

February 21, 2002

PE-2002-02

MEMORANDUM TO ASSISTANT REGIONAL ADMINISTRATORS, PBS

1P, 2P, 3P, 4P, 5P, 6P, 7P, 8P, 9P, 10P, WP  
REGIONAL REALTY SERVICES OFFICERS

FROM: WILLIAM B. JENKINS (signed)  
NATIONAL REALTY SERVICES OFFICER  
OFFICE OF REALTY SERVICES - PE

SUBJECT: Regional Real Estate Peer Review

1. Purpose. This real property letter establishes and implements a regional real estate Peer Review to be conducted annually beginning in FY 2002. Note: This was coordinated with and approved by the Realty Leadership Network..
2. Background.
  - a. PricewaterhouseCoopers LLP (PwC) prepared a FY 2000 Management Letter under contract to the Office of Inspector General (IG) that addressed leasing. The leasing matter was included in the IG's Report Number A001012/B/F/F01012 and transmitted by the Regional Inspector General for Auditing to the Acting Commissioner on May 29, 2001.
  - b. PwC "reviewed the contracting files to ensure the files were properly documented in accordance with the GSAM" and found some "discrepancies." A large percentage of the files had at least one piece of required documentation missing from the files. Accordingly, the report recommended that PBS "Periodically perform an independent review of a random sample of contracting and lease files to monitor compliance with policies and regulations." PBS management agreed with the recommendation.
3. Effective Date/Expiration Date. This real property letter is effective on the date of issuance, and will expire in 1 year unless otherwise extended or canceled.
4. Cancellation. None
5. Applicability. All real property leasing activities.

6. Instructions/Procedures. Review process is attached.

Attachment

ATTACHMENT

### **Peer Review Process**

1. The Office of Realty Services, Central Office, will implement Peer Reviews of the regional Realty Services program to identify innovative best practices for national implementation, as well as to ensure that Regional Real Estate Programs are consistent with National initiatives and current policy.
2. The Office of Realty Services will identify a team of three to four PBS Realty Services Professionals from the Regions and Central Office to conduct the Peer Reviews. Each fiscal year, a minimum of three regions will be selected for the Peer Review. At the present time, results of the Peer Review will not be scored.
3. After each Peer Review, the Region will be given a debriefing of the Peer Review Teams findings and recommendations. The debriefing will include recommendations of any regional practices that could elevate the National Real Estate Program, if implemented nationally. The debriefing will also identify opportunities for improvement, if any, within the reviewed region. The Review will be based on the following:
  - a. The Peer Review Team will review up to twenty lease files per region. Leases to be reviewed must have been effective on or after October 1, 2001. The sample will be taken from the top half of the region's leases in terms of annual cost.

b. Lease Review:

- (i) All file documentation identified in the current edition of the Lease File Index is considered required documentation and therefore shall be part of the lease file. The Peer Review

- (iii) The Peer Review team will ensure that data in STAR is consistent with lease file documentation and final occupancy agreement. In addition, the Peer Review team will explore and identify best practices the region applies to ensure data accuracy.
  - (iv) An interview will be conducted with each realty specialist responsible for each lease file to discuss the project in relation to the appearance of the client's space and their satisfaction with the leased space. In addition, the Peer Review team will explore and identify best practices the region applies to ensure customer satisfaction.
- c. To facilitate the review, the following items should be provided by the regional office:
  - (i) Regions should have a journeyman level Realty Specialist available to the Peer Review team on a full-time basis to answer questions and act as a liaison with regional staff.
  - (ii) A conference room big enough to provide five people with enough room for files, laptop computers, etc., should be provided.
  - (iii) The conference room should be equipped with at least one computer that is connected to STAR.
  - (iv) The leases to be reviewed should be identified in advance of the Review Team's arrival. These lease files and all backup documentation files should be pulled and ready for review.
  - (v) Schedule an exit interview with the appropriate regional officials and the Peer Review team leader at the end of the last day of the review process.