(2) Provide an electronic copy of any interference analysis to the third-party database manager which demonstrates that the potential for harmful interference to or from all previously registered non-government links has been analyzed according to the standards of section 101.105 and generally accepted good engineering practice, and that the proposed non-government link will neither cause harmful interference to, nor receive harmful interference from, any previously registered non-government link; and

(3) Provide upon request any information related to the interference analysis and the corresponding link. The third-party database managers shall receive and retain the interference analyses electronically and make them available to the public. Protection of individual links against harmful interference from other links shall be granted to first-in-time registered links. Successful completion of coordination via the NTIA automated mechanism shall constitute successful non-Federal Government to Federal Government coordination for that individual link.

The license term is ten years, beginning on the date of the initial authorization (nationwide license) grant. Registering links will not change the overall renewal period of the license. The recordkeeping, reporting, and third party disclosure requirements will be used by the Commission to verify licensee compliance with Commission rules and regulations, and to ensure that licensees continue to fulfill their statutory responsibilities in accordance with the Communications Act of 1934. Such information has been used in the past and will continue to be used to minimize interference, and verify that applicants are legally and technically qualified to hold licenses.

Federal Communications Commission.

Marlene H. Dortch,
Secretary.

[FR Doc. E8–18360 Filed 8–7–08; 8:45 am]
BILLING CODE 6712–01–P

FEDERAL MARITIME COMMISSION

Notice of Agreement Filed

The Commission hereby gives notice of the filing of the following agreement under the Shipping Act of 1984. Interested parties may submit comments on agreements to the Secretary, Federal Maritime Commission, Washington, DC 20573, within ten days of the date this notice appears in the Federal Register. Copies of agreements are available through the Commission’s Web site (http://www.fmc.gov) or contacting the Office of Agreements (202) 523–5793 or tradeanalysis@fmc.gov.

Agreement No.: 201170–001. Title: The Los Angeles and Long Beach Port Infrastructure and Environmental Programs Cooperative Working Agreement.

Parties: Port of Los Angeles and Port of Long Beach.


Synopsis: The agreement would lay out in additional detail the areas in which the Ports have agreed to discuss and cooperate to improve environmental, safety and security objectives, particularly their respective Clean Truck Programs. The parties request expedited review.

By Order of the Federal Maritime Commission.


Karen V. Gregory,
Assistant Secretary.

[FR Doc. E8–18381 Filed 8–7–08; 8:45 am]
BILLING CODE 6730–01–P

GENERAL SERVICES ADMINISTRATION

Maximum Per Diem Rates for the Continental United States (CONUS)

AGENCY: Office of Governmentwide Policy, General Services Administration (GSA).

ACTION: Notice of Per Diem Bulletin 09–01, Fiscal Year (FY) 2009 continental United States (CONUS) per diem rates.

SUMMARY: The General Services Administration’s (GSA’s) annual per diem review has resulted in lodging and meal allowance changes for locations within the continental United States (CONUS) to provide for the reimbursement of Federal employees’ expenses covered by per diem. Per Diem Bulletin 09–01 updates the maximum per diem amounts in existing per diem localities. The CONUS per diem rates prescribed in Bulletin 09–01 may be found at http://www.gsa.gov/perdiem. GSA based the lodging per diem rates on the average daily rate that the lodging industry reports. The use of such data in the per diem rate setting process enhances the Government’s ability to obtain policy compliant lodging where it is needed. In conjunction with the annual lodging study, GSA identified two new non-standard areas; Fayetteville, North Carolina (Cumberland) and Fredericksburg, Virginia (City of Fredericksburg), which prompted an out of cycle meal survey for these areas.

For a complete listing of pertinent information that must be submitted through a Federal executive agency for GSA to restudy a location, or if a CONUS or standard CONUS per diem rate is insufficient to meet necessary expenses, please review numbers 4 and 5 of our per diem Frequently Asked Questions at http://www.gsa.gov/perdiemfaqs.

DATES: This notice is effective October 1, 2008, and applies for travel performed on or after October 1, 2008 through September 30, 2009.

FOR FURTHER INFORMATION CONTACT: For clarification of content, contact Mr. Cy Greenidge, Office of Governmentwide Policy, Office of Travel, Transportation, and Asset Management, at (202) 219–2349, or by e-mail at http://www.gsa.gov/perdiemquestions. Please cite Notice of Per Diem Bulletin 09–01.

SUPPLEMENTARY INFORMATION:

A. Background

After an analysis of current data, GSA has determined that current lodging rates for certain localities do not adequately reflect the lodging economics in those areas. GSA used the same methodology for establishing the FY 2009 per diem rates as they did when establishing the FY 2008 rates.

B. Change in Standard Procedure

GSA issues/publishes the CONUS per diem rates, formerly published in Appendix A to 41 CFR Chapter 301, solely on the Internet at http://www.gsa.gov/perdiem. This process, implemented in 2003, ensures more timely changes in per diem rates established by GSA for Federal employees on official travel within CONUS. Notices published periodically in the Federal Register, such as this one, now constitute the only notification of revisions in CONUS per diem rates to agencies.

Becky Rhodes,
Deputy Associate Administrator.

[FR Doc. E8–18413 Filed 8–7–08; 8:45 am]
BILLING CODE 6820–14–P

GENERAL SERVICES ADMINISTRATION

[Bulletin FMR 2008–B5]

Real Property Asset Management Guiding Principles

AGENCY: General Services Administration.
ACTION: Notice.


EFFECTIVE DATE: August 8, 2008.

FOR FURTHER INFORMATION CONTACT: For further clarification of content, contact Stanley C. Langfeld, Director, Regulations Management Division (MPR), General Services Administration, Washington, DC 20405; or stanley.langfeld@gsa.gov.


Kevin Messner,
Acting Associate Administrator, Office of Governmentwide Policy.

BILLING CODE 6820–RH–P
TO: Heads of Federal Agencies

SUBJECT: Real Property Asset Management Guiding Principles

1. **Purpose.** This Bulletin introduces new Guiding Principles case studies to help Federal agencies manage and improve real property performance effectively in support of Executive Order (EO) 13327, “Federal Real Property Asset Management.” This Bulletin rescinds and supersedes GSA Bulletin FMR 2006-B5, Real Property Asset Management Guiding Principles, dated June 16, 2006. The Guiding Principles are strategic objectives and goals designed for Federal agencies to adopt into their asset management programs. Agencies are encouraged to implement these principles to enhance real property performance. The case studies to support these principles are updated on a regular basis to provide current asset management examples and best practices. The Guiding Principles are as follows:

   1. Support agency missions and strategic goals;
   2. Use public and commercial benchmarks and best practices;
   3. Employ life-cycle cost-benefit analyses;
   4. Promote full and appropriate utilization;
   5. Dispose of unneeded assets;
   6. Provide appropriate levels of investment;
   7. Accurately inventory and describe all assets;
   8. Employ balanced performance measures;
   9. Advance customer satisfaction; and
   10. Provide for safe, secure and healthy workplaces.

2. **Effective Date.** This Bulletin is effective upon publication in the Federal Register.

3. **Expiration Date.** This Bulletin will remain in effect indefinitely until specifically cancelled.

4. **Background.**

   a. Over the past decade, the Federal Government increasingly has become aware of the significant challenges it faces in managing its real property portfolio. These challenges include deteriorating facilities, an increasing number of excess and underperforming assets, limited capital investment funds, a reliance on costly leasing, and
unreliable governmentwide data for strategic asset management. Since 2000, Congress and each Administration have attempted to improve Federal real property asset management through legislative reform, including:

- S. 1612 - "Managerial Flexibility Act of 2001," 107th Congress
- S. 1667 - "Federal Real Property Disposal Pilot Program," 110th Congress

The proposed legislation would have amended title 40, United States Code, to authorize landholding agencies to use enhanced real property asset management tools, including the ability to enter into public/private partnerships, to manage their real property more effectively. To date, none of these legislative initiatives have been enacted.

b. In January 2003, the Government Accountability Office (GAO) issued two reports discussing Federal real property asset management.

- The first, "High Risk Series: Federal Real Property" (GAO-03-122), identified Federal real property as a high-risk area. The report stated that "... long-standing problems in the Federal real property area include excess and underutilized property, deteriorating facilities, unreliable real property data, and costly space."

- The second, "Strategic Human Capital Management" (GAO-03-120), identified the challenges of a declining Federal workforce and the need to provide cost-effective and flexible work environments. The report discussed the connection between cost-effective, high-performance workplaces and a dynamic, results-oriented workforce.

c. In October 2003, GAO issued "Federal Real Property: Actions Needed to Address Long-standing and Complex Problems" (GAO-04-119T), which concluded that Federal real property was in an alarming state of deterioration, with a significant repair, restoration, and maintenance backlog. Among their findings, GAO identified that key decision makers lack the data required for strategic real property asset management.

d. On February 4, 2004, the President signed EO 13327, "Federal Real Property Asset Management," and subsequently added Federal real property to the President's Management Agenda. Designed to promote the efficient and economical use of the Federal Government's real property assets and rights-size the inventory of Federal real property, EO 13327 established the role of Senior Real Property Officer in every executive branch agency (cited in sections 901(b)(1) and (b)(2) of title 31, United States Code, and the Department of
Homeland Security) to manage and oversee asset management activities. The EO also established a Federal Real Property Council (FRPC), chaired by the Office of Management and Budget (OMB), to develop guidance, collect best practices, and help Senior Real Property Officers improve the management of real property assets.

e. In December 2004, FRPC issued "Guidance for Improved Asset Management," which established ten governmentwide standards - or Guiding Principles - for improving agency asset management. This information may be accessed at: http://www.whitehouse.gov/omb/financial/fia_asset.html.

5. Action. Federal agencies should use the Guiding Principles and the supporting case studies to manage and optimize their real property portfolios. When implemented effectively, the Guiding Principles are designed to promote:

- Sound real property asset management decisions;
- Healthy and productive workplaces;
- Reduced costs associated with real property asset management;
- Disposal of unneeded Federal real property;
- Repair and maintenance for deteriorating facilities;
- Incentives to improve real property asset management;
- Assemblage and maintenance of reliable real property data;
- Increased efficiency and maximized performance of Federal real property assets; and
- Strategic use of limited budgetary resources to maximize asset management.

Federal real property asset managers should apply these principles throughout the life-cycle of a real property asset.

6. Further Information. For further information, contact Stanley C. Langfeld, Director, Regulations Management Division, Office of Real Property Management (MP), at (202) 501-1737, or stanley.langfeld@gsa.gov.
EXECUTIVE SUMMARY

Asset management defines the relationship between a property holding agency (i.e., the “owner”) and its property assets. This relationship includes, but is not limited to: financial asset management, day-to-day property management, and occupant satisfaction. The asset management relationship lasts for the entire property life-cycle – from acquisition and utilization to disposal.

Real property asset management presents a variety of challenges that are global in nature and affect both the public and private sectors. Asset management succeeds when organizations implement and use an effective strategic planning framework to make real property decisions. The Guiding Principles that comprise this framework are summarized below. The principles are later defined and illustrated with case study examples.

1. **Support Agency Missions and Strategic Goals** by aligning real property decisions with the agency’s strategic mission.

   **Case Study:** The Capital Asset Realignment for Enhanced Services (CARES) Program at the Department of Veterans Affairs Analyzes its Healthcare Infrastructure.


   **Case Study:** General Services Administration’s Public Buildings Service Benchmarks Lease Costs to Private Sector.

3. **Employ Life-Cycle Cost-Benefit Analyses** to justify asset management and acquisition decisions.

   **Case Study:** Office of the Architect of the Capitol Integrates Facility Condition Assessments, Master Plans, and Capital Improvements Programming.

4. **Promote Full and Appropriate Utilization** by operating the property asset to its maximum capacity during its useful economic life (determined by using the Federal Government’s financial accounting standards) while satisfying the occupying agency’s mission requirements.

   **Case Study:** Department of the Army Creatively—and Effectively—Utilizes a Mission-Critical Asset.

5. **Dispose of Unneeded Assets** by redeploying, demolishing, or replacing the asset when it fails to support the agency’s mission.

   **Case Study:** Real Property Asset Listing Portal Transforming the Way Federal Agencies Dispose of Surplus Federal Assets.

6. **Provide Appropriate Levels of Investment** by making and prioritizing capital investment decisions, such as whether to construct, alter, repair, or acquire space, or any combination thereof, to meet changing agency needs.

   **Case Study:** Lawrence Berkeley National Laboratory Prioritizes Capital Investment Decisions

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1 For additional information, contact the agency’s Chief Financial Officer (CFO) staff.
through Integrated Facilities Assessment System.

7. **Accurately Inventory and Describe All Assets** by submitting real property data at the constructed asset level (e.g., each building or structure within a complex) as defined by the Federal Real Property Council.

   *Case Study:* U.S. Department of Agriculture’s Corporate Property Automated Information System (CPAIS) Program Improves Inventory Accuracy.

8. **Employ Balanced Performance Measures** to track progress toward achieving real property management objectives and enable benchmarking against public and private sector organizations.

   *Case Study:* General Services Administration's Public Buildings Service’s Linking Budget to Performance (LB2P) Program Uses Scorecard Measures to Reward Good Performance.

9. **Advance Customer Satisfaction** by promoting productive work spaces and focusing on the tenant’s needs, primarily changing space requirements.

   *Case Study:* General Services Administration’s Lease Administration and Management Program Leads to Improved Customer Satisfaction Scores.

10. **Provide for Safe, Secure and Healthy Workplaces** by implementing standard policies and procedures, documenting asset conditions, and developing action plans and strategies to support a productive workforce.

    *Case Study:* Sustainable Features an Integral Component of U.S. Environmental Protection Agency Potomac Yard Facility.
PRINCIPLE #1

SUPPORT AGENCY MISSIONS AND STRATEGIC GOALS

Real property is the physical foundation that enables Federal agencies to accomplish their missions. Effective asset management — including property acquisition, operation, maintenance, and disposition — requires alignment with the agency’s core mission and key decisions. This integration involves having a clear understanding of the agency’s core mission, its strategic plan, and how real property supports that plan.

Real property managers should collaborate with their customers to develop workplaces — including real property products and services — that adequately support the occupants’ short- and long-term goals.

Case Study: The Capital Asset Realignment for Enhanced Services (CARES) Program at the Department of Veterans Affairs Analyzes its Health Care Infrastructure

A majority of the Department of Veterans Affairs (VA) facilities were designed and constructed when medical care was synonymous with hospital care — a very different environment than today’s medical world of outpatient care and prescription drug capabilities. Upon entering the 21st century with an outdated infrastructure, the VA realized that its facilities were out of step with changes in the practice of medicine, the needs of the veterans the VA serves, and the changes in the VA health care benefits package.

As a result, in 2002, the VA initiated the 20-year comprehensive Capital Asset Realignment for Enhanced Services (CARES) program — the most comprehensive analysis of VA’s health care infrastructure ever conducted. Through the program, the VA evaluates the health care services it provides, identifies the best ways to meet veterans’ future health care needs, and realigns its medical facilities and services to meet those needs more efficiently and effectively. CARES prepares the VA for meeting the current and future health care needs of veterans in modern health care facilities.

Through CARES, the VA is able to identify the appropriate function, size, and location for VA facilities — which total more than 4,900 buildings on more than 15,000 acres of land — as well as for more than 100 major construction projects in 37 states, the District of Columbia, and Puerto Rico. CARES encourages the VA to manage the reuse of vacant and underutilized VA properties effectively by considering the:

- Appropriate clinical role of small facilities;
- Amount of vacant space;
- Potential for enhanced use leases; and
- Consolidation of services and campuses.

To maximize its return on investment, the VA will seek real property flexibilities by exploring the following possibilities:

- Implement enhanced use leases;
- Leverage the investment value of unneeded assets;
- Institute a more flexible disposal authority;
- Develop strategies for managing historic properties; and
- Consider all options for disposal of underused property.

VA is projecting that CARES will ultimately decrease vacant space in the Veterans Health Administration from 8.57 million square feet to 4.93 million square feet — a reduction of 42.5 percent. In addition, VA predicts that from 2006 to 2022, CARES will help reduce the cost of maintaining vacant space from an estimated $3.4 billion to $750 million, allowing VA to redirect those funds to patient care. Annual updates with new forecasts of future facility demands have also been incorporated into the VA strategic planning process.
CARES is an important vehicle for fulfilling the agency mission, first uttered by President Lincoln in 1864, “to care for him who shall have borne the battle and for his widow, and his orphan.” While Lincoln’s pledge still remains VA’s steadfast mission to this day, medical care is constantly changing and evolving—and by evaluating and upgrading its facilities, VA is recognizing its past, maximizing its present, and planning for its future.

PRINCIPLE #2

USE PUBLIC AND COMMERCIAL BENCHMARKS AND BEST PRACTICES

Federal agencies should leverage leading public and private sector benchmarks to evaluate asset performance and help plan for future investments. Given the diversity of the Federal Government’s real property portfolio, Federal agencies may find it useful to benchmark against other agencies. Benchmarking property performance and sharing best practices have proven to be effective tools for optimizing asset management.

To be defined as a best practice, the initiative must:

- Produce superior results;
- Lead to exceptional performance;
- Be recognized by an industry expert;
- Be deemed a best practice by an agency’s customers; and
- Be a new or innovative use of human capital, resources, or technology.

By routinely benchmarking performance and sharing best practices, Federal agencies can better manage their portfolios, thereby developing high performance workplaces, improving citizen services, and protecting the environment.

Case Study: General Services Administration’s Public Buildings Service Benchmarks Lease Costs to Private Sector

The General Services Administration (GSA) Public Buildings Service (PBS) manages more than 8,500 private sector leases at an annual cost of over $4 billion. Due to their extensive leasing volume, PBS continually verifies that its rental obligations they pay are competitive with those paid by the private sector. PBS partners with the Logistics Management Institute to measure and analyze PBS leasing performance relative to industry. PBS has established a long-term national goal of 9.5% below the industry mid-point, to be reached by Fiscal Year (FY) 2010.

The key benchmark used in the private sector to gauge leasing costs is the measure of lease rates per rentable square foot by building location and condition (to account for building age and quality). PBS focuses exclusively on full-service rents for office space and uses an interactive website tool to assess leasing performance. The tool compares and analyzes PBS lease actions to market-specific benchmarks as reported by the Society of Industrial and Office Realtors (SIOR), a primary source of accurate, up-to-date data about private sector lease rates. SIOR obtains data from brokers, lenders, and other specialists in the local markets. SIOR’s report contains lease rates per rentable square foot by location and by building classification, defined by SIOR as follows: Within Central Business District (CBD), Outside CBD, Class A, and Class B.

To calculate the measure for each building class and location breakout, PBS compares the average costs of PBS leased space to the midpoint of the high and low of published industry rates, weighing each lease by square footage. Based on these results, a cost above or below industry is determined. This analysis allows PBS to understand the impact of each transaction in terms of square footage and its dollar value.
FY 2007 Statistics

Lease Cost Relative to Market; CBD & Outside CBD, Class A & B Combined
Compares GSA’s negotiated rates to the market range

Market High: $34.33
Market Low: $24.23

GSA Weighted Average $26.18

FY 2007 Q1 – Q4 New Lease Actions - Nationwide

Reflects 364 assessed leases representing 5,767,958 RSF

PBS’s benchmark data is used by real estate employees within PBS to achieve the best value for its customers. External stakeholders, including Congress and the Office of Management and Budget (OMB), also use this information to confirm that PBS rates stay competitive with the market. By regularly benchmarking its asset performance to the private sector, PBS develops a high performance workplace that continually strives to improve the management of its portfolio.

Source: PBS Office of Real Estate Acquisition.
PRINCIPLE #3

EMPLOY LIFE-CYCLE COST-BENEFIT ANALYSES

OMB Circular No. A-94 requires Federal agencies to justify asset management and acquisition decisions using life-cycle cost-benefit analyses. Life-cycle cost analysis (LCCA) is a method of assessing the overall costs of project alternatives. It is used to select the design that will provide the lowest overall cost of a facility’s ownership consistent with its quality and function.

LCCA accounts for initial (capital) and recurring costs (maintenance, refurbishment, and operations) and residual asset value upon decommissioning or disposal. LCCA is well suited for evaluating design alternatives that satisfy a required level of building performance, but may have different initial investment, operation, maintenance, or repair costs, or all of the foregoing, and possibly different useful lives.

LCCA is especially useful when project alternatives that fulfill the same performance requirements — but differ with respect to initial and operating costs — have to be compared to select the one that maximizes net savings. For example, LCCA will help determine whether the incorporation of a high-performance heating, ventilating and air conditioning or glazing system, which may increase the initial cost but result in reduced operating and maintenance costs, is cost-effective or not. These analyses help agencies make improved real property investment decisions.

LCCA should be applied within a life-cycle assessment framework that accounts for both the costs over the asset life and the environmental consequences of investment decisions on upstream (e.g., extraction, production, transportation, and construction), ongoing (e.g., health impacts on tenants and the community), and downstream (e.g., decommissioning and disposal) costs.

Case Study: Office of the Architect of the Capitol Integrates Facility Condition Assessments, Master Plans, and Capital Improvements Programming

The Office of the Architect of the Capitol (AOC) is responsible for maintaining nearly 15 million square feet of space on 400 acres of land. Until 2003, data on AOC facilities was classified by inconsistent definitions and inadequate cataloging, and did not reflect current AOC facility condition information. The AOC’s last comprehensive master plan for the Capitol Complex had been completed in 1981; therefore, the plan was outdated and could not be used as a reliable source when making contemporary facility or budgeting decisions. As a result of AOC’s inadequate and outdated facility data, Congress did not have a clear vision of the AOC’s long-range capital requirements and priorities.

In 2003, AOC initiated a transformation of the Capitol Complex facilities management approach from an anecdotal to an updated data-driven system. The updated system, aimed to link the budgeting process to the Capitol Complex Master Plan (CCMP), includes an updated Master Plan, a modern Capital Improvements Program, and extensive Facilities Condition Assessments (FCAs).

As the foundation of the CCMP, FCAs establish an ongoing process for monitoring facility conditions and enable AOC to develop a comprehensive plan for facility maintenance and building renewal. Under the CCMP, AOC will assess annually its facilities, resulting in the establishment of a complete asset inventory. AOC also will create and track facility condition benchmarks for internal jurisdictional comparisons and external comparisons with similar institutions.

The integration of data-driven sources into an updated system has led to AOC’s increased confidence in its capital project information as it moves through the Congressional appropriations process. AOC’s use of its updated system has produced objective, defensible budget requests that help facilitate continuity, anticipate life-cycle facilities requirements, and provide adequate lead time for financial planning. During the development of its Fiscal Year 2008 budget, AOC relied on data taken from FCAs to prioritize and rank its capital program request.
Source: 2007 GSA Achievement Award for Real Property Innovation Entry “Integration of Facility Condition Assessments, Master Plans, and Capital Improvements Programming”.
**PRINCIPLE #4**

**PROMOTE FULL AND APPROPRIATE UTILIZATION**

The Federal Government is responsible for fully and effectively using its real property assets to their maximum capacity during their useful economic life (determined by using the Federal Government’s financial accounting standards). Moreover, Federal agencies should use space for the purpose for which it was intended (e.g., office space should not be used for storage/warehouse purposes).

When planning and continually evaluating space needs, agencies should explore alternatives that meet the goals of Executive Order (EO) 13327 and other Federal laws and EOs concerning agency location. Such alternatives include adapting, supplementing, or consolidating into existing historic facilities that can be upgraded and operated cost-effectively, including underutilized properties available from other Federal Government agencies. Converting and upgrading existing assets are viable alternatives to constructing new buildings, especially given the limited availability of new construction funding.

OMB Circular No. A-11 requires agencies to determine the usefulness of an asset and identify assets suitable for disposal. Real property holding agencies must analyze their space needs continuously. If a property is no longer needed, the agency should take steps toward removing that asset from the agency’s inventory, rather than retaining the asset for an undetermined future need.

**Case Study: Department of the Army Creatively — and Effectively — Utilizes a Mission-Critical Asset**

Founded in 1952 as the Army’s Desert/Hot Weather climatic test site, the Yuma Proving Grounds (YPG) in Arizona has evolved into the Department of Defense (DOD) Reliance Lead for the hot weather testing of vehicles. The YPG area has the longest, hottest summer test season in the U.S., with more than 100 days in temperatures in excess of 100 degrees farenheit.

YPG has become even more mission-critical in recent years, as increased over-the-road speeds have become a key defense in current and potential military operation environments worldwide. However, YPG as an asset has not been able to fulfill evolving, more sophisticated testing needs – its only paved test course is a single straightaway constructed in the 1950s, appropriate only for low-speed testing.

Seeking to upgrade the asset and subsequently meet mission-critical needs, the Army decided to apply its Enhanced Use Leasing (EUL) authority in the effort to utilize the asset to its fullest. The EUL program provides an opportunity for the Army to capitalize on non-excess real property assets by leasing these assets to private entities. As a result, the Army avoids infrastructure costs, accepts a variety of facilities and services as in-kind considerations, and collects cash rent to fund other Army real property requirements.

The Army released a competitive Notice of Opportunity to Lease to collaborate with a private sector organization for the creation of a world-class hot weather test complex at YPG. The General Motors Corporation (GM) was selected, and signed an EUL for a 50-year lease term with two renewable options of 25 years each. Prior to signing the EUL, GM had already maintained a hot weather test complex outside of Phoenix for its vehicles since 1953, but decided to relocate due to rapid urbanization, encroachment, and high property values. Both the Army and GM will benefit greatly from the EUL at YPG – both GM and 

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2 The useful life of an asset is primarily related to its economic value and not its physical life. Elements affecting an asset’s useful life include: 1) physical deterioration; 2) functional obsolescence; 3) technological obsolescence; and 4) economic obsolescence. For additional information, agencies should consult with the agency’s Chief Financial Officer.

3 Other Federal laws and EOs include the Rural Development Act of 1972, as amended, EO 13006 “Locating Federal Facilities on Historic Properties in our Nation’s Central Cities,” and EO 12072 “Federal Space Management.”

4 For additional information on assessing utilization, contact your agency’s Senior Real Property Officer.
the Army will be able to test their vehicles on the new site and upon conclusion of the lease, the facilities built within the EUL will revert to the Army.

Construction of a new world-class hot weather testing facility would have cost the Army millions of dollars, but through the EUL, the YPG project is funded by private dollars and costs taxpayers nothing. When finalized, the YPG site will include new facilities valued at over $100 million, including a new high speed oval track, two parallel paved straightaway tracks to simulate freeway driving, a ride and hauling course that consists of various road surfaces and terrain conditions, a large skid pad for braking, and both administrative and vehicle maintenance buildings. GM also is providing additional funds to construct separate automotive test facilities for Army-unique needs.

The EUL at YPG is a prime example of efficient and economical use of a Federal real property asset through the careful consideration of an agency’s utilization of its resources and creative joint use. Through the EUL, Federal land, infrastructure, and facilities will be more fully utilized and needed facilities will be constructed that benefit the Army, the taxpayer, and the national economy.

Source: 2007 GSA Achievement Award for Real Property Innovation Entry “Department of Army Enhanced Use Leasing Program and Case Study – Yuma Proving Grounds, AZ”.
PRINCIPLE #5

DISPOSE OF UNNEEDED ASSETS

An asset should be designated as surplus property — and redeployed, demolished, or replaced — when it no longer meets a Federal need. The decision to dispose of an asset is best made when it is based on an in-depth strategic portfolio review. This approach includes assessing market availability, supply and demand, property performance, physical conditions, future mission needs, and prospective housing profiles.

Retaining ownership of underutilized or unneeded properties results in:

- Lost equity value, while not contributing to the Federal Government’s mission or strategic goals;
- Negative impact on local economies, tax revenues, and employment;
- Increased operating costs;
- Drain on limited agency resources; and
- Ineffective property stewardship for the Federal real property portfolio.

The most common options for asset disposition, depending on agency specific authorities, include:

- Transferring the asset to another Federal agency;
- Exchanging it for another mission-related property;
- Outleasing to non-Federal organizations;
- Making property available for public benefit conveyances; and
- Selling or leasing the property to generate revenue for the Federal Government.

Selection of the disposition option should be based on an economic analysis of the alternatives. If the transaction is handled properly, it will result in a smooth transition of ownership and produce a return to the Federal Government that is in the best interest of the taxpayers.

Case Study: Real Property Asset Listing Portal is Transforming the Way Federal Agencies Dispose of Surplus Federal Assets

In 2001, the President’s Management Council adopted 24 electronic government (E-Gov) initiatives to improve the quality of service for citizens and businesses. Among them, the Federal Asset Sales (FAS) initiative was introduced as a way to improve the way Federal agencies dispose of surplus Federal assets. The scope of the FAS initiative was expanded in 2006 to include Real Property. In response, a team comprised of members from the General Services Administration’s Public Buildings Service, the Department of Agriculture and the Department of Housing and Urban Development worked to develop the Real Property Asset Listing Portal, a web-based portal that allows any Federal agency to advertise — in one place — all of its surplus, forfeited, and foreclosed property available for sale. The portal is a component of the FedAssetSales E-Gov Initiative, an overarching program designed to improve and optimize the way the Federal Government disposes of its assets.

Information that was once spread out over 100 Federal web sites is now located in the one-stop shop of the Real Property Asset Listing Portal, which ultimately links all agencies with real property disposal authority. Implementing a single location where the vast majority of surplus government real property is advertised for sale leads to a more effective advertisement, more bidders, and more competition — not to mention higher auction prices for the thousands of foreclosed and forfeited houses and farms, and surplus government land and buildings, which are sold each year.
The portal has changed the way the entire government sells real property. Before the portal was launched, each agency with real property disposal authority was responsible for advertising its surplus, foreclosed, and forfeited property that was available for sale. Each agency had its own staff, its own process, and its own performance measures for meeting this task. As a result, the process variance between agencies was staggering and the cost to taxpayers significant. With the Real Property Asset Listing Portal, there is now one simplified process, as well as consistent performance measures, for all real property disposal agencies – which lead to greater awareness of sales/sales attendance, higher bids and sales prices, and more efficient use of taxpayer dollars.

Approximately 90,000 houses, 200 farms, and $1 billion in buildings and land are advertised annually on the portal. Currently, all 26 scorecard agencies participate in the portal, and there have been discussions on including state and local governments. The portal simplifies and streamlines how citizens learn about and buy surplus government property. The more exposure citizens have to surplus real property, the greater the likelihood of increased sales of unneeded Federal assets. The portal may be accessed at http://www.govsales.gov/html/index.htm.

Source: 2007 GSA Achievement Award for Real Property Innovation Entry “Real Property Asset Listing Portal”.
PRINCIPLE #6

PROVIDE APPROPRIATE LEVELS OF INVESTMENT

The Federal Government is accountable for providing appropriate asset investment, which includes determining the costs and benefits of the investment and how the assets are designed, constructed, maintained, managed, protected, and disposed. Ultimately, the Federal Government must manage effectively its global property portfolio—consisting of approximately $1.5 trillion (total replacement value) in assets to obtain optimal use and efficiency.

Effective portfolio management requires agencies to analyze investment decisions, such as whether to construct, alter, repair, or acquire workspace, or any combination of the foregoing, to meet changing mission needs, continuously. Decisions for major investments should be based on an investment framework consisting of financial analyses, valuation criteria, and other required information to determine the proper level of investment. The Capital Programming Guide, Supplement to Part 3 of OMB Circular No. A-11, provides guidance for employing a disciplined capital programming process and focuses on key principles, such as thorough planning, risk management, full funding, portfolio analysis, performance-based acquisition management, accountability for meeting goals, and cost-effective life-cycle management.5

Agencies are encouraged to modernize and maintain real property, so that it continues to support the Federal Government’s mission. Appropriate reinvestment:

- Provides healthy and safe workplaces;
- Increases the asset’s desirability and fair market value;
- Supports advancing business practices and technologies; and
- Enhances hiring, retention, morale, and productivity of employees.

An agency can also reinvest in existing high-value assets by supplementing them with new construction instead of completely replacing them. This type of investment increases the Federal Government’s equity in high-value assets.

Case Study: Lawrence Berkeley National Laboratory Prioritizes Capital Investment Decisions Through Integrated Facilities Assessment System

Managed by the University of California and overseen/funded by the U.S. Department of Energy (DOE), the Lawrence Berkeley National Laboratory is one of the leading government-sponsored research centers in the country. The laboratory complex consists of 107 buildings on 203 acres.

DOE requires all national laboratories under its custody to meet its standards for the programming, budgeting, operation, maintenance, and disposal of real property. Each national laboratory also must report on facility condition and value, which is then included in DOE’s Facility Information Management System that supports the department’s facility planning, budgeting, and execution decisions.

5 To view the Capital Programming Guide, go to www.whitehouse.gov/omb/circulars/a1/cpgtoc.html.
Prior to 2006, Berkeley used several systems, including spreadsheets and databases, to maintain facility and infrastructure condition information, which was used to generate reports for DOE. While the use of separate systems allowed Berkeley to meet DOE’s basic reporting requirements, it did not allow Berkeley to run cost modeling, nor successfully integrate with the software system Berkeley used to manage the execution of facilities projects.

Seeking a more integrated, sophisticated approach to maintaining facility information, Berkeley implemented a comprehensive facilities assessment, analysis, planning, work execution, and reporting system. The new system not only incorporates consistent facility condition assessments with DOE reporting requirements, but also allows Berkeley to develop cost models, view life-cycle information, and prioritize projects. In addition, the system automatically updates condition information upon the completion of maintenance and renewal projects, including updates on actual costs and indices.

DOE also requires that each national laboratory allocate 2% of its replacement value to ongoing maintenance costs. The new system allows Berkeley to generate more accurate replacement values, replacing its previous method of estimating replacement value based on insurance policy values.

Berkeley’s comprehensive facilities assessment system not only supports its DOE reporting compliance, but has also facilitated Berkeley’s five-year sustainment plan and life-cycle renewal forecasting for its ten-year site plan. Berkeley’s system has been recognized by DOE as a best practice integrated facilities management solution. Berkeley’s data collection leads to the ability to make informed investment decisions in the allocation and prioritization of dollars, and demonstrates effective portfolio management as a whole.

Source: Berkeley Web site (www.lbl.gov) and 2006 VFA Case Study, “Integrated Facilities Condition Management at Lawrence Berkeley National Laboratory”.

Founded in 1931, the Lawrence Berkeley National Laboratory is the oldest of the Department of Energy’s National Laboratories. The lab operates on an annual budget of more than $700 million (FY 2008).
PRINCIPLE #7

ACCURATELY INVENTORY AND DESCRIBE ALL ASSETS

Real property holding agencies must develop and maintain inventory-tracking systems to assist in managing their asset portfolios. The collection of reliable, uniform data enables agency decision makers to:

- Improve asset management;
- Provide data to aid in timely and informed portfolio management decisions; and
- Respond to inquiries from Congress, the Administration, stakeholders, and the private sector.

Case Study: U.S. Department of Agriculture’s Corporate Property Automated Information System (CPAIS) Program Improves Inventory Accuracy

The U.S. Department of Agriculture’s (USDA) focus on improving asset management accountability illustrates a real property transformation that benefits not only USDA, but the Federal real property community as a whole. To improve its inventory accountability, USDA implemented a departmentwide real property automated information system, called the Corporate Property Automated Information System (CPAIS). CPAIS is a fundamental and critical corporate system that allows USDA to manage its entire portfolio for the first time in USDA history.

As one of the largest Federal landholders, an accurate inventory and description of its real property assets is vital to USDA’s real property management. As of March 2008, USDA’s inventory consisted of approximately 193 million acres of land, as well as approximately 22,600 owned buildings and 31,000 owned structures.

CPAIS provides an integrated solution to inventory management by standardizing USDA real property accounting, real property business process, and management of the entire real property portfolio, including real property, commercial leases, and General Services Administration (GSA) assignments. USDA also uses CPAIS as the primary tool in tracking capital and operating leases, as well as reviewing the status of current leases and renewal dates. As a single and descriptive database of USDA’s real property assets, CPAIS gives USDA the capability to manage assets at both an agency and bureau level and collects all data required by Federal Real Property Council (FRPC) directives.

As USDA’s primary inventory reporting and portfolio management tool for its entire real property portfolio, CPAIS both meets and exceeds FRPC requirements, including:

- Tracking specific data elements, including all 24 FRPC data elements, necessary to meet external mandatory requirements and ad hoc query requirements;
- Maintaining data elements required to calculate Total Capitalization Value and Total Accumulated Depreciation of property under USDA’s jurisdiction, custody or control;
- Collecting and managing data related to purchase cost and Work in Progress (WIP) accounting;
- Tracking condition ratings;
- Generating depreciation expense transactions; and
- Tracking the breakdown of total costs distributed by service agencies in collocated locations.

USDA is just one of the 29 Federal agencies that successfully reported inventory and performance data on more than 1.2 million assets in Fiscal Year (FY) 2006. Agency data is collected and reported to a single, centralized descriptive database of all real property managed by executive branch agencies – this database is known as the Federal Real Property Profile (FRPP). GSA has been collecting governmentwide real property inventory data and producing a summary report for Congress since 1955 – but after the signing of Executive Order (EO) 13327 in 2004, the FRPP was enhanced to satisfy EO requirements.

USDA implemented CPAIS to improve its inventory accountability. In the same way, the improved asset level reporting in the FRPP from FY 2005 to FY 2007 is the direct result of agency efforts to capture and
report accurate inventory and performance data for each constructed asset.

PRINCIPLE #8

EMPLOY BALANCED PERFORMANCE MEASURES

The Federal Real Property Council (FRPC) promotes the use of balanced performance measures and management techniques to monitor and evaluate asset efficiency regularly. FRPC identifies and defines performance measures that Federal agencies are required to collect and report to the governmentwide inventory system maintained by the General Services Administration (GSA). The results of these performance measures assist Federal agencies in determining the effectiveness of their asset management decisions. FRPC has defined four “First Tier” performance measures:

1. Utilization;
2. Condition Index;
3. Mission Dependency; and
4. Annual Operating Costs.

FRPC continues to evaluate additional performance measures that may be included in the inventory reporting system in the future.

In addition to these governmentwide performance measures, many agencies currently maintain and track their own agency-specific performance measures.

Case Study: GSA PBS’s Linking Budget to Performance (LB2P) Program Uses Scorecard Measures to Reward Good Performance

Since its 1998 rollout, GSA’s Public Buildings Service (PBS) Linking Budget to Performance (LB2P) program has linked its budget to performance measurement goals successfully. PBS sets annual targets for each of the nine performance measures for each of its 11 regional offices to achieve. Annual targets are based on PBS national goals and the regional baseline measurement from historical data. Each regional office then works to achieve the performance measure targets and receives its budgetary allocation in each of the categories based on its ability to meet or exceed the targets. Regional offices that exceed the national performance goal for each of the measures receive a bonus pool of money.

Referred to as the “Big Nine,” the LB2P performance measures include:

- Funds from operations;
- Customer satisfaction;
- Impact of non-revenue producing space;
- Lease costs;
- Maintenance costs;
- Cleaning costs;
- Construction costs within budget;
- Construction costs within schedule; and
- Indirect costs as a percent of revenue.

LB2P encourages creative and innovative thinking, while improving PBS performance and customer service. Each PBS region has demonstrated improved results, since the implementation of the program. In 2000, PBS received a Global Innovators Award from CoreNet Global which recognizes the successful application of new ideas to corporate real estate and workplace management.

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6 For additional information on the “First Tier” performance measures, contact your agency’s Senior Real Property Officer.
Instituted as a way for PBS to focus on providing the best service for its customers while achieving the maximum return on investment, LB2P has led to significant revenue increases, cost savings, and cost avoidance.

**Source:** PBS Web site.
PRINCIPLE #9

ADVANCE CUSTOMER SATISFACTION

To advance customer satisfaction, agencies need to assess their customer relationships holistically by:

- Focusing on an occupant’s mission;
- Proactively monitoring changing space; and
- Providing a productive workplace.

Customer satisfaction is increased when agencies work collaboratively with their occupants to define specific requirements, integrate these requirements into asset management decisions, and transform decisions into innovative and responsive workplaces. Agencies continually should strive to improve occupant relations and advance customer satisfaction.

As part of these efforts, agencies are encouraged to develop high-performance workplaces and alternative workplace strategies tailored to the user’s needs.

Case Study: GSA’s Lease Administration and Management Program Leads to Improved Customer Satisfaction Scores

The General Services Administration (GSA) Northeast and Caribbean Region developed the web-based Lease Administration and Management system as a way to document its lease inspections and track tenant concerns and lessor performance efficiently. Currently including more than 700 tracked leases and 8,000 documented lease inspections, the tool has enabled GSA to focus its efforts in addressing tenant concerns by tracking lessor performance and identifying patterns in tenant issues – ultimately resulting in improved customer satisfaction scores.

The Lease Administration and Management system is designed to be both a repository of critical information and a tool for tracking lease deficiencies. GSA’s ultimate goal in using the system is to improve customer satisfaction scores in leased locations. Using the tool, GSA employees can input any customer complaints by location in chronological order, as well as the specific actions taken to rectify any problems.

Prior to the tool’s implementation, vital lease data was not centrally maintained; lease inspections were either not being documented or being recorded on paper. Without the lease data, GSA was at a disadvantage in working to remedy customer problems and issues. With the Lease Administration and Management program, any GSA regional employee easily can document and access lease inspection data. Each inspection is time-stamped and remains open until a GSA employee enters a resolution date for any outstanding issues. Employees can track reports with outstanding issues by building, agency, office, or service district.

The program also features a unique capability in which any employee can run reports showing all leases with customer satisfaction scores below a given level. Account managers can use the program data to negotiate lease extensions and renewals. When a tenant has a question about an asset or location, any employee can respond. In addition, each employee can run his or her own lease reports, which has eliminated the need for each office to compile data individually and then have the entire GSA region assimilate the data into one report.

Within one year of the program’s implementation, the Northeast and Caribbean Region’s customer satisfaction scores increased from the mid 50s to the low 90s. Customer satisfaction scores in lease locations have also increased, which is reflected in standard customer surveys and ordering official surveys. GSA is currently planning a national rollout of the program, which is scheduled for a Fiscal Year 2008 completion.
Source: 2007 GSA Achievement Award for Real Property Innovation Entry “Lease Administration/Overtime Utility”.
PRINCIPLE #10

PROVIDE FOR SAFE, SECURE, AND HEALTHY WORKPLACES

Effective management of Federal facilities requires that buildings provide safe, secure, and healthy working environments that support a productive workforce. Implementing standard policies and procedures and developing action plans to monitor and maintain workplaces complement the development of, and are basic requirements for, robust asset management strategies. These policies include:

- Minimizing environmental problems and liabilities;
- Complying with building security, fire, and life-safety codes and standards; and
- Meeting historic building and applicable accessibility requirements.

The highest priority for real property holding agencies is to protect their most important assets – their employees.

In today’s world, agencies are developing concepts to promote safe, secure, and healthy workplaces that go beyond simple compliance. Referring to principles established by President John F. Kennedy in 1962 in the Guiding Principles for Federal Architecture, agencies are designing Federal Government facilities that are not only “efficient and economical,” but also contemporary architectural expressions of the “dignity, enterprise, vigor, and stability of the American Government.” As this ideal has matured, the goal has been to establish a definition of excellence that makes safe, secure, and healthy workplaces integral aspects of Federal building projects.

Case Study: Sustainable Features an Integral Component of U.S. Environmental Protection Agency Potomac Yard Facility

The U.S. Environmental Protection Agency (EPA), working in partnership with the General Services Administration (GSA), is leasing a speculative facility in Arlington, Virginia. The complex, known as One Potomac Yard and Two Potomac Yard, comprises a total of 654,000 square feet of office and retail space, located on a formerly abandoned railroad yard. EPA included environmental provisions as part of its competitive Solicitation for Offers for the space, citing energy and water efficiency, as well as environmentally preferable materials and design, as mandatory elements of the facility’s design and construction.

After construction was completed in July 2006, the facility achieved the U.S. Green Building Council’s Leadership in Environment and Energy Design (LEED) Gold-level certification for sustainability. One and Two Potomac Yard’s sustainability features include:

- Energy and water conservation;
- Site selection to minimize impacts on surrounding environment;
- Proximity to alternative transportation;
- Responsible stormwater management;
- Water reduction;
- Recycling;
- Use of green building materials;
- Improved indoor air quality through the use of low volatile organic compound products and careful ventilation practices during construction and renovation; and
- Green roof to reduce urban heat island effect.

EPA worked closely with a team of experienced professionals to develop the building designs. The team included an environmental building consultant and commissioning authority to educate the design team about sustainable design. EPA’s developer created a quality control program, including frequent field inspections and regular meetings with various stakeholders, to enforce the implementation of sustainable requirements.
By working as a team and keeping each stakeholder informed, the Potomac Yard facility was able to achieve LEED Gold-level certification and maintain reasonable costs and schedules. As a result, One and Two Potomac Yard exemplify a balance of function, cost, security, and sustainability – enabling EPA employees to occupy a facility that features environmental attributes, saves money, and contributes to a safer, healthier, and more productive work environment.


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ESTIMATED ANNUALIZED BURDEN TABLE