



Real Property Performance Results

Featuring the
*Cost Per Person
Model*

1998
1999
2000
2001
2002
2003
2004

December 2000

Office of Real Property



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The Office of Governmentwide Policy is pleased to issue *Real Property Performance Results 2000*. This, our third annual edition, is our most comprehensive analysis of real property performance in the Federal office space sector to date. In these pages you will find our annual update on the 7 key measures of Federal real property performance selected by an interagency working group in 1998. For this edition, we are including discussions on two additional measures that we believe are similarly important: annual reinvestment level for basic repairs and maintenance, and the number of Federal teleworkers. Following up on the theme of information systems we discussed in *Real Property Performance Results 1999*, this current edition also includes an issue paper on Computer Aided Facilities Management (CAFM), an update on Foundation Information for Real Property Management (FIRM), and more. Our goal is to clearly summarize the relevant data and to provide our customers with a concise reference document. We expect this to be useful to Federal real property asset management decision-makers as well as our stakeholders. The publication will also benefit interested professionals in other governments, the private sector, and academia.

I would like to recognize David Bibb whose Office of Real Property undertook the data collection and analysis. With leadership from Stan Kaczmarczyk of the Innovative Workplaces Division, the project team of Chris Coneeny, Ron Whitley and Ray Wynter produced this third annual collection of performance data. Additionally, we would like to recognize the contributors from the entire real property community, especially our Federal agency customers. Without your dedication and participation, this publication would not have been possible.

The Office of Governmentwide Policy presents this information to the Federal real property community to facilitate more informed decision-making leading to improved asset management. Organizations throughout the world in both the private and public sectors have made performance measurement, benchmarking and strategic planning part of their cultures. We want to lead the Federal real property community in this important effort, consistent with the recommendations and expectations of the National Partnership for Reinventing Government and the Government Performance and Results Act of 1993.



G. Martin Wagner
Associate Administrator
Office of Governmentwide Policy
U.S. General Services Administration



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Executive Summary

The following table summarizes Governmentwide performance for the year 2000 on the 7 original key indicators, and 2 other important measures, as estimated by our analysis of the sample data:

Summary of Results

<i>Measure</i>	<i>2000 Federal Government Performance</i>
Cost per square foot (owned)	\$5.01 per rentable square foot
Cost per square foot (leased)	\$17.83 per rentable square foot
Vacancy rate	6.2 percent
Cost per person	\$12,600
Customer satisfaction	85 percent on GSA Survey
Employees housed	1,856,900 FTE
Total square feet	661,790,000 rentable square feet of office space
Reinvestment ratio	1.4 percent of current replacement value
Federal teleworkers	24,900 Federal teleworkers

Executive Summary

We conclude the following based on the 2000 Governmentwide results:

- 2000 Governmentwide performance is consistent with 1999 performance as well as private sector performance on the key indicators of Cost per Square Foot Owned, Cost per Square Foot Leased, and Vacancy Rate.
- The Federal Government is a leader in innovative workplace-focused measures, including the General Services Administration's (GSA's) Public Buildings Service (Customer Satisfaction) and our own Office of Real Property (Cost per Person and the upcoming Workplace Performance Model).
- For the third straight year, we obtained an outstanding response from cooperative Federal agency partners. We collected a data sample representing almost half of all Federal office space. However, the ratio of GSA to other agency space in the sample is not as close to the overall inventory ratio as we would prefer, and there are still some major agencies controlling Federal office space who have yet to participate in our annual benchmarking effort.

Acknowledgements

Federal Government

Benchmarking Participants

We would like to thank the following agencies for participating in the voluntary benchmarking effort for the 2000 edition of *Real Property Performance Results*:

- Department of Agriculture
- Department of the Army
- Department of Commerce
- Department of Energy
- Department of the Interior
- Department of Justice
- GSA Public Buildings Service
- Social Security Administration
- Tennessee Valley Authority

Other Partners

We would like to acknowledge the following organizations, each of which contributed to the Office of Real Property's performance measurement initiative in 2000 with data, research and other valuable assistance:

- Applied Materials
- Building Owners and Managers Association International

- Department of State
- Dupont Global Services Business
- Environmental Protection Agency
- Federal Facilities Council
- Fidelity Investments
- IBM
- Institute of Real Estate Management
- National Institutes of Health
- Public Works and Government Services Canada
- Small Business Administration
- Society of Industrial and Office Realtors
- SPRINT
- University of Missouri-Columbia
- University of Michigan
- U.S. Army Corps of Engineers
- Workplace Productivity Consortium
- Worldwide Workplace Web (W4)

Special thanks also go to Dr. Wendell Joice for his assistance with the Federal Teleworkers section, Carol Anadale for the FIRM update, and the Logistics Management Institute (LMI) for the private sector data analysis and the CAFM white paper.



2000 Governmentwide Results

Introduction

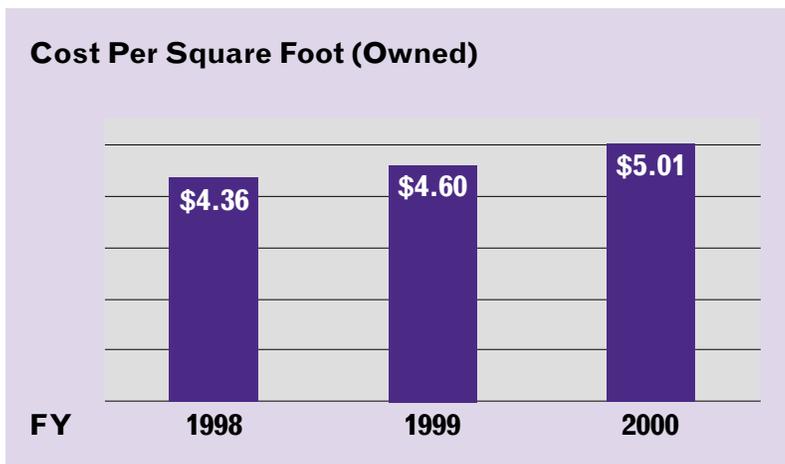
The Office of Real Property compiled the information in this section from approximately 317 million rentable square feet of building data submitted voluntarily by Federal agencies during the summer and early fall of 2000. This amount represents 48 percent of the total Governmentwide office space inventory. The GSA data were selected using certain pre-established criteria, but the rest of the Federal data were subject to the discretion of the contributing agencies.

We questioned certain data, but generally accepted the submission for inclusion into the overall Governmentwide averages. Although the sampling method may not be rigorously scientific, we believe that the overall volume of data collected helps compensate for any shortcomings or individual inconsistencies. We also believe that the value added by the benchmarking process itself far exceeds the benefits of a more academic exercise that would severely limit participation due to excessive requirements.

Summary of Results

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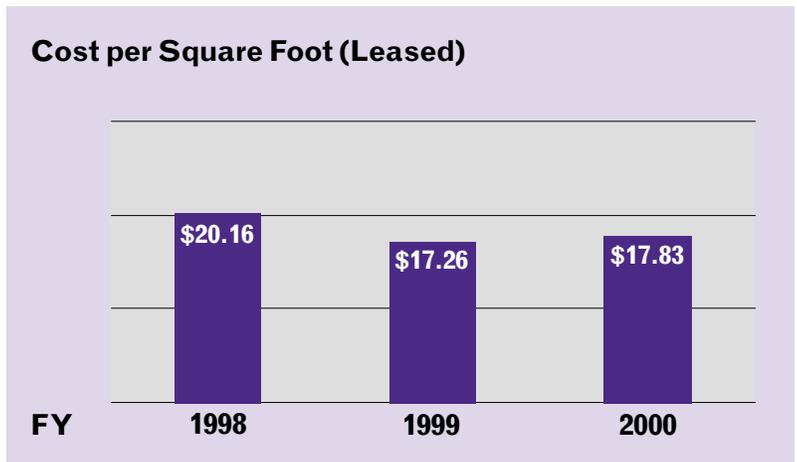
Cost per Square Foot (Owned)

- The current indicator reflects Fiscal Year 2000 dollars per rentable square foot.
- The current indicator is an average derived from a Federal agency sample of 185,935,311 rentable square feet of owned office space.
- The definition for this indicator is the sum of expenditures for cleaning, maintenance and utilities.
- The increase from the 1999 estimate is due to the inclusion of more data from mixed-use as opposed to strictly office buildings. In the Governmentwide framework, it is not always possible for agencies to segregate office space costs from special space costs in facilities that house diverse functions. We chose to include this data so that our report is more indicative of a truly Governmentwide portfolio. Exclusion of the mixed-use space data would adjust the 2000 indicator to approximately \$4.50.

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Cost per Square Foot (Leased)

- The current indicator reflects Fiscal Year 2000 dollars per rentable square foot.
- The current indicator is an average derived from a Federal agency sample of 130,904,932 rentable square feet of leased office space.
- The definition of this indicator is the fully serviced rental rate.



Vacancy Rate

- The current indicator is the average vacancy based on a Federal agency sample of 316,840,243 rentable square feet of owned and leased office space.
- The current estimate is based on actual 1999 data submitted by Federal agencies.



Cost per Person - Low

Average Real Estate, Basic Information Technology



Cost per Person - Base

Prime Real Estate, Basic Information Technology



Cost per Person

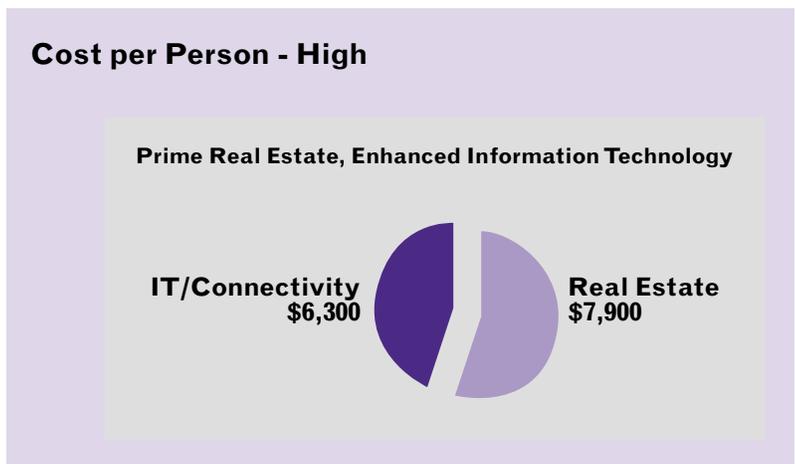
- We derived the Cost per Person estimates in this section by updating our 1999 internal study conducted for the *Workplace Evaluation Study*.
- The depicted scenario describes a lower cost (compared to Washington, DC) rental market and an office environment equipped with basic information technology and telecommunications capabilities.
- The depicted scenario describes a Washington, DC rental market and an office environment equipped with basic information technology and telecommunications capabilities.
- This scenario is the basis for our 2000 Cost per Person Governmentwide estimate of \$12,600 per person. This represents a 5 percent increase over our 1999 baseline estimate of \$12,000 per person.

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- The depicted scenario describes a Washington, DC rental market and an office environment equipped with enhanced information technology and telecommunications capabilities.

General Rule of Thumb: Based on the range of estimates provided, you may divide your real estate cost (which is highly sensitive to geographic location) by the number of employees, then add \$5,000 to \$6,000 to approximate your cost per person as defined here.

On the following page we present our official 2000 update of our popular GSA Cost per Person Model. The actual model is an Excel spreadsheet that enables you to estimate your actual cost per person or to plan different work place scenarios and assess their cost impacts. Since its release in November 1999, we have provided the spreadsheet in electronic form at no cost to



42 customers in 35 government, private and academic organizations. You can obtain your 2000 update of the GSA Cost per Person Model by contacting the Innovative Workplaces Division (see Appendix E).

Note: We omitted an estimate of furniture cost from the 2000 update of the GSA Cost per Person Model. There are an increasing variety of furniture options available in today's marketplace, and the furniture costs in our pilot study are probably not a typical case. The actual spreadsheet model will enable you to apply your own furniture costs to your workplace analysis.

Average Cost per Person for FY 2000

Typical Federal Agency - "Base Case"
Headquarters, Washington, DC

Full Time Equivalent (FTE)	1,008
----------------------------	-------

Number of Workstations	1,000
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Component A: Real Estate **Description**

Space per Person	230	230 rentable square feet (rsf) is based on the 200 usable square feet per person published in MP's Office Space Use Review adjusted upwards by 15% to reflect rentable square feet.
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Rental Rate for Building/Facility	\$30.00	Select the appropriate rental rate for the area, building class and type. Use current market rental rates or plug in the actual agency rental rate
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Real Estate Cost:	\$6,900,000	# of workstations x Space per person x Rental rate
--------------------------	--------------------	--

Component B: Telecommunications

Instrument Cost per Workstation	\$884	For Analog use \$884; for ISDN use \$1,300
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Telecommunications Cost:	\$884,000	# of Workstations x Instrument cost per workstation
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Component C: Information Technology

Annual IT Cost	\$3,788	IT cost includes workstation and LAN interface. Use up to 30% adjustment factor for enhanced IT environment.
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IT Cost:	\$3,788,000	IT cost x # of workstations
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2000 Governmentwide Results

Model

Component D: Workstation Furniture		Description
Workstation Furniture	\$0	Omitted for Performance Results 2000 analysis
Furniture Cost:	\$0	Workstation cost x # of workstations
Component E: Alternative Work Environment		
Total number of Teleworkers	151	For "base case" we assumed 15% of total FTEs telework.
No. Working at Home	113	For "base case" we assumed 75% of teleworkers work at home
No. Working at Telework Center	38	Total # of teleworkers - # working at home.
Annual Home Office Cost	\$5,243	Average annual cost to support teleworker at home
Daily Telework Center Cost	\$27.12	Daily cost per employee for a telework center
Avg. No. of days/wk at Telework Ctr	2	
Alternative Work Cost:	\$699,637	(Home office cost x # working at home) + (Daily telework center cost x Average # of days/wk at telework center x 52 weeks/yr. x # working at telework center)
Total Annual Cost (year 1):	\$12,271,637	Total Components A + B + C + D + E
Cost per Person (year 1):	\$12,174	Divide annual cost by the number of FTEs
Cost per Person (years 2-3):	\$11,424	Deducts Start-Up (year 1 only) costs

Customer Satisfaction

The figures refer to the results of the GSA Public Buildings Service's Customer Satisfaction Survey. An independent contractor administers this survey to tenants of approximately half of GSA's eligible buildings annually, with the entire inventory being surveyed every two years. Customer Satisfaction is one of the original 7 key indicators of real property performance derived by an interagency working group in 1998. We are unaware of other formal Customer Satisfaction

surveys administered consistently and comprehensively by Federal agencies, so we continue to report the results of the GSA Public Buildings Service survey in our annual assessment for *Real Property Performance Results*.

Customer satisfaction as measured above is a useful assessment for a commercial service provider such as the GSA Public Buildings Service. From a Governmentwide perspective, it might be useful to think about this issue in terms of employee satisfaction and its impact on productivity. We developed the GSA Workplace Performance Model to explore the measurement aspects of innovative workplaces. The conceptual model, based on the Integrated Workplace concept, analyzes the workplace in terms of the places where we work, the tools we use, and people factors (such as business processes and organizational culture).

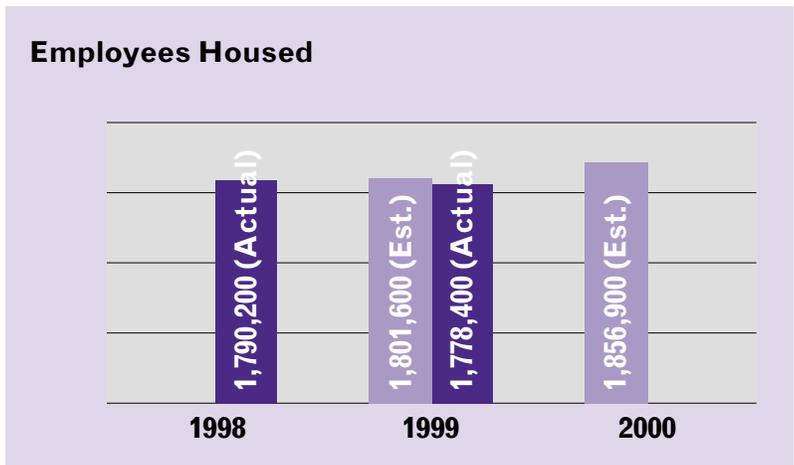
We developed a survey to test the assumptions of our model and we are currently conducting several pilot tests using the survey. We will feed the baseline data we collect into a second, quantitative version of the GSA Workplace Performance Model, which will allow you to analyze the potential effects of investment in the various workplace components in terms of impact on productivity and retention. The results of our research, and the innovative spreadsheet tool we are developing based on it, will be available in the Spring of 2001.



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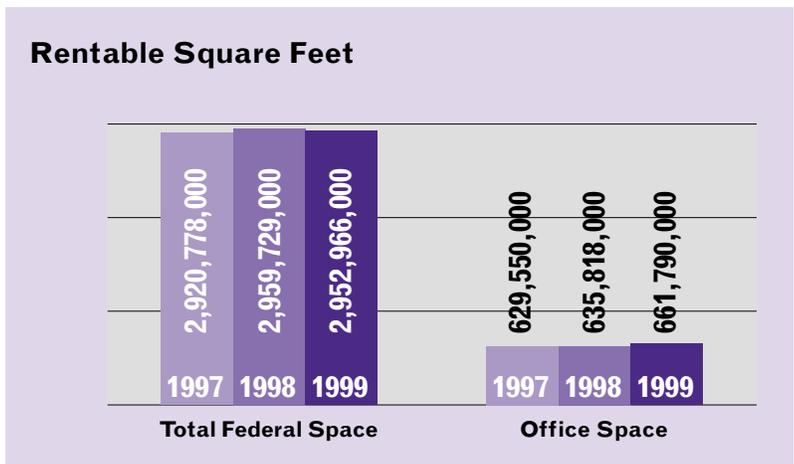
Employees Housed

- The 2000 Governmentwide estimate for Employees Housed is the 2000 FTE (FullTime Equivalent) estimate in the Fiscal Year 2001 President's Budget. Note that this estimate includes an increase in Department of Commerce FTE attributable to the 2000 census.



Total Square Feet

- We derived the 2000 Governmentwide estimate from information in the latest (1999) Worldwide Inventory of the United States' real property.



Reinvestment Level

In 1990, the National Research Council published "Committing to the Cost of Ownership: Maintenance and Repair of Public Buildings." This influential report recommended an annual reinvestment in owned buildings for the maintenance and repair activities of between 2 to 4 percent of the current replacement value of the owned building inventory. Since 1990, the reinvestment ratio advocated by the study has been cited often in the Federal, local government,

academic and even the private sectors.

According to the National Research Council report:

Based on experience and judgment, the committee proposes that the appropriate level of [maintenance and repairs] spending should be, on average, in the range of two to four percent of current replacement value of the inventory.

The report also states:

This two to four percent range is most valid as a

budget guide for a large inventory of buildings and over time periods of several years.

The definition of maintenance is:

The upkeep of property and equipment, work necessary to realize the originally anticipated useful life of a fixed asset. Maintenance includes periodic or occasional inspection; adjustment, lubrication, and cleaning (non-janitorial) of equipment; replacement of parts; painting; resurfacing; and other actions to assure continuing service and to prevent breakdown.

The definition of repair is:

Work to restore damaged or worn-out property to a normal operating condition. Repairs are curative, while maintenance is preventative.

The recommended two to four percent budget for maintenance and repair does not include:

- Facilities-related operations (such as custodial work, utilities, grounds, security)
- Alterations and capital improvements
- Legislatively-mandated activities (such as accessibility, hazardous materials removal)
- New construction and total renovation activities
- Demolition

In 1996, the Federal Facilities Council issued "Budgeting for Facilities Maintenance and Repair Activities." This report concluded that, although the National Research Council report has been widely distributed and frequently quoted, the two to four percent guideline "has not been widely adopted by Federal agencies."

The 1996 report cites two important impediments

to the use of the guideline:

- Lack of agreement across agencies in determining which items should and should not be included in a maintenance and repairs budget.
- Lack of a consistent approach across agencies on a method for determining current replacement value.

Based on our recent research, we conclude that use of the two to four percent guideline is inconsistent in the Federal sector, much more prevalent in the university facilities sector, and almost non-existent in the private sector. Although large owner-users in the private sector may use some sort of guideline (per square foot standards, or some other defined ratio), private sector owners who have primarily a short term investor interest in a facility don't spend very much on maintenance and repairs by comparison.

Some other issues in this area that we identified during our research are:

- Although the two to four percent guideline, or some other methodology, can be used to set an initial annual target for maintenance and repairs, budget realities often determine the approved level of spending for these activities. Unfortunately, maintenance and repairs, in the heat of the budget battles, often is viewed as something that can be "put off."
- The two to four percent guideline does not account for the age and condition of the buildings that make up the inventory.
- Agencies have different budget structures, and they are not always amenable to applying

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or tracking the two to four percent expenditure level. For example, one agency includes maintenance in the same budget account as operations, and includes the repairs activity in another account that also includes minor alterations.

- The existence of a large backlog of deferred maintenance complicates the issue. The two to four percent guideline excludes deferred items. In practice, an agency typically budgets less than the guideline and spends part of the funds on deferred maintenance. This exacerbates the annual underfunding, continues to build up the backlog, and the cycle just perpetuates and even worsens.
- The credibility of the two to four percent guideline may be tarnished because the range

is too broad. Over a large inventory (the entire Federal inventory is approximately 2.95 billion rentable square feet as reported elsewhere in this publication), the dollar amount difference between two and four percent of the current replacement value is considerable.

In the course of our informal research, we identified five Federal agencies that apply the two to four percent guideline. In practice, the guideline is thought of as two percent (minus the “to four”). Typically, the budget process drives the actual approved level below two percent.

The 2000 Governmentwide Performance Result for reinvestment ratio is based on this analysis. A summary follows:

Number of agencies in analysis	5 agencies
Total inventory of sample size	245 million rentable square feet
Actual reinvestment level	1.4 percent

Some observations about the 1.4 percent metric derived by our analysis are:

- Participating Federal agencies all agreed that maintenance and repairs were underfunded.
- University sector facilities professionals we contacted reported a desired level of 2 percent, an actual expenditure level in the area of 1.5 to 1.6 percent, and shared agreement that maintenance and repairs were being underfunded at these levels.

- In our research, we came across one study that suggested that funding maintenance and repairs at levels below 1.5 percent was not sufficient to maintain buildings in serviceable condition.
- Earlier this year, the General Accounting Office issued a report entitled “Federal Buildings: Billions are needed for Repairs and Alterations.” While the estimated \$4 billion backlog includes more than the basic maintenance and repairs items encapsulated in the

two to four percent guideline, our research suggests that the latter are being consistently underfunded in the Federal sector, which can only add to the current backlog in the long run.

Federal Teleworkers

Telework means performing work on a regular basis in a location other than the principal office, such as the employee's home or a nearby telecenter. In August 1998, The Office of Personnel Management (OPM) submitted a report to Congress entitled "A Review of Federal Family-Friendly Workplace Arrangements." This report estimated the number of Federal teleworkers at 24,889 and is the basis for our 2000 Governmentwide estimate of Federal Teleworkers.

Why would we use a 1998 estimate as the basis for our 2000 performance indicator? First, our office does not have either the resources or the statutory authority to attempt to recount or update this metric. Second, there are significant problems and inaccuracies associated with Federal assessments of numbers of teleworkers – in fact, there is no established systematic tracking system in place to determine the progress of Federal telework. Finally, we are not aware – regrettably – of any significant individual agency initiatives since 1998 that would have dramatically increased the total number of Federal teleworkers over the 1998 OPM estimate.

OPM and GSA are currently conducting a review of Governmentwide telework policies. By identifying issue areas that could benefit from policy clarification or revision, we aim to facilitate agency use and expansion of telework. Based on this review and other initiatives, we anticipate the establishment of an adequate tracking system

and consequent requests for on-going measurement of the number of Federal teleworkers.

The 24,900 count for Federal Teleworkers fell short of the Administration's 1998 target of 60,000. Further, the inclusion of the number of Federal Teleworkers in our annual performance measures leads to an inevitable comparison of this number with the number of Employees Housed. Comparing these two indicators for 2000 shows that approximately 1.3 percent of the Federal workforce teleworks.

The number of teleworkers in an organization depends on many factors, and you can receive a wealth of technical guidance on this subject from the Office of Real Property. However, to put the 1.3 percent metric in context, consider the following:

- The 60,000 target for 1998 would still represent only 3.2 percent of the Federal Employees Housed.
- Private sector organizations vary, but typically at least 10 percent of an organization's workforce teleworks intermittently.
- An organizational component of GSA developed and implemented a highly successful telework program. They achieved a level of 23 percent of eligible employees teleworking one or more days a month.
- There are known cases, in both the private and public sectors, where extraordinarily high percentages of employees teleworking are achieved. In these instances, telework is just one part of a larger workplace transformation strategy motivated by process reengineering, real estate reduction initiatives, or

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recruitment problems. These cases typically involve significant hoteling or workstation sharing arrangements, and large numbers of employees working full-time at home. In these cases, you may find percentages of employees teleworking in the area of 50, 75 or even 100 percent.

There are plenty of good reasons to telework, including:

- Administration policy targets mentioned above.
- It's simply the way we work in the 21st century, whether we continue to come to the office or telework all the time.
- Telework is environment-friendly and family-friendly.
- Many studies indicate that the ability to occasionally telework increases overall employee job satisfaction and productivity.
- Current technology makes it possible, makes it seamless, and is not cost-prohibitive.
- Telework makes it easier to stay in closer contact with customers in the field.
- Certain tasks of "knowledge workers" require quiet and concentration away from the distractions of the office.

The following are not good reasons to telework:

- Telework is not in and of itself a means to the end goal of reduction of floor space and subsequent savings in rent bills.
- Telework is not an employee perk.
- Telework is a facilitator but not a substitute for childcare or elder care.

There has been much discussion as to the obstacles preventing greater numbers of teleworkers in the Federal Government. As mentioned, OPM and GSA are conducting a policy review to identify these issues. We believe that the two most significant impediments are:

- Middle management resists participation in telework programs because of the perception that they must physically see employees in order to manage them. As we transform from the industrial age to the information age, our management focus must shift from the old time-and-attendance paradigm to a focus on results.
- Management is sometimes reluctant to fund start-up costs (primarily information technology and connectivity costs) for teleworkers unless it can be first demonstrated that the investment will result in reduced physical real estate cost via reduction in floor space. As mentioned above, telework at normal levels is not a linear replacement for the office environment but an expansion and enhancement of the entire workplace environment. The benefits are not limited to financial measures but include employee satisfaction, increased productivity, greater customer service, reduced commuting time, fewer automobile trips, improved retention and recruitment, and enhanced work/life balance.

Finally, comparing data on number of teleworkers is sometimes tricky because of varying definitions of the term. In the field of performance measurement, clear and consistent definitions are as important as they are difficult to achieve. The following is our Office's "working" definition for telework:

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Telework means a work arrangement in which an employee works at a geographically convenient alternative work environment such as the employee's home, a telework center (telecenter), or other alternative work environment. This arrangement saves the employee a lengthier commute by reducing vehicle trips to a main office

work environment. In addition, the employee makes use of this arrangement, on average, at least 1 day per week.

For more information about telework, visit our web page at:

<http://www.gsa.gov/realpropertypolicy>

2000 Private Sector Performance

Introduction

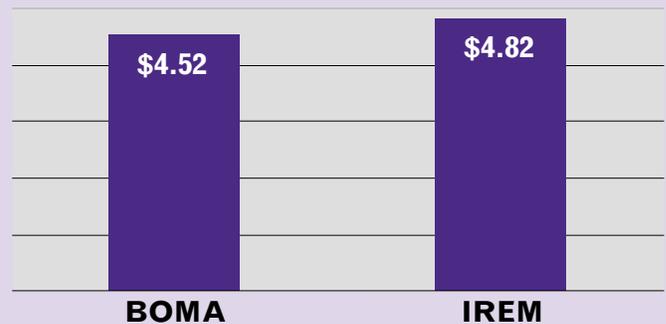
The information summarized in this section provides a context for the Governmentwide data we presented earlier. Each data source analyzes a different building sample and the methods of data collection and analysis vary. Using the summary

data presented in this report to benchmark the Federal Government against the private sector would be an inaccurate oversimplification of the benchmarking process. However, individual Federal real property asset managers can use the Governmentwide and private sector data to evaluate and improve their Federal real property portfolios.

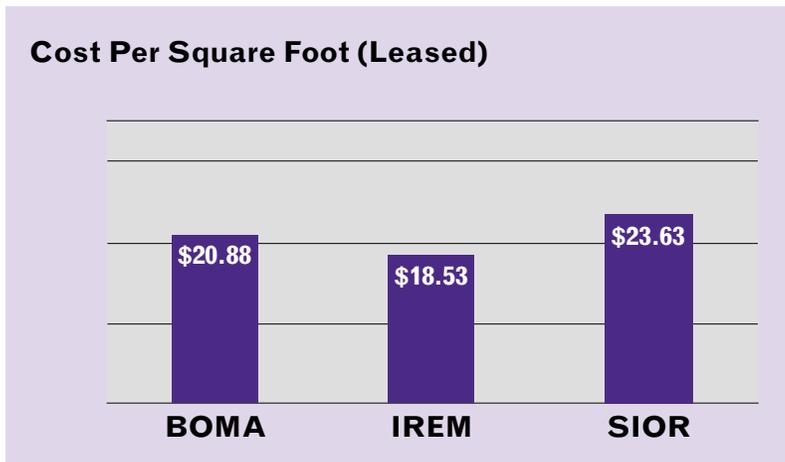
Cost per Square Foot (Owned)

- The numbers reflect Fiscal Year 2000 dollars per rentable square foot.
- The source for the Building Owners and Managers Association (BOMA) numbers is the *2000 BOMA Experience Exchange Report*. We escalated the reported 1999 actual cost data by 2.7 percent (CPI) to obtain FY00 dollars.
- The BOMA sample consists of 3,410 buildings covering 629,740,088 rentable square feet of space.
- The source for the Institute of Real Estate Management (IREM) numbers is the *2000 IREM Income/Expense Analysis*. We escalated the reported 1999 actual cost data by 2.7 percent (CPI) to obtain FY00 dollars.
- The IREM sample consists of 550 buildings covering 153,410,000 rentable square feet of space.

Cost Per Square Foot (Owned)



2000 Private Sector Performance



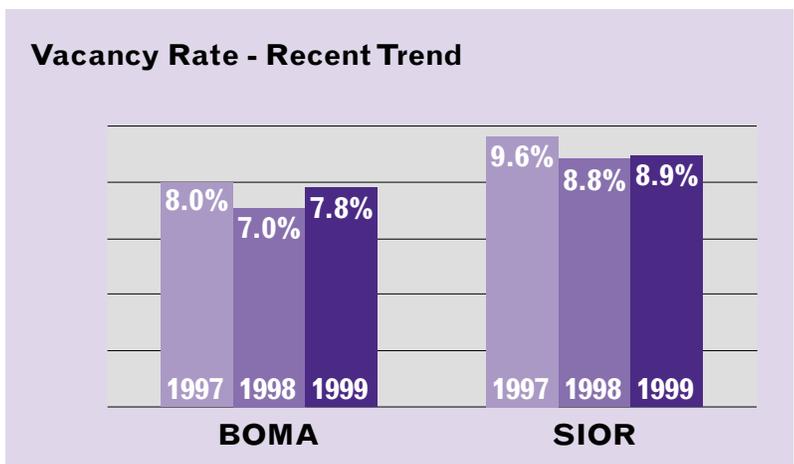
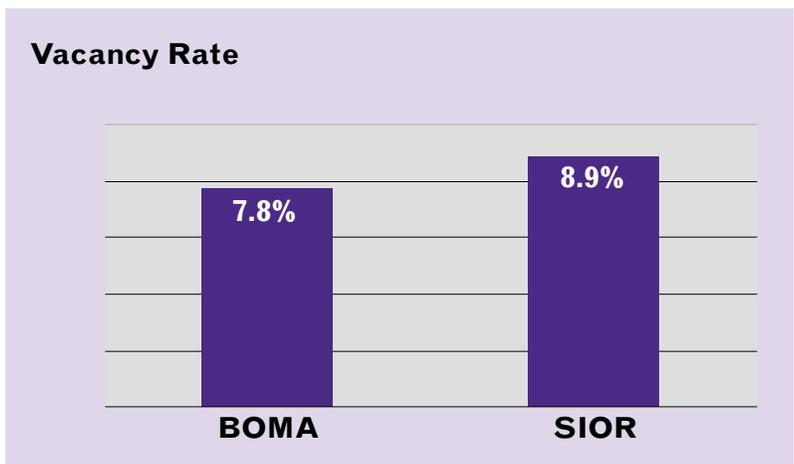
Cost per Square Foot (Leased)

- The numbers reflect Fiscal Year 2000 dollars per rentable square foot.
- The source for the Building Owners and Managers Association numbers is the *2000 BOMA Experience Exchange Report*. We escalated the reported 1999 actual cost data by 2.7 percent (CPI) to obtain FY00 dollars.
- The BOMA sample consists of 3,410 buildings covering 629,740,088 rentable square feet of space.
- The source for the Institute of Real Estate Management numbers is the *2000 IREM Income/Expense Analysis*. We escalated the reported 1999 actual cost data by 2.7 percent (CPI) to obtain FY00 dollars.
- The IREM sample consists of 550 buildings covering 153,410,000 rentable square feet of space.
- The source for the Society of Industrial and Office Realtors (SIOR) data is the *2000 Comparative Statistics of Industrial and Office Real Estate Markets*. We escalated the reported 1999 actual cost data by 2.7 percent (CPI) to obtain FY00 dollars.
- The SIOR sample consists of 1,418,231,000 rentable square feet of space.

2000 Private Sector Performance

Vacancy Rate

- Vacancy rates represent Central Business District (CBD) office space.
 - The sources for the data are the 2000 editions of the BOMA and SIOR publications noted previously.
 - The 2000 vacancy rate estimates are based on reported 1999 data.
-
- The sources for the BOMA and SIOR data are the 1998, 1999 and 2000 editions of the publications noted earlier.



Benchmarking Partners Sample

Last year, we began accepting performance data from other organizations besides the Federal Government. In 2000, we collected approximately 46 million square feet of data from these sources.

This represents a 15 percent increase over 1999 for this sample.

Benchmarking partners in other governments and the U.S. private sector provided the information summarized below:

Cost per square foot (owned)	\$3.94 per rentable square foot
Vacancy rate	7.8 percent





Observations and Recommendations

Observations from the Data

- 1) The purpose of this publication is to provide benchmark data in support of asset management activities of Federal real property professionals. Considering the broad scope of the indicators, the data may be useful to stakeholders interested in the relative performance of Federal real property asset management as compared to other commercial, owner/user, and government organizations. We do not represent the information in this publication to be a precise cost accounting of the chosen indicators. The correct frame of reference for the data is a benchmarking effort, not an audit.
- 2) Please remember that most of the data presented in this publication are in the form of national averages. When making comparisons to local portfolios or individual facilities, you should consider geographic cost differentials.
- 3) Appendix A summarizes the extent of participation in the 2000 voluntary data submission for the Federal benchmarking effort. We are pleased and grateful that a core group of Federal agency partners once again assisted in this effort. Total data collection increased, although the sample data does not resemble the actual GSA versus other agency mix in the overall inventory as much as we would like. There are still several major Federal players in terms of office space inventory who have not participated over the last three years. We will continue to offer them as well as all Federal agencies the opportunity to participate in future benchmarking efforts in support of Governmentwide real property performance measurement.
- 4) Regarding Cost per Square Foot (Owned), the analysis indicates a 9 percent increase over the 1999 Federal estimate and a 4 to 11 percent variance with 2000 private sector estimates. As explained earlier, all of the variance is attributable to increased data collection of “mixed-use” type space that includes costs for more types of special space than is normally found in generic office buildings. We already alluded to the problem of having more GSA representation in the data sample than we would like. If we narrowly circumscribed our data collection criteria to 100 percent “vanilla” office space, we would wind up with primarily GSA buildings and no Governmentwide analysis. Part of the value added by the Governmentwide real property performance measurement initiative is the delineation of what a Government office building is as opposed to a commercial office building. Although there is value in comparison, the types of facilities involved preclude a strict “apples to apples” approach.
- 5) Regarding Cost per Square Foot (Leased), we found no major difference compared to 1999 and good performance compared to the private sector. This finding is consistent with the previous discussion on Cost per Square Foot (Owned). Government agencies tend to lease “vanilla” office space and own more mission-specific types of facilities (which includes facilities with large administrative or office areas captured in our sample but not separated from the cost of running the total facility).

Observations and Recommendations

- 6) Regarding Vacancy Rate, Governmentwide vacancy is falling while private sector vacancy rates are up slightly. Given the informal nature of our benchmarking and the scale of the vacancy rates themselves, it is probably safe to say that Federal vacancy rates are in line with overall private sector vacancy rates.
- 7) Regarding Cost per Person, we updated our pilot study and provided the numbers in this publication. We did not collect data on this measure; we suspect that customer agencies would not be able to easily provide such data. In the private sector, we have informal estimates putting this number at \$16 to \$18 thousand per person according to our definition. However, private sector organizations in general would not find it any easier to generate benchmark data on this measure than our Federal partners would. We continue to believe that this is an important workplace measure, and we are happy to provide the updated data as a point of reference for our customers. The merging of the real estate, information technology and human resources disciplines into workplace analysis is an ongoing trend, and Cost per Person will continue to be a useful and innovative measure.
- 8) There are no significant trends discernible from the Customer Satisfaction, Employees Housed, and Total Square Feet measures.
- 9) We believe that the issues raised in our discussion of Reinvestment Level are important ones. The deteriorating state of an aging Federal inventory continues to be a critical issue for GSA, the General Accounting Office, the Federal Facilities Council, and others. We hope that the benchmark information provided in this year's edition of *Real Property Performance Results* will help move this discussion along. However, this is not a measure that we will look at annually since it reflects budgeting policy and not performance data.
- 10) We believe that teleworking provides valuable benefits to the Federal workplace, and we will continue to report on this measure annually. However, we will be reporting independent estimates (providing they are done) and not attempting to measure this number ourselves. This is due to our own resource constraints, but also due to the fact that other agencies are already involved in this area.

Observations and Recommendations

Quality of the Data

- 1) We used conversion factors to translate all submitted data into consistent units of rentable square feet, fiscal year 2000 dollars, and U.S. dollars. These modifications to the original source data were necessary to enhance comparability of the results.
- 2) We continue to strive for uniformity of definitions among data from disparate sources. We occasionally reject data that appears to include other factors besides what we are attempting to measure. Generally, we err on the side on inclusion.
- 3) Many respondents submit data at the summary level, which occasionally involves certain assumptions or interpolations on our end.
- 4) Considering the variety of participating organizations with disparate information systems, the numbers are generally reliable and remarkably consistent.
- 5) Although our methodology is not derived from a statistical frame of reference, we did collect a data sample representing almost half of the Federal office space inventory. We hope that such a large proportionate sample overrides the statistical shortcomings of our benchmarking methodology.

Recommendations and Next Steps

- 1) We continue to believe that the annual Governmentwide real property performance measurement initiative provides value to our Federal customers, and to a wider audience. Our work in this area has been recognized as innovative and useful in both the public and

private sectors, and by governments throughout the world. Regarding our Federal customers, the value extends beyond the numbers to the actual data collection process itself, which focuses customer agencies on the importance of both asset management and the information systems that support it. We hope to conduct another round of benchmarking in 2001.

- 2) Information systems continue to be an issue in two respects. One, agencies have different systems which cannot always easily generate data in the form that we are requesting. We generally can work through most of these disparities. The other problem is inadequate information systems, or systems that are not directly controllable by asset management professionals. For these reasons, we continue to provide helpful information in this area, represented by the appendices on CAFM systems and FIRM in this publication. We want to point out that, based on our experience with the Benchmarking Partners sample derived for our Private Sector Performance analysis, these information systems shortcomings are as prevalent in private sector facilities management as in Government.
- 3) After three years of our performance measurement initiative, we are struck by the excellent performance of the Federal sector in the absence of any overarching Federal strategy for managing the Worldwide Inventory (the actual inventory, not the database). In other words, independent agencies all manage their portfolios effectively, but are we possibly operating an

Observations and Recommendations

efficient portfolio of real property assets today that will be inadequate to support the mission needs of tomorrow? Of what use is a well-managed building if it turns out you don't need the building, or you need a completely different kind of building, or you need space in a completely different location?

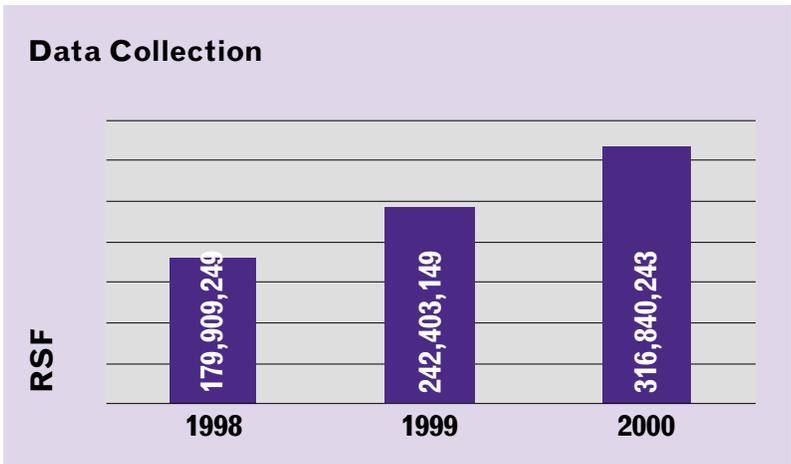
We realize that each agency must have a strategic plan for accomplishing its mission, and we encourage agencies to include real property asset management considerations in those strategic plans. We are working to bring this message to agencies in our ongoing Strategic Planning Review Study. Still, it

would be beneficial if we had an overarching Governmentwide real estate strategy. Such a strategy would have to be developed by our stakeholders, and it might generate some new and interesting performance measures. To the extent that one part of such a global strategy would be to manage existing assets efficiently, the types of measures we present in *Real Property Performance Results* would definitely come into play. However, other important strategic and policy considerations would inevitably generate another set of measures. We'll never get to those measures, however, without developing the stakeholder strategy first.

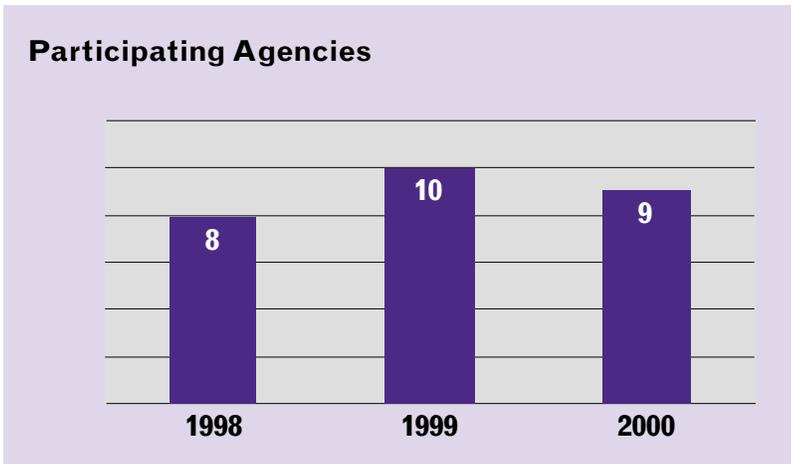
Appendix A: Data Collection

The 2000 voluntary benchmarking effort continued a three-year trend of enthusiastic participation by a core group of Federal partners. Although total data collection increased, there is still room for greater participation in this important GPRA-related effort.

- In 2000, we collected voluntary data samples from Federal agencies representing approximately 317 million square feet of office space. This represents a 31 percent increase in data collection compared to the 1999 sample.

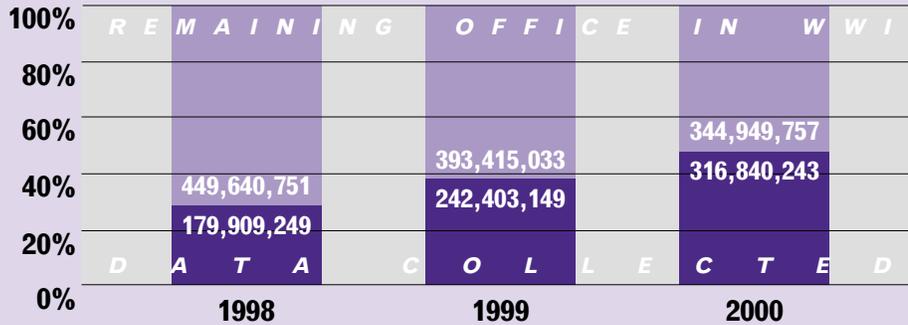


- In 2000, we had 9 Federal agency participants in the annual benchmarking effort. Two small contributors from 1999 did not participate. We gained one new partner (with a much larger data contribution) for a total net decrease of one agency. We also obtained larger data samples from several key 1999 contributors for the 2000 effort.



Appendix A: Data Collection

Office Space Collected



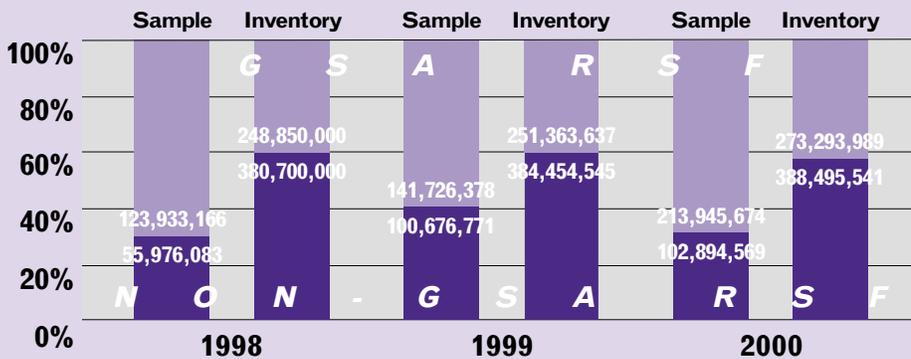
- In 2000, our data sample represents 48 percent of the total Government-wide office space inventory. By comparison, the 1999 sample captured 38 percent of the total office space inventory.

- Approximately 32 percent of the 2000 sample consists of non-GSA-controlled office space. The proportionate share of the total office space inventory for agencies other than GSA is 59 percent.
- The 2000 data sample does not resemble the overall inventory proportions as well as the 1999 data sample, and is about at the same level of representation as the baseline 1998 baseline sample. For the sake of consistency, we maintained the same thresholds originally

applied in 1998 to extract a subset of the total GSA inventory for the Governmentwide analysis. Using these thresholds generated a larger GSA sample in 2000 since more space qualified under these criteria.

- For 2001, we may consider raising the threshold for inclusion of GSA space if non-GSA space data collection does not increase considerably. However, we need to examine the trade-off between collecting larger and larger samples of Federal office space data (evaluating more of the total universe) and analyzing smaller samples that more closely resemble the GSA versus other agency mix in the inventory.

Non-GSA Contribution to Sample



Appendix B: Computer Aided Facilities Management (CAFM)

Computer-Aided Facility Management - A Primer

Facility management is the practice of coordinating the physical workplace with the people and work of the organization. Facilities management integrates the principles of business administration, architecture, and the behavioral and engineering sciences. Computer-aided facility management – CAFM - automates that practice. It offers facility managers a cost-effective way to manage the continual changes necessitated by the dynamics of the organizations they support.

CAFM systems have a database that interfaces with a computer-aided design (CAD) system. They are able to integrate building floor plans with information about “objects” in the plans. Equipment inventory, personnel locations, departmental space assignments, work requests, and maintenance schedules are examples of objects typically maintained in the database. With the ready availability of current and accurate information about those items, facility managers can make prompt, well-informed decisions about how to run their buildings.

What Are Some Benefits Of CAFM?

CAFM benefits an organization by enabling it to both improve efficiency and reduce costs. Data from a variety of sources - paper drawings, word processing files, databases, and even paper logs and sticky notes - can be integrated into one system. Once in place, a CAFM system allows facility management staff to develop historical data that will help future planning.

Work order management features give facility managers (FMs) an automated, paperless system

that consolidates information for both vendor-based and direct maintenance activities. Labor, materials and schedules for daily and planned maintenance work requests are tracked. Facilities and maintenance groups can track approvals and assignments, plan workloads, manage projects, review performance, and communicate priorities. Planned preventative maintenance can be tracked to enable accurate records to be kept and maintenance schedules to be followed, thereby reducing parts inventories, and streamlining the periods between preventive maintenance repairs.

Asset management functionality allows users to have access to a centrally located, easy-to-access, complete repository of furniture and equipment inventories, portfolios, contracts, and process data. When this information is centralized, asset management becomes more effective because users have quick and easy access to information. This provides accurate and timely reaction to change and to customer requests. Tracking of telecommunications and cabling assets is functionality that many users are finding a need for as these assets are becoming the lifelines of many organizations.

Inventory volumes can be more efficiently managed with materials tracking features. On-hand and on order quantities are tracked, along with materials classifications, vendor information and purchasing information.

Project tracking features are available for tracking small projects: the vendors or contractors, the costs and key project dates. More extensive project tracking of larger construction projects is typically not done with CAFM software.

Leasing portfolios can be more effectively

Appendix B: Computer Aided Facilities Management (CAFM)

managed in the electronic world, and CAFM provides the ability to do so. Lease type, lease status, rent schedules, option information and payment information can be tracked. Reminder notices can be created for option renewals and other sensitive dates that need to be followed.

One option offered by many CAFM vendors is a web-based capability that enables users to submit service or move forms, view reports, and view CAD drawings on-line using an internet browser. This allows facility managers to have access to their data from almost any computer in their portfolio and from home, to handle facility emergencies.

Another example of the efficiency and cost benefits that can result from CAFM is avoiding significant down-time costs if, with better forecasting and planning, an organization can reduce the number of moves per year, with associated costs of furniture and other equipment replacements.

With better and more comprehensive information, managers can make better decisions. For example, with a CAFM system, a facility manager can easily identify vacancies and, therefore, can take steps to improve the way space is being used. By using space more efficiently, an organization can reduce its lease and operations

costs. If, for instance, we assume a 2 percent improvement in space efficiency and annual lease and operations costs of \$10 per square foot, an organization could save some \$200,000 annually in a 1 million square foot building.

Similarly, by using CAFM software, an organization can reduce the labor costs of its facility management staff, assuming it is manually calculating departmental square footage, generating charge-back reports, producing occupancy drawings, and so forth. Automating these tasks can result in substantial savings. Specifically, an organization could expect savings of approximately 20 to 40 hours per month per million square feet.

An organization also can expect day-to-day labor savings because of the improved layout efficiency that can result from improving the access to facility information. Assume, for instance, that an organization can, through better space allocation, reduce the amount of time required for each employee to walk to another office or meeting room by just 5 minutes every day. A company with 10,000 employees - with an average wage of \$30 per hour (with overhead and benefits) - could save more than \$5,000,000 per year. The same company could save another \$5,000,000 per year if improved space functionality results in a 1 percent productivity gain.

Appendix B: Computer Aided Facilities Management (CAFM)

Sample CAFM Cost Benefits per Year

<i>Square footage</i>	<i>Potential reduction in annual lease/operations costs</i>	<i>Potential savings in annual labor costs for facilities management staff</i>		
	(assumes a 2 percent improvement in space efficiency and an annual operating cost of \$10 per square foot per year)	(assumes a reduction of 20 to 40 staff hours per month and a labor rate of \$50 per hour)		
1,000,000	\$200,000	\$12,000	–	\$24,000
5,000,000	\$1,000,000	\$60,000	–	\$120,000
10,000,000	\$2,000,000	\$120,000	–	\$240,000
25,000,000	\$5,000,000	\$300,000	–	\$600,000

What Can A CAFM System Do?

A CAFM system can generate reports on a wide variety of topics related to facility management.

Typically, CAFM systems have the following modules, or components:

- **Space management.** Space management modules track space and occupancy, enabling the development of a comprehensive space management program. These modules also usually track move costs, move dates, equipment information, employee to-and-from locations, telecommunication information, and network services data. With the space management module, a facility manager can, among other things, generate color-coded floor plans, determine space use (e.g., find vacant offices) and plan more efficient ways to use the space, plan moves, and report on departmental space usage. A significant feature of space management modules is that,

when the database is changed, the update is automatically reflected in the CAD drawing, and vice versa.

- **Asset management.** Asset management modules track assets such as furniture, equipment, computers, telephones, and special equipment. This type of module enables an organization to maintain a detailed inventory that includes such information as asset location, model number, manufacturer, parts and assembly information, cost, warranty information, maintenance history, and departmental ownership. Some asset management modules also have a feature that allows an organization to access purchasing information and interfaces with a bar-coding system or user-defined asset numbers. The module's flexibility allows an organization to define attributes that are most appropriate for each asset.

Appendix B: Computer Aided Facilities Management (CAFM)

- **Property and lease management.**

Property and lease management modules:

- + track multiple leases and gross, rentable, and usable square footage;
- + calculate current and historic lease costs;
- + track key dates, such as renewal and lease expiration dates;
- + evaluate building performance; and
- + identify information on options and landlord data.

With this information readily available, the facility manager can more effectively plan and administer facility leases. Many CAFM vendors also include a charge-back feature in this module that allows the facility manager to estimate the rental costs of the space that an organization or division occupies. Translating space use into rental costs encourages more efficient use of that space.

- **Blocking and Stacking.** Blocking and stacking modules create graphical color-coded stack diagrams showing floor and organizational layouts. A facility manager can use the module to display space and space requirements, represent current occupancies, test what-if scenarios for different space allocations, and restack the floors based on assigned affinity relationships. This module can produce reports that show the gross, core, common, net usable, and remaining square footage by floor or for the entire organization.

- **Maintenance management.** Maintenance management modules:

- + manage work orders, both for work requests that come in to a help desk and for planned work under a preventive maintenance program;
- + monitor costs, parts usage, maintenance histories, warranties, maintenance contracts, personnel, and budgets; and
- + generate standard reports, including activity codes, building systems, personnel, personnel time sheets, maintenance centers, maintenance vendors, shop types, task codes, task requirements, and vendor by shop.

How Is A CAFM System Implemented?

CAFM implementation is not simply software implementation. It is the implementation of business processes that must be fully integrated into the organization. (An organization's business process could be defined as a series of actions or operations to achieve a particular end result.) Because integrating a new business process into an organization can be complex, installing a CAFM system can take from 6 months to several years and can cost 2 to 10 cents per gross square foot, depending on the number of layers and scope of information. Time spent at the early stages of implementing CAFM is particularly important to ensuring success. Having a well-designed plan and a full time team in charge of implementation are keys to successful implementation.

Appendix B: Computer Aided Facilities Management (CAFM)

Define Goals

When implementing a CAFM system, an organization must begin by developing a clear understanding of the problems it is trying to solve. Specifically, to obtain the greatest savings and return on its investment in CAFM, the organization must:

- evaluate its facility management processes,
- state, analyze and prioritize the functional and technical needs and objectives,
- define existing data and infrastructure, and
- decide on the ideal facility management system that will meet the needs and objectives.

Ideally, all parts of the organization should be involved at this stage of planning to ensure that all organizational needs and processes are accounted for. Stakeholder involvement also is critical when identifying the type and format of existing data about the facility.

Select Software

Numerous vendors have developed CAFM systems. To ensure that it chooses the system that will best meet its facility management requirements and help staff members do their jobs easily and efficiently, the organization should review vendor documentation to identify the options available, then have the vendors demonstrate their products.

In addition to reviewing product capabilities, the organization also must analyze the initial and ongoing costs associated with CAFM. Typically, CAFM systems are sold by facility or by seat. The number of users and options can drastically change the price of a CAFM system. A product that appears less expensive at low user levels with few options may become extremely expensive at higher user levels with more options, and vice versa. To estimate the final cost, an organization must determine the number of concurrent users and the scope of implementation in advance so that it can easily compare the costs of different products.

Appendix B: Computer Aided Facilities Management (CAFM)

Major CAFM System Vendors*

<i>Company</i>	<i>Product</i>	<i>Phone</i>	<i>Address</i>
Aperture Technologies	Aperture	800-346-6828 203-357-0800	9 Riverbend Dr. South P.O. Box 4906 Stamford, CT 06907
Archibus, Inc.	Archibus/FM	800-541-2724 617-338-1011	100 Franklin Street Boston, MA 02110
Facilities Information Systems, Inc.	FIS/FM	805-444-2457	188 Camino Ruiz Camarillo, CA 93012
FM: Systems	FM: Space	800-648-8030 917-790-5320	807 Spring Forest Rd. Suite 100 Raleigh, NC 27609
Peregrine Systems	Facility Center (formerly SPAN/FM)	800-632-6347 858-481-5000	3611 Valley Centre Dr. San Diego, CA 92130

Federal government endorsement of vendors is not implied.

*Based on market share.

Adapt Business Processes

The next step in implementing CAFM is to determine the methods and procedures for the system's long-term maintenance. The organization must evaluate current standards, procedures, methods, and policies that may need to be changed or updated to ensure that they work well with the new software. For instance, an integrated database enables components throughout the organization to share and update data simultaneously. Moreover, integrating the data eliminates duplication of effort and data inconsistencies. However, responsibilities and processes for ensuring that the data are entered into the database must be clearly stated.

Typically, different organizational components are assigned responsibility for entering different types of data. The more systems are integrated, the greater benefit can be extracted from a CAFM.

Populate the CAFM Database and Integrate Software with Legacy Systems

After identifying who will enter the data, who will use the data, and who will see the data, the organization can begin to populate the drawings and databases and designing screens, queries, and reports.

Often, much of the data needed for the different

Appendix B: Computer Aided Facilities Management (CAFM)

CAFM modules already exist electronically within the organization, in so-called legacy systems. For instance, the human resources department may have employee data, the acquisitions department may have contract numbers, and so forth. Upon population of the CAFM database, the systems group usually works with the CAFM supplier to integrate the databases that contain facility related information. In this manner, the data only has to be entered once, and the systems talk to each other to share that data.

Train Users

Training the managers and employees who will be using the CAFM system is essential. The training should reflect the needs of different individuals. For instance, a manager may need training only on how to create reports. In contrast, a space designer may need training on how to change the CAD drawings. Depending on the user's

responsibility level, training typically takes from one to five days.

Getting a CAFM system fully up and running depends on the size of the organization, on the size of the team dedicated to managing the implementation, and on how well-planned the implementation plan and schedule are.

What Then?

For a CAFM system to be effective it must be integrated into the organization's processes and regularly used. The organization must have support in place to assist the users with organization-specific CAFM related problems. All CAFM vendors offer a help desk for specific technical issues. Organizations must have a process to ensure that the database is regularly maintained with current information. Otherwise, the organization cannot reap all of the benefits that are inherent in a CAFM system.

Appendix B: Computer Aided Facilities Management (CAFM)

Some Federal Agencies with CAFM Systems

<i>Agency</i>	<i>Point of Contact</i>	<i>Telephone</i>
Defense Logistics Agency (DLA)	Gary Simpson	(703) 767-2049
Federal Deposit Insurance Corporation (FDIC)	Tina Queen	(202) 942-3298
Freddie Mac	Rene Law	(703) 714-2664
General Services Administration (GSA)	Hal Piper	(202) 501-9094
Immigration and Naturalization Service (INS)	Gina Vinciguerra	(202) 305-9307
National Aeronautics and Space Administration's (NASA) Glenn Research Center	Bill Ramsey	(216) 433-5255
Naval Facilities Engineering Command (NAVFAC)	Capt. Dennis Plockmeyer	(202) 685-9030

Appendix C: Update on FIRM

Foundation Information for Real Property Management (FIRM)

FIRM is a real property asset management system developed for use by Federal real property holding agencies. The system was developed for the Federal real property community as a comprehensive, easy to use, modern management system. FIRM is provided to agencies at no cost and includes training, help desk support and system upgrades.

FIRM helps the real property holding agencies manage their real property inventories on a day-to-day basis. The system can be used to track agency owned or leased properties, as well as the agencies' GSA assignments of space. This allows agencies to track their entire real property inventory in detail. The system provides screens for tracking by building, down to each room.

The system is built on an Oracle platform using the typical Oracle support software and tools. FIRM is a modular design comprised of Inventory, Leasing, Income and Expense, Workspace Planning and Tracking, Rent (GSA STAR interface), Inventory Summary, Budget (Space Budget Justification Report), and Reporting. Within the Inventory module, users can create a property record, add details such as address, square feet, condition, acreage, security, handicap access, etc.

Recent developments have added projection features for budgeting, a billing interface with GSA's System for Tracking and Administering Real Property (STAR), and financial interface capabilities to FIRM. Several agency-specific modules have been developed for rent certification and re-billing the STAR rent to agency components. These modules are available to all Federal agencies.

Development in FY 1999 added a security module based on the Presidential Decision Directive 63, allowing agencies to track recommended physical security standards at all buildings occupied by Federal employees.

FY 2000 development automated the preparation of the Office of Management and Budget's Space Budget Justification report.

FY 2001 developments will web enable FIRM, allowing agencies to access FIRM through the Internet. As part of this upgrade, FIRM screens will be redesigned to improve screen flow and navigability. When completed, FIRM will have a new look and feel.

Usage of FIRM has grown from 22 Federal agencies in 1996 to more than 60 Federal agencies and bureaus in fiscal year 2000. These include the Departments of Agriculture, Justice, Labor, Interior, Treasury, Veterans Affairs and Health and Human Services.

Appendix C: Update on FIRM

We have reproduced some of the new screens developed for the Space Budget Justification Report (Exhibit 54).

FIRM - [Create/Update Projected Property Screen]

Agency Code : 21 | TDJRS Bureau Code : 22 | 1-Atlanta Fiscal Year : 2000

Change Type	GSA Billing Information	Agency Information							
Eff. Date	Rent, SFT	Flag	Rent Rate	Rent, SFT	Flag	Rent Rate	Proj Eff Date	Proj End Date	Comments
Planned				31,050	M	\$10,9800	01 SEP 2000	30 SEP 2000	
Planned				31,150	M	\$10,9800	01 OCT 2000	30 SEP 2000	
Planned				31,050	M	\$7,9700	01 SEP 2000	30 SEP 2000	
Planned				31,050	M	\$7,9700	01 OCT 2000	30 SEP 2000	
Planned				31,050	M	\$5,4300	01 SEP 2000	30 SEP 2000	
Planned				31,050	M	\$5,4300	01 OCT 2000	30 SEP 2000	
Planned				31,050	M	\$5,5000	01 SEP 2000	30 SEP 2000	
Planned				31,150	M	\$5,5000	01 OCT 2000	30 SEP 2000	
Planned				31,050	M	\$3,9800	01 SEP 2000	30 SEP 2000	
Planned				31,050	M	\$3,9800	01 OCT 2000	30 SEP 2000	

Buttons: First, Prev, Next, Last, Query, Save, Delete, Cancel, Exit, Preview Report, Run Report

This screen is used to enter the agency's projected acquisitions or releases for the selected fiscal year. This information will then be captured in the Exhibit 54 Report, shown at left.

FIRM - [Exhibit 54]

Agency Code : 20 | TDJRS Bureau Code : 22 | 1-Atlanta Fiscal Year : 2000

	FY 2000	FY 2001	FY 2002	FY 2003
	Sq. Ft.	Rent	Sq. Ft.	Rent
GSA Rent Estimate				
GSA rent estimate	31,729,164	\$106,204	31,729,164	\$106,204
PART I : RENTAL PAYMENTS TO GSA				
Agency adjustme Chargebacks (PY)	945,984	\$8,625	945,984	\$1
Agency adjustme Other adjustments	0	\$0	0	\$0
Agency adjustme Statutory imposed	0	\$0	0	\$0
Planned changes FY2000	434,658	\$4,26	434,658	\$5,108
Planned changes FY2001	0	\$0	600,174	\$6,072
Planned changes FY2002	0	\$0	0	\$5,974
Planned changes FY2003	0	\$0	0	\$0
Requested Prog FY2001	0	\$0	0	\$0
Requested Prog FY2002	0	\$0	0	\$0
Requested Prog FY2003	0	\$0	0	\$0
Total, net rental payments to	33,109,807	\$115,255	33,709,981	\$123,358
FUNDING SOURCES FOR RENTAL PAYMENTS to GSA				
Account title and ID code				

Buttons: First, Prev, Next, Last, Query, Save, Delete, Cancel, Exit, Run Report

Appendix D: BOMA Experience Exchange Report (EER)

The Experience Exchange Report (EER), published annually by the Building Owners and Managers Association (BOMA) International, provides readers with office building financial data and operational information for public and private sector real estate organizations in the United States and Canada.

The data and information found in the EER is generated from the voluntary surveys filled out by hundreds of real property professionals for the prior year real estate activity. We have reproduced here a copy of the EER survey form. For more information on BOMA's EER, please contact Mr. Matthew Bond, Director of Research for BOMA on (202) 326-6345.

2001 BOMA/IREM Joint Income & Expense Survey Form

Data for Calendar or Fiscal Year 2000 (See Instructions on pages 8 -12)

BUILDING DATA

Person to receive EPC and other information:

1. Name _____
 2. Company Name _____
 3. Address _____ Suite _____
 4. City _____
 5. State/Prov _____ ZIP/Code _____
 6. BOMA Member? Yes No
 IREM Member? Yes No

7. Name of Preparer of this form _____
 Preparer Phone () _____
 Preparer E-mail _____
 8. Building Name _____
 9. Building Address _____
 10. City _____
 11. State/Prov _____ ZIP/Code _____

12. **Floor Measurement Method**
 1. BOMA Rentable (1989) 2. GSA
 3. New York (REB 68) 4. BOMA Usable
 5. Other (define): _____
 6. BOMA Rentable (1996)

13. **Building Square Footage**
 A. Rentable Office Area _____ RSF
 B. Rentable Retail Area _____ RSF
 C. Rentable Other Area _____ RSF
 D. TOTAL RENTABLE AREA _____
 E. TOTAL GROSS BUILDING AREA _____
 F. Total Usable Area _____ USF

14. **Total Number of Parking Stalls** _____ Stalls
 Parking ratio: _____ per 1,000 GROSS SQ FT

15. Number of Buildings Reported _____
 16. Year Building Opened _____
 17. Number of Above Ground Stories _____
 18. Location 1. Downtown area
 2. Suburban area

19. What Major City is it in or nearest? _____
 20. Is this building operated by a third party management agency? Yes
 No

21. Building Class
 1. Class A 2. Class B 3. Class C

22. Building Type
 1. General Multi-tenant 2. Single Purpose
 3. 75% Medical 4. 75% Financial
 5. Gov't Owned 6. Corporate Facility
 Corporate Facility Headquarters? Yes No

23. Total Hours of Operation _____ hours/week (168 max.)
 24. Total Number of Office Leaseholders _____
 25. Total Number of Tenant Employees _____
 26. Size of Owner office _____ RSF
 27. Total Number of Onsite, full time (or equivalent) building Maintenance and engineering staff at this site? _____
 28. Average Office Occupancy Rate _____ %
 29. Average Retail Occupancy Rate _____ %
 30. Year-end Asking Rents (Gross full service lease) \$ _____ RSF
 31. Tenant Alteration Allowance (TAs)
 3-year Lease \$ _____ RSF
 5-year Lease \$ _____ RSF
 32. Alteration Support Fees \$ _____ or _____ %
 33. RSF on which Alteration Fees Paid _____ RSF

34. **Retail Area Only**
 Do you provide Cleaning? _____ RSF
 Do you provide RM Service? _____ RSF
 Do you provide Utilities? _____ RSF

INCOME/EXPENSE DATA

Please submit data which covers only **actual** '00 calendar or fiscal year. Report in whole dollars—**NO CENTS. No Negative** figures except where indicated by parentheses "-".

Income

35. Currency: US Canadian

36. Office Rent
 A. Base Rent \$ _____
 B. Additional Rent
 1. Pass-Throughs \$ _____
 2. Operating Cost Escalations \$ _____
 C. Base Rent Escalators \$ _____
 D. Lease Cancellations \$ _____
 E. Rent Abatements (-) \$ _____
 F. TOTAL ACTUAL OFFICE INCOME \$ _____
 G. Vacancy/Rent Loss \$ _____
 H. GROSS POTENTIAL OFFICE INCOME \$ _____

37. Retail Rent (Gross to 100% Occupancy) \$ _____
 38. Other Rent (Gross to 100% Occupancy) \$ _____

39. TOTAL RENTAL INCOME \$ _____
 40. Gross Parking Income \$ _____
 41. Tenant Service Income \$ _____
 42. Retail % Income \$ _____
 43. Miscellaneous Income \$ _____

44. TOTAL INCOME \$ _____

45. Do the income figures above include rental charges for owner-occupied space? Yes No

Also see supplemental questionnaire (p. 7)

Over for Expense Section

5

Appendix D: BOMA Experience Exchange Report (EER)

BUILDING NAME _____

Expenses (In gross actual figures)

46. **CLEANING EXPENSES**

A. Payroll, Taxes, Fringes \$ _____

B. Routine Contract \$ _____

C. Window Washing \$ _____

D. Other Specialized Contracts \$ _____

E. Supplies/Materials \$ _____

F. Miscellaneous \$ _____

G. Trash Removal/Recycling \$ _____

H. TOTAL CLEANING \$ _____

47. **REPAIR/MAINTENANCE EXPENSES**

A. Payroll, Taxes, Fringes \$ _____

B. Elevator \$ _____

C. HVAC \$ _____

D. Electrical \$ _____

E. Structural/Roofing \$ _____

F. Plumbing \$ _____

G. Fire/Life Safety \$ _____

H. General Building Interior \$ _____

I. General Building Exterior \$ _____

J. Parking Lot \$ _____

K. Miscellaneous \$ _____

L. TOTAL REPAIRS AND MAINTENANCE \$ _____

M. TOTAL R/M CONTRACTS \$ _____

48. **UTILITY EXPENSES**

A. All Electric? Yes No

B. Primary HVAC Fuel _____

C. Electricity

1. HVAC \$ _____ 2. _____ KWH

3. Non-HVAC \$ _____ 4. _____ KWH

D. Gas \$ _____ E. _____ CCF

F. Fuel Oil \$ _____ G. _____ US GALS

H. Steam \$ _____ I. _____ 1000 LBS

J. Chilled Water \$ _____ K. _____ 1000 TONS-HRS

L. Water/Sewer \$ _____

M. TOTAL UTILITIES \$ _____

49. **ROADS/GROUNDS EXPENSE**

A. Landscaping \$ _____

B. General Parking (free) \$ _____

C. Snow Removal \$ _____

D. Miscellaneous/Other \$ _____

E. TOTAL ROADS/GROUNDS \$ _____

50. **SECURITY EXPENSES**

A. Payroll, Taxes, Fringes \$ _____

B. Contracts \$ _____

C. Equipment \$ _____

D. Miscellaneous/Other \$ _____

E. TOTAL SECURITY \$ _____

51. **ADMINISTRATIVE EXPENSES**

A. Payroll, Taxes, Fringes \$ _____

B. Allocate Overhead Fee \$ _____

C. Management Fees \$ _____

D. Professional Fees \$ _____

E. General Office Expenses \$ _____

F. Employee Expenses \$ _____

G. Miscellaneous/Other \$ _____

H. TOTAL ADMINISTRATIVE \$ _____

52. TOTAL OPERATING EXPENSES \$ _____

53. **FIXED EXPENSES**

A. Real Estate Taxes \$ _____

B. Personal Property Tax \$ _____

C. Other Tax \$ _____

D. Building Insurance \$ _____

E. License/Fees/Permits \$ _____

F. TOTAL FIXED EXPENSES \$ _____

54. TOTAL OPERATING PLUS FIXED EXPENSES \$ _____

55. **LEASING EXPENSES (RSF Leased: _____ RSF)**

	Directly expensed	Amortized/depreciated
A. Payroll	\$ _____	
B. Commissions/Fees	\$ _____	\$ _____
C. Advertising/Promotion	\$ _____	
D. Travel/Entertainment	\$ _____	
E. Professional Fees	\$ _____	
F. Tenant Improvements	\$ _____	\$ _____
G. Buy-outs	\$ _____	\$ _____
H. Other Leasing Costs	\$ _____	\$ _____
I. TOTAL LEASING EXPENSES	\$ _____	\$ _____

56. **Parking Expenses (for a fee)**

A. In-house \$ _____

B. Contract \$ _____

C. Snow Removal \$ _____

D. Shuttle \$ _____

E. TOTAL PARKING \$ _____

F. Parking Area: _____ RSF

57. **Capital Expenditures**

A. Common Areas \$ _____

B. Structural \$ _____

C. Mechanical \$ _____

D. Other \$ _____

E. TOTAL CAPITAL EXPENSE \$ _____

58. **Telecom**

A. Rooftop Income \$ _____

B. Wire/Riser Access Income \$ _____

C. TOTAL TELECOM INCOME \$ _____

D. TOTAL TELECOM EXPENSE \$ _____

59. **Primary Ownership Type**

1. Insurance 2. Bank

3. Corporate 4. Pension Fund

5. Developer 6. REIT

7. Foreign 8. LLC

9. Other (define) _____

60. Capitalization Threshold \$ _____

Deadline: March 21

Send to: BOMA International 1201 New York Ave., NW, Suite 300, Washington, DC 20005 202/326-6366 FAX 202/371-0181

Appendix E: Innovative Workplaces Division

In May 2000, the Governmentwide real property performance measurement initiative became part of the Office of Real Property's newly formed Innovative Workplaces Division. The new Division's vision statement is:

The Innovative Workplaces Division provides Governmentwide leadership and innovative solutions that enhance the livability of the workplace and offer a sensible balance between work and home life. We develop programs, provide technical assistance, and devise strategies that support high-quality environments wherever people work.

Performance measurement is one of several major programs in the new Division including:

- The Integrated Workplace
- Telework
- Sustainability
- Strategic Planning
- Balanced Scorecard

Please contact one of our staff professionals on the following page for information on specific programs or to find out how the evolving concept of the workplace supports your mission, your customers, and your employees.

Appendix E: Innovative Workplaces Division

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Notes



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December 2000

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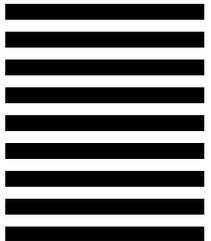
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