owned buildings.

To achieve cost savings, agencies will use existing resources. Agencies should ensure that these plans are consistent with OMB FY 2012 budget guidance which OMB issued June 8, 2010. The agency targets will be based on **net savings** which factor in the costs incurred by the agency to achieve the intended result.

**Real Property Cost Savings and Innovation Plan:** The agency plan should be an overview of the initiatives underway or planned that will contribute to the government-wide \$3 billion cost savings goal. The agency's plans should also include bureau or component level initiatives.

Agency plans should incorporate the following themes throughout the document:

- Management of real property across the inventory (e.g. co-location) and cost savings approaches which will yield greater economic and efficient use of existing space;
- Innovative approaches to space management such as increasing occupancy rates in buildings and considering alternative work arrangements, such as telework; and
- Sustainability impacts from the disposition of the property and prioritization of assets for reinvestment or disposal to reduce deferred maintenance costs, consistent with Executive Order 13514, Federal Leadership in Environmental, Energy, and Economic Performance and specific opportunities to reduce the overall footprint.

Agency plans should include the following:

- Anticipated programmatic or mission changes that may impact their real estate footprint;
- Plans for eliminating lease arrangements that are not cost effective;
- Plans for consolidating common asset types (such as data centers, office space, warehouses, and laboratories) within and across agencies, consistent with the Federal Data Center Consolidation Initiative;
- Real property assets that are reported in the Federal Real Property Profile as "excess," but have not been reported for disposal;
- Processes to accelerate the identification of excess assets and disposal of surplus assets;
- New construction projects or new leases for FY 2010-2012 and associated plans;
- Cost effective alternatives to acquisition, such as consolidation or co-location, (only for agencies that plan to acquire space as part of programmatic or mission changes);
- Existing space standards or applicable policy guidelines; and
- Anticipated real property cost savings for FY 2013 and outyears.

Based on the actions outlined above, agencies should provide their anticipated cost savings target. **Additionally, agencies should identify the corresponding assets to achieve this target including owned or leased assets. These corresponding assets should be identified in the template as described in Attachment 1.** Agencies are required to provide data on assets in which they own or lease directly. For agencies that lease space through GSA or another agency, the tenant agency should work with GSA or the applicable agency to complete the data call. In addition, agencies are encouraged to leverage the resources at GSA to determine possible actions that can generate cost savings. See <https://max.omb.gov/community/x/TABhHQ> for a list of GSA contacts.

Throughout the preparation of the Real Property Cost Savings and Innovation Plan, Senior Real Property Officers should coordinate with Senior Sustainability Officers, Chief Financial Officers, Chief Information Officers, Chief Human Capital Officers, Chief Acquisition Officers, Preservation Officers, and other applicable parties that are most appropriate to provide information requested. **Plans should be reviewed and submitted to OMB by the Senior Real Property Officer by July 23, 2010** through the OMB MAX community site. As a guide, OMB

anticipates Real Property Cost Savings and Innovation Plans to be roughly 20 pages. For instructions on how to submit data to OMB see <https://max.omb.gov/community/x/TABhHQ>.

**Definitions:**

Agency – The term agency means any executive department, military department or any independent regulatory agency.

Federal Real Property – Federal real property is any real property owned, leased or otherwise managed by the Federal Government, both within and outside the United States, and improvements on Federal lands. The Federal Government manages a diverse real property inventory, broken down into three asset types: buildings, structures and land. For purposes of this BDR, federal real property excludes the following:

- Land easements or right-of-way held by the Federal Government;
- Public domain land or land reserved or dedicated for national forest, national park or national wildlife refuge purposes;
- Land held in trust or restricted fee status for individual Indians or Indian tribes;
- Land and interests in land that are withheld from the scope of this order by agency heads for reasons of national security, foreign policy or public safety; and
- Non-functional residential properties (e.g., foreclosures, property seizures) owned by the Federal Government with the intent of resale in the private market.

Reporting on assets that are maintained by the Department of Defense, the Office of the Director of National Intelligence, and the Central Intelligence Agency will be coordinated separately.

The reference to the Department of Defense will cover National Security Agency, National Geospatial-Intelligence Agency, Defense Intelligence Agency and National Reconnaissance Office.

## Attachment 1 Inventory of Data

For those assets that correspond to an action highlighted in the plan, please provide information on the asset in the appropriate template (see below). This should include data on assets in which they own or lease directly as included in the plan. For agencies that lease space through GSA, the agency should work with GSA to complete required information. See <https://max.omb.gov/community/x/TABhHQ> for a list of GSA contacts.

For instructions on how to submit this data, please see <https://max.omb.gov/community/x/TABhHQ>.

### **Definitions of Real Property Data Elements<sup>1</sup>**

Note: Data elements that indicate a user guide page are referencing the *Federal Real Property Council 2009 Guidance for Real Property Inventory Reporting (FRPP)*

([http://www.gsa.gov/graphics/ogp/2009\\_Guidance\\_for\\_Real\\_Property\\_Inventory\\_Reporting.pdf](http://www.gsa.gov/graphics/ogp/2009_Guidance_for_Real_Property_Inventory_Reporting.pdf))

For all other data elements, see description below.

### **1) Surplus\*, Excess and Inactive (Unneeded) Assets Section:**

Please report the following data elements for owned (land, buildings & structures) that are surplus\*, excess or inactive assets.

<b>Data Element</b>	<b>Definition</b>
Agency Bureau Code	User guide Appendix E, pgs. 55-75
Real Property Unique ID	User guide pg. 13; owned assets only
Annual Operating Costs	User guide pg. 11
Anticipated Method of Disposal	User guide pgs. 15-16
Anticipated Disposal Date	Agencies with disposal authority should provide the anticipated date the property will be disposed of. Agencies without disposal authority should provide the anticipated date the Report of Excess was or will be sent to GSA
Is the Asset a Candidate for Sale? (Yes/No)	Agency determination as to whether the asset is a candidate for public sale, irrespective of public benefit conveyance process
If Not Candidate, Why Not	Longer explanations are encouraged in the "Notes" section

\* Surplus assets are those assets which have been determined as assets that are no longer needed. Surplus assets may be made available for other uses through the public benefit conveyances (PBC) process. These assets are not currently specified as surplus by the Federal Real Property Profile.

<sup>1</sup> Although agencies will be expected to provide information on assets only related to actions in the plans, agencies should expect to provide all the assets as specified in the templates later in the fall of 2010. Hence, agencies should start preparing collection methods on data elements not readily available.

**2) Under-Utilized and Not Utilized Assets Section:**

Please report the following data elements for owned (land, buildings & structures) that are under-utilized and not utilized.

<b>Data Element</b>	<b>Definition</b>
Agency Bureau Code	User guide Appendix E, pgs. 55-75
Real Property Unique ID	User guide pg. 13
Annual Operating Costs	User guide pg. 11
Anticipated Date of Reporting Asset as Excess	Based on agency determination, provide the anticipated date the property is no longer needed to carry out program responsibilities, and status to be changed to “excess” as defined in user guide pg. 6
Percent of Space Not Utilized	Provide the estimated percentage of not utilized space; Example: If a building is 25,000 gross square feet and 10,000 gross square feet are not occupied. The percent of space not utilized is 10,000 gross square feet / 25,000 gross square feet * 100% = 40%
Can the Under-Utilized Space Accommodate Other Purposes? (Yes/No)	Agency to determine whether the space can accommodate another agency component or a different government agency
Gross Square Footage Available For Other Purposes	Identify associated gross square footage that can be used for other purposes

**3) Real Property Space Planning and Usage:**

Please report the following data elements for owned and leased assets for only buildings in which the FRPP captures utilization (see user guide pg. 10 for list).

<b>Data Element</b>	<b>Definition</b>
Agency Bureau Code	User guide Appendix E, pgs. 55-75
Real Property Unique ID	User guide pg. 13
Legal Interest (Owned or Leased)	User Guide pg. 5
Gross Square Feet	Total area in gross square feet
Energy Used (BTU Consumption Per Square Foot)	Calculate the energy that is used at a building or facility and measured in terms of energy delivered to the building or facility (site-delivered BTU) and does not include generation and transmission losses for electricity and steam/chilled water. See DOE’s reporting guidance for more information related to calculation of this figure. <a href="http://www1.eere.energy.gov/femp/regulations/facility_requirements.html">http://www1.eere.energy.gov/femp/regulations/facility_requirements.html</a>
Annual Operating Cost	User guide pg. 11
Total Number of Federal Personnel by Building	Specify the number of permanent, full-time, and part-time Federal personnel that physically occupy the asset
Total Number of Contractors	Provide the total number of contractors that physically occupy the asset
Provide a General Percentage Breakdown of SES, General	Provide a general percentage of personnel that fit within defined segments of the SES, General Schedule, and Pay

Schedule, and Pay Banded Personnel	Bands (For example, Agency X has 5% SES, 10% GS- 15, 10% GS- 14, 50% GS-13, 25% GS-11).
Provide a General Breakdown of the General Schedule By Occupational Groups	For further details on position classification standards, see <a href="http://www.opm.gov/fedclass/html/gsseries.asp">http://www.opm.gov/fedclass/html/gsseries.asp</a>
Number of Personnel that are Eligible to Telework	Based on the calculation agencies provide to OPM of the number of personnel in the building eligible to telework (personnel refers to employees and contractors)
Number of Personnel that Telework	Number of personnel that telework at least once per week on a regular and recurring basis and retain a dedicated workstation at the asset (personnel refers to employees and contractors)
Average Number of Days per Week Teleworked	Assuming a 40 hour work week, calculate the average number of days where the space has telework activity.
Gross Square Feet of Space that is Dedicated Shared Space for Telework	Total area in gross square feet that is dedicated space for personnel who telework (e.g. shared desk space, hoteling area)

#### 4) Lease Section:

Please list building leases with a right to terminate date before September 30, 2012.

Data Element	Definition
Agency Bureau Code	User guide Appendix E, pgs. 55-75
Real Property Unique ID	User guide pg. 13
Agency Lease ID/Contract #	The identifier the agency uses to track and monitor a lease
Leased Expiration Date	This is the end date of the lease
Right to Terminate Date	This is the first date in which the agency can terminate a lease. If a lease cannot be terminated until the <i>lease expiration date</i> , then the <i>right to terminate date</i> shall be the <i>lease expiration date</i> . For example: if the <i>lease expiration date</i> is December 31, 2015, but the agency has the opportunity to terminate in June 30, 2012, then the <i>right to terminate date</i> should be June 30, 2012
Gross Square Feet	Total area in gross square feet as defined by the lease agreement
Annual Net Rent to Lessor	The base rent the tenant agency pays to the lessor as defined by the lease agreement
Annual Operating and Maintenance Costs	Excluding the <i>annual net rent to lessor</i> , the <i>annual operating and maintenance costs</i> should include reoccurring maintenance and repair costs, utilities, cleaning/janitorial costs, and roads/grounds expenses as defined in user guide pg. 11
Percent of Space Not Utilized	Provide the estimated percentage of not utilized space; Example: If a building is 25,000 gross square feet and 10,000 gross square feet are not occupied. The percent of space not utilized is 10,000 gross square feet / 25,000 gross square feet * 100% = 40%