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# Lease Process Reengineering Team Final Recommendations Report

March 2010





GSA Public Buildings Service

March 31, 2010

Mr. Robert A. Peck  
Commissioner  
Public Buildings Service  
General Services Administration  
Washington, DC 20405

Dear Commissioner Peck:

In October 2009, you directed Assistant Commissioner Chip Morris of the Office of Real Estate Acquisition to form a team to study ways to streamline, standardize, and simplify PBS lease acquisition processes, improve responsiveness to customers, and partner more effectively with the private sector. The Lease Process Reengineering Team charter was finalized in November, and sub-teams were organized to study areas of the lease acquisition process in depth. Our teams consulted with GSA business line subject matter experts; we held a GSA/industry forum to hear what our stakeholders have to say about our process; and we held a roundtable discussion with the Office of Client Solutions, National Account Managers (NAMs) to grasp the meaningful customer lease acquisition issues.

The sub-teams lent energy to this effort, surpassing even the highest expectations. In many cases, we were able to generate recommendations and practical strategies for their implementation.

The accompanying executive report summarizes the key points of our findings and recommendations. A separate exhibits volume, included on CD-ROM, contains the complete, detailed results of the individual sub-teams, data analytics by region, and supporting documentation.

All of the regions—recognizing the significance of this project and their direct stake in its success—freely dedicated staff time and expertise and committed themselves to thorough participation, from start to finish, making this a true team effort. As well, the assistance afforded by the other GSA business lines has been vital for tackling some issues with enterprise-wide implications. To all these participants, I express my deep gratitude for their valuable collaboration and unflagging professionalism.

Though we can regard these results with pride, we are acutely aware that this is only the first step in what must be a sustained effort to incorporate the recommendations into our business process. We began by evaluating how the team's recommendations will affect GSA lease operations on the overall portfolio. Strong follow-through will be needed to implement approved recommendations and to progress deeper into subsequent project phases, which will include reviewing and evaluating private-sector feedback. We will also drill down to the regional level to target the proposed lease models and business operations changes that offer the best solution for each region's customer and portfolio demographics. Training for each region will emphasize the specific recommendations and lease models that support their operations.

On behalf of the Reengineering Team, I thank you for the opportunity to assist PBS in this important endeavor.

Sincerely,

A handwritten signature in black ink that reads "Denise C. Broskey".

Denise C. Broskey  
Project Manager  
Lease Process Reengineering Team  
Office of Real Estate Acquisition  
Real Estate Acquisition Policy (PRB)

Enclosures

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# Executive Summary

The Lease Process Reengineering Team—a group of experienced, highly focused regional and Central Office associates—made a critical assessment of the leasing program over the past few months in answer to Commissioner Peck’s charge to streamline, standardize, and simplify the General Services Administration’s (GSA’s) lease acquisition process. GSA intends to use this effort to improve responsiveness to customers, enhance collaboration with the private sector, and eliminate counterproductive policy and process constraints. The team’s recommendations often run a parallel track with other current initiatives, such as Requirements Development, Global Project Management, and the new REXUS system, which enhance the opportunity to achieve our goals.

Factors driving the need for this assessment affect multiple stakeholders, including the GSA leasing community and our customers, and include how long it takes to work a lease from end to end; the high cost to offerors to compete for GSA leases; delays and inconsistencies in the requirements development process; and the detrimental effect that holdovers and extensions have on our lessors’ ability to refinance or sell their GSA-tenanted buildings.

An overly complex lease acquisition process consumes time and resources, restricting the pool of potential lessors. The team’s recommendations include quick wins and longer-term considerations that will reduce the cycle time and cost to lessors for certain lease procurements, thereby increasing the pool of potential lessors and allowing us to increase our capacity to deliver leases and provide our customers with consistent policy and practices from region to region.

The offices of Real Estate Acquisition and Organizational Resources are collecting data on current process timelines and how utilizing a variety of the proposed reengineering recommendations will affect overall project cycle time. In addition, the recommendations are being incorporated into the to-be business process flow by the Office of Organizational Resources and evaluated by the Center for Strategic Planning and Measures as a cycle-time measure is developed.

The private sector will have an opportunity to comment on these recommendations and will be asked to quantify how the proposed changes might reduce the time and costs involved in submitting offers.

## Approach

The Lease Process Reengineering Team—consisting of representatives from each region and PBS Central Office—was established to develop a standardized, streamlined, and less complicated process that balances national consistency with appropriate allowances for regional and customer flexibility. Ten individual sub-teams worked on specific areas of concern.

The first phase of this effort concentrated on defining issues related to the lease process and finding ways to improve it. The next phase will center on implementing approved actions, and the third phase will more fully tackle issues involving information technology, human resources, and training.

The team's recommendations for enhancing acquisition models are based on net annual rent levels, an approach that is in line with how prospectus and simplified lease acquisition thresholds are determined. The team looked at the overall lease inventory segmented by net annual rent ranges to understand the composition of the inventory by lease size, lease count, and square feet. The next step was to look at the annual number of lease transactions by net annual rent. Lease transactions that became effective in FY08–09 were pulled from STAR and sorted by net annual rent ranges to provide data by lease count, net annual rent, total annual rent, and square feet.

The team concentrated on improvements that would carry the broadest benefits for all stakeholders in the lease acquisition process: PBS Central Office and regions, customer agencies, the private sector, and Congress. Although these groups all have unique perspectives and interests, the team was able to identify shared concerns and goals and, from those, formulate key considerations to guide its efforts.

## Recommendations

### General

Several broad recommendations and recurring themes emerged from the team's efforts, which have universal application to our lease acquisition process and cut across all organizations and business lines. In general, PBS can achieve the greatest improvement by concentrating on smaller leases (those with a net annual rent value up to \$500,000) and using proposed new process options, such as the Simplified Lease Acquisition Model, Accelerated Lease Model, and Succeeding and Superseding Lease Models. The path to improvement should emphasize consistent policies, processes, and procedures within and among all GSA regions, and a consistent approach to organization, staffing, position descriptions, roles, responsibilities, and training.

## Enhancing Acquisition Models

The team's specific recommendations are summarized in two groups. The first set focuses on *enhancing acquisition models*. These recommendations include developing a simplified lease acquisition procurement model that will provide process steps and a clear direction for using this model. When applicable changes to FAR are incorporated to raise the Simplified Acquisition Threshold (SAT) from \$100,000 to \$150,000, the General Services Acquisition Manual (GSAM) will be updated to apply the Simplified Lease Acquisition Threshold (SLAT) accordingly to \$150,000 net annual rent. The Simplified Lease Acquisition Model covers 35 percent of annual lease transactions nationally and improves our ability to deliver more leases faster. Raising the SLAT to \$300,000 would provide streamlined lease processes for up to 50 percent of our annual transactions but requires a statutory change. An intermediate recommendation would establish an Accelerated Lease Model (ALM) that is more comprehensive than the Simplified Lease Acquisition Model and less complicated than the standard SFO. It is important to note that the ALM can be established at the policy level without requiring a statutory change.

- A Simplified Lease Acquisition Model will provide a simplified process that can be applied to leases up to the expected new threshold of \$150,000 net annual rent (the current threshold of \$100,000 will be raised by \$50,000 in conjunction with the Simplified Acquisition Threshold (SAT) increase in the Federal Acquisition Regulation). The Simplified Lease Acquisition process will afford many regions the opportunity to fast-track a meaningful portion of their annual lease transaction inventory.
- Expanding the SLAT to \$300,000 would allow more acquisitions to use the simplified lease process. Because this modification would require a statutory change, implementing it would be a longer term effort.
- An Accelerated Lease Model was conceived as a streamlined process for lease acquisitions above the SLAT (\$150,001) to \$500,000 net annual rent. The team originally proposed to cap the ALM at \$300,000 net annual rent, based on an analysis of lease transactions on the national level. As we began to understand how this threshold affects different regions disproportionately, the need became clear for expanding the ALM to cover leases from \$300,001–\$500,000. In terms of overall lease transaction counts, the \$500,000 cap would benefit all regions but provide especially significant benefits to regions 2, 4, 7, 9, and the National Capital Region (NCR). Unlike the other regions, NCR would not benefit as substantially from the Simplified Lease Acquisition Model, but

would see noticeable relief with an ALM threshold of \$500,000, which can be accomplished in the short term.

- Succeeding and Superseding Lease models that do not require the leasing community to move into full acquisition mode will reduce extensions and holdovers, enable lessors to refinance or sell their properties, and streamline and reduce cycle time for “stay in place” procurements under the prospectus threshold.

The Simplified Lease Acquisition and ALM lease models will streamline acquisition for up to 58 percent of GSA’s annual lease transactions. This represents minimal risk, as only 20 percent of our net annual rent and 27 percent of the total transaction square footage would be affected. Consistently using the Succeeding and Superseding Lease models when we intend to stay in place would capture 29 percent of our transaction count, representing 26 percent of net annual rent and 26 percent of transaction square feet. Conversely, prospectus leases represent a small number of our overall transactions (20 in FY08–09, which equates to 1 percent of our lease transaction total) but capture a full 20 percent of our net annual rent and 19 percent of our total square feet of leased space. National application of the proposed lease models, deployed appropriately according to the region’s customer/transaction mix, would allow GSA to allocate its resources more effectively to larger, highly complex, and prospectus-level leases that carry more of the annual rent burden.

The benefits that accrue to the portfolio by using these lease models apply to all 11 GSA regions. The specific benefit to each region varies by model. For example, SLAT-level lease transactions (up to \$150,000 net annual rent) are 35 percent of our annual lease transactions, but only 2 percent of NCR’s transactions. However, NCR will benefit most from the Succeeding and Superseding Lease models (37 percent of transactions, versus 29 percent on a national basis) and changes made to improve the prospectus process (14 percent of transactions versus 1 percent of transactions). In contrast, SLAT transactions for regions 3, 4, 5, 7, and 8 exceed the national average of 35 percent. For a region-by-region breakdown of FY08–09 lease transactions (excluding Census leases), see Exhibit 13b, FY08–09 Lease Transactions by Region by Net Annual Rent Range.

### **Improving Business Operations**

A second set of recommendations proposes ways to improve various aspects of *lease business operations*. The more than 70 comprehensive recommendations prepared and presented by the Reengineering Team were consolidated and grouped by the processes listed below and are discussed in detail in the Summary of Recommendations Section.

- Streamline the Acquisition Plan Process

- Solicitation Improvements
- Include a Synopsis for Each SFO
- Apply Industry Space Measurements
- Expedited Process for Fire Protection and Life Safety Reviews (Requirements 10,000 SF and below)
- Simplify Seismic Review Requirements
- Streamline TI/Post Award Process
- Study Impacts of Changing the Shell Definition
- Reimbursable Work Authorization (RWAs)
- Rent Bill Management
- Lease Acquisition and Pricing Policy Training
- Resource Needs/Contract Support
- Systems (IT) Recommendations
- Prospectus Lease Process
- Clarify Scoring Policies
- Establish Office to Track and Manage Space Requests
- Develop Private-Sector Communication/Interaction Plan.

## The Path Forward

We will be soliciting responses to our recommendations from private sector partners and asking them what effects they foresee on speeding up lease solicitations and making it more cost-effective to submit offers. Success in implementing these recommendations will require the support of committed PBS associates, greater customer involvement, and educating the PBS realty community and our lessors and offerors on new processes and procedures.

The majority of the lease reengineering policy recommendations fall within the authority of the PBS Commissioner, which normally must go through the PBS issuance process. In the interest of implementing the lease reengineering recommendations quickly, we ask that the PBS Commissioner's office consider an exemption to the issuance process for implementing the lease reengineering recommendations. Of course, in

implementing these recommendations as part of a policy document, we would still request that the Regional Realty Services Officer (RSO) community review the document and require the concurrence of the Office of General Counsel and any other affected PBS business line. Given the numerous lease reengineering recommendations, relief from the formal documentation and clearance requirements of the issuance process would expedite their implementation. Additionally, GSA proposes to issue written policy implementing these recommendations in the form of a single Realty Services Letter and, subsequently, incorporate this policy into the Leasing Desk Guide.

The key barometers for how these changes will benefit GSA, our customers, and lessors and offerors will be in quantifying and assessing improvements in productivity and reduction in cycle time through performance measurement.

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# Introduction

## Purpose

This report is the result of a critical assessment of the General Services Administration (GSA) lease acquisition process, from agency requirements to occupancy. It responds to PBS Commissioner Robert Peck's request to present recommendations by March 31, 2010, to streamline, standardize, and simplify the internal GSA process for planning and executing a lease acquisition, improve responsiveness to our customers, and enhance collaboration with the private sector. Although the National Broker Contract (NBC) and lease construction programs are integral to our lease acquisition program, the NBC was at the center of follow-on contract discussions, and the lease construction program is currently being developed by the Office of Real Estate Acquisition. For those reasons, our reengineering project scope did not include these programmatic areas.

The project was championed by Assistant Commissioner Chip Morris, Office of Real Estate Acquisition, and supported by the Offices of Portfolio Management and Client Solutions. A project charter establishing the Lease Process Reengineering Team was adopted on November 20, 2009. This lease reengineering process review fully supports the Commissioner's goals to improve the leasing process.

Team participants were charged with examining all areas of the leasing process, making recommendations to expedite the process, and making it easier for the private sector to do business with GSA. Team composition included representatives from each region and PBS Central Office.

This summary report presents a distillation of the team's findings and recommendations. The complete, detailed findings and recommendations of the individual process reengineering sub-teams and support materials are captured in the exhibits package that accompanies this report on CD-ROM.

The discovery and findings stage (Phase 1) concentrated on defining issues related to the lease process and developing recommendations to improve the process and associated policies. The next stage (Phase 2) will concentrate on implementing the approved team recommendations. A future stage (Phase 3) will deal in depth with issues regarding information technology (IT), human resources (workforce capacity), and training.

- The *Key Considerations* section of this report explains key issues from the viewpoints of customer agencies, the private sector, and PBS. It identifies shared areas of concern that can help prioritize and guide process improvements.

- The *Recommendations* section presents team recommendations—grouped by new acquisition models and lease business operations—and discusses the overall benefits and potential challenges.
- The *Path Forward* section identifies required actions to implement approved recommendations.

## The Challenge

Current workload is greater than our current capacity to deliver; our customers want a consistent look and feel from region to region; and the PBS lease acquisition process is long and complicated, limiting the pool of offerors that can afford to remain in the procurement.

Several factors have contributed to this situation:

- Our lease acquisition process has grown piecemeal and has become overly complex in order to satisfy a long accumulation of binding laws and regulations.
- Systems (IT) applications often have been developed individually and without consideration of enterprise-wide needs.
- GSA leasing is process-driven and is widely felt to be inflexible. Additionally, process and policies are inconsistently applied from region to region. Operational inconsistencies frustrate and confuse our customers and the private sector.
- Workforce capacity is inadequate.
- Training is insufficient, and the most experienced and capable personnel are gradually being lost through normal attrition to other business lines, Federal agencies, the private sector, and retirement. As a consequence, the general level of expertise in leasing policies and procedures is declining.

## Project Goals

The overriding goal of this project was to develop a less complicated, standardized, and streamlined lease acquisition process that balances national consistency while allowing for regional flexibility. The project team sought to evaluate the end-to-end leasing process to help uncover new or improved methods and models for:

- Increasing productivity,
- Enhancing project delivery,
- Meeting customer expectations,

- Simplifying process and policy requirements,
- Making it easier for the private sector to work with the Government, and
- Improving overall leasing program performance.

The project was originally conceived to first identify and recommend areas of opportunity. In this first stage, we had several specific goals:

- Document the current (“as is”) processes for new/new replacing, succeeding, and superseding leases.
- Hold focus groups and use feedback to identify sources of process delays and roadblocks.
- Identify regional perspectives for what is working, what is not, and what needs improvement.
- Define how to develop potential solutions for customers after receiving their initial requirements, and identify ways to level out workload by reassigning certain tasks among the affected roles and business lines.
- Determine better ways to partner with brokers; analyze how to reduce space delivery time, improve leasing workload management, and enhance communication; and identify counterproductive policy requirements.
- Incorporate applicable final recommendations of the Global Project Management team and Requirements Development.
- Recommend possible fast-track actions such as the Simplified Lease Acquisition Model, Accelerated Lease Model (ALM), and Succeeding and Superseding Lease Models, which although not currently quantifiable will reduce overall project cycle time.
- Address applicable findings from the Jones-Lang-LaSalle study, which entailed developing a lease procurement model for existing space.

Reducing project cycle time was a review consideration. Although this report does address policy and process improvements that would improve the overall project completion timeline, it does not address a specific methodology to reduce that timeline. However, the team is working with the Office of Organizational Resources to produce statistics on current process timelines and address how our recommendations would affect the overall cycle time. We will address how to reduce cycle time in more

detail as we work to define and develop our implementation strategy for the “to be” business process.

It was originally contemplated that the second stage (Phase 2) would include prioritizing, developing, and executing the recommendations accepted for implementation. Based upon complexities and timing involved in accomplishing some of the recommendations, we have placed systems (IT), training, and workforce issues in a separate stage (Phase 3). The goals of the second stage are as follows:

- Define the improved (“to be”) leasing process, including identifying innovative ways to quickly and efficiently handle small lease procurements and renewal actions.
- Prepare a master plan that defines the strategy necessary to implement approved Phase 1 recommendations.

The goals of our future stage (Phase 3) are as follows:

- Review and aggregate all IT recommendations for system changes. Pass accepted recommendations on to the appropriate IT project managers.
- Submit to the Office of Organizational Resources recommendations concerning training, workload distribution, grade structure, and performance plans.
- Recommend communication improvement points between and within the regions, and with internal business lines, customers, brokers, and the private sector.
- Assess training needs and coordination with appropriate business lines.

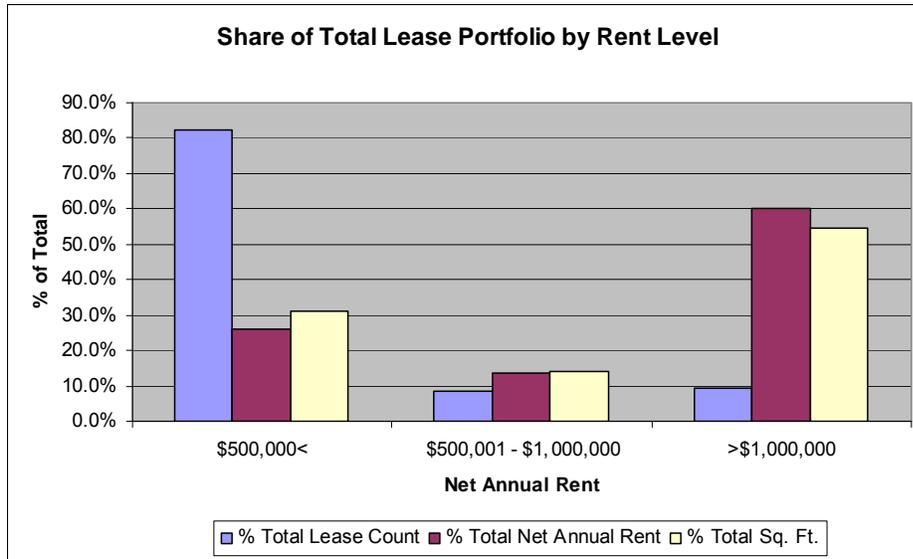
## **The Complexities of the PBS Lease Portfolio**

In 2008, the PBS lease portfolio square footage exceeded the owned inventory for the first time. At the end of FY09, that portfolio contained 9,100 leases occupying 187 million square feet of space, and representing annual rent paid to lessors of almost \$5 billion and a net annual rent of almost \$4 billion.

A complete analysis requires looking at the lease portfolio from several perspectives, including lease count, annual and net annual rent, and square footage. The following chart categorizes the lease inventory by net annual rent range and gives the associated lease count, square footage, and total annual rent for each category.

Lease Inventory at the End of FY09								
Net Annual Rent Range	Sq. Ft.	% Sq. Ft.	Annual Rent	% Annual Rent	Net Annual Rent	% Net Annual Rent	Lease Count	% Lease Count
<=\$150,000	20,754,878	11%	\$ 385,758,317	8%	\$ 288,834,372	7%	4,890	53%
\$150,001 - \$300,000	19,771,867	11%	\$ 463,659,233	9%	\$ 363,539,808	9%	1,676	18%
\$300,001 - \$500,000	17,782,556	9%	\$ 465,499,606	9%	\$ 372,733,274	9%	983	11%
\$500,001 - \$1,000,000	26,550,649	14%	\$ 682,543,220	14%	\$ 541,751,214	14%	780	8%
\$1,000,001 - \$2,600,000	50,265,051	27%	\$ 1,324,268,278	27%	\$ 1,049,587,197	27%	655	7%
> \$2,600,000	52,065,019	28%	\$ 1,625,522,119	33%	\$ 1,326,270,049	34%	203	2%
<b>Grand Total</b>	<b>187,190,020</b>	<b>100%</b>	<b>\$ 4,947,250,772</b>	<b>100%</b>	<b>\$ 3,942,715,914</b>	<b>100%</b>	<b>9,187</b>	<b>100%</b>

More than 80 percent of the leases in the portfolio have a net annual rent value of \$500,000 or less. However, these same leases account for only 25 percent of the total net annual rent and 31 percent of the total square footage. Leases with a net annual rent of more than \$1,000,000 are at the opposite end of the spectrum; they account for only 9.3 percent of the total leases but represent 61 percent of the total net annual rent and 55 percent of the total square footage (see chart below: Share of Total Lease Portfolio by Rent Level). Broken down further, prospectus-level leases are a small number of our transactions but represent 28 percent of the square footage and 34 percent of net annual rent. These extreme differences helped us focus on how best to establish policies and processes, deploy resources to maximize the productivity of our leasing associates, improve working relationships with our lessors, and provide our customers with the space that supports their mission at market rates.



A review of the almost 2,000 lease actions completed in FY09 indicates a reliance on the use of holdovers and extensions when leases with firm terms expire. Almost 60 percent of all term-related actions were for holdover and extension actions (see chart below: Types of Lease Actions in FY09). These temporary actions consume precious resources and fail to provide our clients with long-term solutions. Additionally, especially in the current economic climate, these actions can impair lessors' ability to

obtain financing for the properties where we lease space. When we continue occupying space through extensions, we are also missing an opportunity to take advantage of current lower market rents.

<b>Types of Lease Actions in FY09</b>		
<b>Leasing Action</b>	<b>Lease Count</b>	<b>% Lease Count</b>
Expired/left inventory	205	10.5%
Succeeding/Superseding	238	12.2%
Replaced/Consolidated	152	7.8%
Renewed	129	6.6%
Pending (active leases with past expiration dates)	57	2.9%
Holdover 26	4	13.5%
Extension	904	46.4%
<b>Grand Total</b>	<b>1,949</b>	<b>100.0%</b>

# Key Considerations

The team's recommendations focus on how we can improve policies and processes to benefit our lease acquisition stakeholders, such as our customer agencies, our commercial partners in the private sector, Congress, and PBS' national and regional real estate community and business lines.

Although these groups have different perspectives and unique driving interests, areas of common ground are a major factor in shaping and prioritizing our recommendations. The following discussion identifies shared concerns and goals and outlines the primary considerations of the individual stakeholder groups.

## Shared Concerns and Goals

- *Creating lease models for specific lease actions.* The PBS lease portfolio consists of different lease procurement types, yet we basically use a one-size-fits-all leasing model. This model is designed for our most complex leases and does not promote efficiency in all aspects of the leasing process. The problem is exacerbated when this model is applied to other lease procurement types, even though we allow some small adjustments for them. The bottom line is that we do not have the right acquisition models to effectively manage most of our leases.
- *Reducing cycle time for lease transactions.* Customers do not understand why it takes PBS so long to procure a lease, especially the smaller or “stay in place” leases. Those customers believe that long lead times reflect an organization that is slow, rule-bound, and unable to adapt to change and improve.
- *Streamlining activities, eliminating bottlenecks, and reducing the work required to produce a lease.* PBS leasing operations can be characterized as internally focused and risk-averse. As a result, our processes, policies, and procedures fail to address many of our customers' and lessors' concerns. Also, because we tend to focus on *eliminating* risk, our processes entail many non-value-added activities, and we do not effectively *manage* risk based on the lease procurement type.
- *Enhancing flexibility to react to client needs.* Clients are frustrated that we are unable to solve their urgent requirements in a timely manner through our normal leasing operations. While we are able to mobilize for large national requirements such as the recent Census effort, we lag in helping our clients solve their other time-critical space needs.

- *Using consistent leasing processes, policies, and procedures across PBS regions.* Clients talk internally and with each other about our inconsistent leasing operations and policy interpretations from region to region. From their perspective, they do not understand why they must deal with so many different processes, policies, and procedures, which cause them additional work. It frustrates them when PBS applies policy inconsistently, and they do not understand why we do not consistently apply business practices in all regions. Nationwide private-sector firms and our own brokers also have the same concerns and cope by developing different practices and strategies for dealing with GSA in different regions. This increases their cost of doing business, which they pass on through the rent to the Government.
- *Understanding needs and acquiring clear and concise requirements early on.* Delays in obtaining and understanding our customer requirements directly weaken PBS support at the portfolio and transaction levels. In addition, an in-depth understanding of how a client's mission drives space requirements over time will allow us to provide sound advice to generate cost-effective solutions.
- *Providing state-of-the-art leasing solutions using best practices, tools, and methods.* Our clients are becoming more sophisticated in their knowledge of Government leasing. When they form the impression that their knowledge of best practices, tools, and methods exceeds ours, they cease to believe we are a value-added provider delivering state-of-the-art solutions.
- *Moving closer to private-sector negotiation practices.* GSA price negotiation requires lessors to offer rental prices based on a theoretical common space requirement, regardless of the existing space configuration. This precludes negotiations with lessors to trade off existing space features for cost, which is a standard industry practice.
- *Leveraging prime position to strengthen buying power and reduce cost.* GSA should use its prime position in the commercial marketplace to better leverage its buying power in the current real estate environment and reduce costs.

## **PBS-Specific Considerations**

We also identified the following considerations as important for achieving the goals of lease acquisition reengineering or other longer-term goals of PBS:

- *Conducting follow-through with the private sector.* Follow up with the private sector concerning our recommendations and how they will affect the lease process from the lessor's standpoint. We will ask our

private-sector partners to comment on our recommendations and to estimate how they will affect the costs and time frames of submitting offers.

- *Enlarging the pool of potential lessors.* The recommendations herein will make it easier for the private sector to lease space to us, thereby increasing rather than limiting our ability to find adequate competition. At the present time, being the successful offeror often depends on having the most stamina and organizational resources.
- *Promoting Global Project Management (gPM).* Global Project Management principles tie into and complement several of the team's recommendations, in particular the need to track projects, emphasize requirements development, and build a professional, well-trained workforce.
- *Supporting the requirements development principles that the Office of Client Solutions has developed.*
- *Coordinating our recommendations regarding Rent Bill Management with the REXUS rollout.*
- *Establishing GSA as a "green" proving ground.* GSA wants to be known nationally as a primary center of expertise on sustainability and environmental best practices.

## Stakeholders

### Customer Agencies

One important objective was to understand our client agencies' leasing concerns, to help direct our proposed process improvements toward bringing these clients tangible benefits.

The National Account Managers (NAMs) act as the primary face to our clients, managing the client relationship on the national level. Clients expect critical thinking, probing questions, and consultative advice from us.

As part of this approach, our team hosted a meeting with the NAMs from the Office of Client Solutions on January 13, 2010. They were able to articulate the following customer needs:

- *Understanding customer roles.* Several clients typically require consistent PBS follow-up relating to initial requirements, signed Occupancy Agreements (OAs), design intent drawings (DIDs), and other documentation. Through the Requirements Development Process, gPM, and streamlined leasing efforts, PBS can enhance its

capacity to keep a lease action moving forward. For example, until we have a signed OA, in many cases we cannot award a succeeding lease, often resulting in lease extensions.

- *Improving cycle times and flexibility.* Our clients have expressed unhappiness with lease cycle times. Though standardizing forms and processes may improve our turnaround, our clients also demand that we retain our flexibility to react to their needs. PBS must also be able to respond to dramatic increases in agency space requirements to support their mission (such as Census 2010, Veterans Affairs Claims Processors, the Transportation Security Administration, and others).
- *Employing state-of-the-art solutions.* Our clients are becoming more sophisticated. We should not be placing ourselves in a situation requiring us to keep up with them. Instead, we should always be at least one step ahead. Our clients expect us to:
  - Play a lead role by using state-of-the-art leasing tools and methods.
  - Advise them on options and examples.
  - Explain the implications and risks of the options we present.
- *Increasing lead times.* To effectively manage the existing leasing process, the NAMs have requested that lead times of 18–24 months to initiate planning be increased to 30 months or more.
- *Enhancing communication.* We are not consistently and effectively communicating policy changes to our clients. Specifically, it is critical to notify customers of policy changes that have budget impacts. They do not want to miss an opportunity to include these in their budget planning process.
- *Establishing consistency.* Consistency across regions is critical to clients with multiple regional leases (such as Department of Homeland Security/Customs and Border Protection border stations). Expectations, policy interpretations, processes, and procedures are different region to region, and these differences generate real problems for customers.

The NAMs supported these key themes with several case examples that validated the project team direction, helped clarify customer needs, and substantiated the critical need for process improvements to alleviate many of these concerns.

## Private Sector

The Lease Process Reengineering Team held a forum for the leasing industry on December 9, 2009, to obtain its views on issues and ideas that could help to streamline and improve GSA's leasing processes and policies. Representatives from 22 firms—including national and regional leasing firms with GSA leasing experience—and GSA's three national broker contractors offered a far-reaching range of ideas. From their comments emerged these primary concerns:

- *Allowing tradeoff negotiation.* To comply with requirements for fairness in competition mandated by the Competition in Contracting Act of 1984 (CICA), GSA prescribes significant detail in the Solicitation for Offers (SFO) concerning our lease acquisition negotiation process. This requires potential lessors to offer rental prices based on a theoretical common space requirement, regardless of the existing space configuration. If GSA were permitted to negotiate with lessors to trade off existing space features, following standard industry practice, GSA could obtain better pricing and streamline its process. This practice would be of even greater benefit to GSA and the Government in today's volatile real estate market.
- *Reducing regional inconsistency.* National real estate firms noted that the regions vary considerably in their processes, standards, and policy application, thereby requiring companies to develop different practices and strategies for approaching GSA leases region by region.
- *Taking advantage of simplified lease acquisition process.* The standard GSA leasing process is cumbersome and lengthy, and causes the Government to miss market opportunities for negotiating favorably priced leases. Due to the lack of certain protections found in the current SLAT SFO and the perceived fear of insufficient competition driven by CICA requirements, leases eligible under the SLAT often use the more complex SFO form that involves multiple steps and adds unnecessarily to lease costs and the overall lease acquisition timeline.
- *Eliminating multiple process bottlenecks.* Industry representatives cited a number of burdensome process delays, including those constraining the movement of lease execution. Among the problems are delays in receiving customer DIDs, GSA issuance of Notices to Proceed, local market permitting processes (although this is not a GSA bottleneck, it can cause excessive project completion delays), TI lump sum estimates and discrepancies, and TI amounts to be amortized.

- *Dealing with other miscellaneous concerns.* Industry representatives identified several other issues as well, such as including utilities in rent rather than separate metering; excessive utility requirements, such as the number of watts per square foot; the added uncertainty and cost that cancelable leases entail; a strong sentiment that leases ought to have terms longer than 5 years; the costs to industry when a solicitation is cancelled; not taking advantage of the potential for succeeding leases; GSA reluctance to use construction progress payments; the application of Leadership in Energy and Environmental Design (LEED) requirements and seismic standards; and the risks involved in using the Consumer Price Index (CPI) as the basis for rent escalation.

## Congress

The U.S. House Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings, and Emergency Management provides congressional oversight of GSA's leasing program. The subcommittee authorizes prospectus-level leases—those with an annual net rent exceeding a threshold amount (\$2.66 million in 2009)—and periodically examines the general direction of GSA policy and performance by conducting hearings or otherwise communicating with the Administrator of General Services or the Commissioner of PBS.

The subcommittee most recently sent a letter to the Administrator, relaying the expectation that GSA take advantage of the current depressed market, rather than become victimized by it, and that GSA use its prime position in the commercial marketplace to better leverage its buying power to reduce costs.

GSA's subsequent review of the expiring lease portfolio was based on looking at tradeoffs between GSA and lessors and sometimes accepting more risk to reduce cost, such as waiving termination rights or extending lease terms in exchange for beneficial rates and tenant improvement dollars. The review illuminated the following issues that affect our ability to negotiate early lease actions and that are being addressed by the team:

- *Trying to renegotiate without requirements.* The most common reason not to pursue early action is lack of agency requirements. NAM involvement is critical for collaborating with agency mission personnel.
- *Paying for inflexibility.* In some instances, customers have requested a non-cancelable OA in exchange for extending the lease term, which is not supported by our pricing policy.

To continue satisfying the subcommittee's goals and demonstrate responsible use of public funds, GSA must remain vigilant in looking for emerging market opportunities and engage customers where those opportunities arise. At the same time, we must be diligent in communicating to the subcommittee the often difficult trade-offs involved in balancing early action against our current workload and available resources.

## **PBS Regionally and Nationally**

The PBS enterprise encompasses a Central Office and regional organizations that deliver the space. Although these participants have different perspectives on the lease acquisition process, they have intimate knowledge of its requirements and are familiar with its rough spots.

The 11 regions must comply with guidance from the national office, but at the same time they develop their own region-specific guidance appropriate for their most prominent customer agencies or unique local market conditions. They are under pressure to balance the demands of delivering space to our customers and responding to requests for reports and updates from other PBS business lines and Central Office. In addition, they must incorporate new programs, policies, and initiatives that require changes in their processes and procedures.

The viewpoint of the Central Office is a higher level perspective that reflects the concerns of a national organization. From this standpoint, lease acquisition touches on other business lines within PBS, such as the Offices of Portfolio Management, Client Solutions, Budget and Financial Management, and the Chief Architect. The Office of Real Estate Acquisition must coordinate with the requirements of these other business lines, and closely partner with them to resolve issues that involve PBS as a whole and balance national policy with areas where regions have the discretion to be flexible.



# Lease Process Reengineering

## Recommendations

The consolidated list of recommendations summarized in the following pages outlines the improvements needed to deal with the leasing concerns and issues that we have identified through the team effort and detailed in the exhibits. We discovered considerable commonality and overlap among the sub-teams, which demonstrates that certain actions to refine and streamline our business will touch the leasing process in multiple areas.

We used net annual rent as the mode of analysis for developing threshold recommendations for specific lease models. We analyzed all non-extension/holdover lease transactions that became active in FY08–09, identifying all succeeding and superseding lease actions and classifying the rest by net annual rent ranges in order to understand what effect specific recommendations and lease models would have on workload by lease count; and the overall impact to the inventory by square foot and net annual rent. We compiled two versions of the national transaction analysis, with and without the leases secured for the decennial Census. Excluding the Census leases provides a more realistic representation of our ongoing space requirements. However, this does not discount the fact that almost 500 Census leases have been delivered in the past 2 years. The tables of FY08–09 Lease Transactions by Net Annual Rent Range both with and without Census 2010 lease data are available in the separately attached exhibits package, Exhibit 13a. A breakdown by region of FY08–09 Lease Transactions by Net Annual Rent Range can be found in Exhibit 13b. Lease size (square footage) was used in making certain other recommendations.

- For the grand majority of the regions, PBS can achieve the greatest improvement by focusing attention on the smaller leases, meaning those with a net annual rent value less than \$500,000. These smaller leases represent the majority of leases in the inventory but a disproportionately low percentage of the square footage and net annual rent: at the end of FY09, leases under \$500,000 net annual rent represented 82 percent of the 9,187 leases in our inventory, but only 31 percent of our inventory square footage, and 25 percent of net annual rent. On an annual transaction basis, using the 1,411 non-extension/holdover lease transactions that became active in FY08 and F09 (excluding Census leases) to define annual trends, leases less than \$500,000 net annual rent represent 58 percent of our annual lease actions.
- The recommendations include using the Simplified Lease Acquisition Model for leases up to \$150,000 net annual rent; using the proposed Alternative Lease Model (ALM) for leases above the Simplified

Lease Acquisition Threshold (SLAT) and below \$500,000 net annual rent; and creating and using models for succeeding and superseding leases when it is in our best interest to stay in place. Based on non-extension/holdover lease actions completed in FY08–09, these models would have applied to 87 percent of our lease actions, which represent just 47 percent of net annual rent and 53 percent of the related square footage. This approach would allow us to place a greater emphasis on our larger leases that carry more of the annual rent burden paid to lessors.

FY08 - 09 Lease Transactions without Census								
Net Annual Rent Range	Sq. Ft.	% Sq. Ft.	Total Annual Rent	% Total Annual Rent	Net Annual Rent	% Net Annual Rent	Lease Count	% Lease Count
SLAT/ALM/Succeeding/Superseding	12,048,294	53%	\$ 324,922,111	47%	\$ 264,201,355	47%	1,227	87%
\$500,001 - \$1,000,000	2,248,812	10%	\$ 68,107,462	10%	\$ 55,546,770	10%	82	6%
\$1,000,001 - \$2,600,000	4,221,555	19%	\$ 157,100,830	23%	\$ 131,760,562	23%	82	6%
Prospectus	4,243,268	19%	\$ 143,653,769	21%	\$ 116,233,359	20%	20	1%
<b>Grand Total</b>	<b>22,761,929</b>	<b>100%</b>	<b>\$ 693,784,172</b>	<b>100%</b>	<b>\$ 567,742,046</b>	<b>100%</b>	<b>1,411</b>	<b>100%</b>

The Lease Process Reengineering team identified a number of common and recurring themes that have universal application to the lease acquisition process:

- The need to balance flexibility and consistency within and among all GSA regions relative to the processes and procedures for acquiring leased space. PBS can accomplish this by developing and updating standard tools, forms, definitions, business processes, and guidance documents for these recommendations.
- The need to organize “Deal Transaction Teams” to complete each lease acquisition project in concert with the assigned Global Project Manager. This a project team would consist of individuals with appropriate skills who work with the gPM to provide smooth, transparent service delivery and a team approach to solutions. For leasing, this means ultimately executing a lease, celebrating the success, and assisting the satisfied customer take occupancy in that lease location.
- A consistent approach to organization and staffing, position descriptions, roles and responsibilities, and training is essential to achieving the benefits expected from implementing these recommendations.
- With few exceptions, the recommendations can be implemented within the authority currently held by the Commissioner, PBS. However, to undertake these changes will require a commitment from PBS leadership, cooperation among all business lines, adjustments to current lease policy, and an effective business strategy.

- Also necessary are additional budget allocations and staff resources beyond their current levels. Specifically, the “Additional Services” provided for in the *PBS Pricing Desk Guide* (page 3-18) have been historically and chronically under-resourced. These are primary design services (requirements development and design intent drawings). When they are not available as needed in the process, either forward progress is stalled or the process moves forward inefficiently

Concentrating our improvement recommendations on the smaller leases that make up the bulk of lease transactions in most regions will enable PBS to achieve significant reduction in cycle time, be more competitive and receive more favorable pricing in the real estate market, minimize PBS risk exposure, answer private-sector criticism of PBS leasing practices, and—of greatest importance—deliver space to our client agencies in a more responsive manner. In addition, streamlining our approach to smaller leases will free up resources for us to concentrate on larger, more complex, and prospectus-level leases. As a class, leases over \$1,000,000 net annual rent are a small proportion of our ongoing transactions; however, from the perspective of their significance to our *current inventory*, they provide the bulk of our net annual rent (53 percent) and inventory square footage (48 percent).

The recommendations are summarized in two groups: New Acquisition Models and Lease Business Operations. In addition, the following general recommendations transcend all organizations and business lines:

- Revise the general clauses to minimize risk for the private-sector real estate community and capital market underwriters. Focus on revising the language to reflect our actual practice (we give notice, we provide opportunity to cure, etc.). Concerns voiced by the capital market underwriters attending the recent Financial Symposium focused on the need to revise clauses stating our ability to terminate the lease in certain situations without notice or opportunity to cure. General clauses targeted for revision include the fire and casualty clause, time for performance, and the assignment and assumption clause.
- Regions need to periodically meet with their portfolio and account managers for strategic planning sessions.
- Clearly identify and coordinate green lease requirements and training with the appropriate business lines. Revise the Form 1364 to address the green component cost breakdown. Examine whether this cost could be removed from the rental rate for scoring purposes,

- If possible, scale security standards according to the size and complexity of the procurement. Further research is required to examine this possibility in more detail and should include discussions with the Interagency Security Council (ISC).
- Achieve overall project cycle time improvement: The Offices of Organizational Resources and Real Estate Acquisition are collecting data on current process timeliness and how a variety of the proposed reengineering recommendations will affect overall project cycle time. Once recommendations are approved and implemented and a timeline for use is established, we will be better able to quantify specific cycle time efficiencies. In addition, the recommendations are being incorporated into the “to be” business process flow by the Office of Organizational Resources and evaluated by the Center for Strategic Planning and Measures as a cycle-time measure is developed. We will undertake a complete cycle time study during the implementation stage. It will examine, among other topics, the productivity measure, PBS 15 Milestones, Workplace Capacity Model, and project delivery measure; and it will try to connect project completion time to square footage (under 10,000 ft<sup>2</sup>, from 10,000 ft<sup>2</sup> to 50,000 ft<sup>2</sup>, and over 50,000 ft<sup>2</sup>).

## **New Acquisition Models**

### **Establish a Comprehensive Simplified Lease Acquisition Model**

Establish a comprehensive Simplified Lease Acquisition Model using a turnkey approach for leases under \$150,000, and require Lease Contracting Officers to use it for all eligible lease actions. Currently, for lease acquisitions under the SLAT dollar threshold, a Leasing Specialist may decide whether to use the Form 3626, Short Form Lease, but there is no fully defined procurement process for how to step through a simplified lease acquisition. This model will provide that direction. Recently, many regions and Lease Contracting Officers have shied away from using the simplified lease, out of concern that its limited contents exposes the government to risk. A clearly developed model, approved by General Counsel, will help eliminate this fear.

The current Simplified Lease Acquisition Threshold is \$100,000; however, changes proposed by the FAR Council will raise the Simplified Acquisition Threshold (SAT), which applies to contracting for supplies and services, from \$100,000 to \$150,000. Proposed revisions to the *General Services Administration Acquisition Manual* (GSAM) will apply the same increase to the SLAT, raising the threshold to \$150,000 net annual rental. We used the new threshold limit, anticipating that the FAR amendment will become final in the near future.

Establishing this model will require the following major actions:

- Define the SLAT process flow (steps), modify the existing SFO boilerplate to create a template for this model, incorporate model tasks into eLease via Dynamic Tasking, and develop an eLease SLAT SFO wizard. This action assumes that completed requirements are available.
- Create a SLAT-specific lease file checklist and guidance (Form 3681A). This action will be completed in concert with the Leasing Desk Guide effort.
- Allow for a standard written statement or memo to file signed by the Lease Contracting Officer to be placed in the file as a substitute acquisition plan. This documentation will identify key acquisition-related information in bulleted or abbreviated form.
- Develop three critical steps in the SLAT process: implementing mandatory project orientation to review/accept a complete program of requirements; developing a comprehensive market survey report and related protocols; and establishing a SLAT turnkey process, including tenant work letters and agency test fits.
- If a project falls within the SLAT, the aggregate contract value should not be a consideration for Other Than Full and Open Competition (OTFOC) approval. The Lease Contracting Officer should just document the file, and no approval should be required from the Competition Advocate.
- Amend the supplemental lease requirement (SLR) template to incorporate detailed specifications with regard to janitorial, snow removal, and HVAC services. We have prepared a draft SLR for simplified leases (see Exhibit 3c, Draft Supplemental Lease Requirements Form for Simplified Leases). This draft will be finalized during the implementation phase and further revised to address ongoing service delivery issues we typically experience in smaller leases.
- Update the August 2008 Proposal to Lease Space (GSA Form 1364) to make it easier for offerors to prepare the document and for the Government to review.
- Amend Form 3517A, General Clauses (Simplified Leases), by adding the changes clause (Paragraph 34, 48 CFR Reference 552.270-14), and amend the fire and casualty, termination for default, and sublet clauses.

- Revise Representations and Certifications (Form 3518) to make the “is/is not” format clearer.
- Prepare a standard written statement for the file that identifies this as a SLAT lease and as such it will not score. This would meet the requirement to score, but eliminate extraneous work for this model associated with the typical scoring process.
- Modify the title for the Security Standards Form for this lease model by removing the word “Minimum,” as it tends to confuse our customers and implies we are not providing the appropriate level of security required.
- Clearly communicate to the regional leasing community that an operating cost escalation for SLAT-level leases can be negotiated but is not required. Allowing for pass-through of operating costs is permissible under this model.
- For this model, if operating costs are to be negotiated, look into using a standard operating cost adjustment percentage (for example, 2 percent). In this way, the client would know that each year the rent will increase by that standard, and the lessor would know what to expect.

**Benefits:** The Simplified Lease Acquisition Model addresses a long-standing request from clients and the private sector for a quick and efficient method to acquire smaller lease procurements. As a proportion of our total inventory, leases at the soon-to-be authorized Simplified Lease Acquisition Threshold of \$150,000 represent over 50 percent of the GSA lease inventory as of the end of FY09 but a minimal amount of our total net annual rent (7 percent of \$4 billion) and disproportionate square footage (11 percent of 187 million ft<sup>2</sup>). (See Exhibit 13b, FY09 End of Year Lease Inventory.) As a percentage of our annual workload, leases under \$150,000 net annual rent represent over one-third of our transactions but only a minimal share (5 percent) of our net annual rent and just 7 percent of the transacted square feet (see table below). Standardizing and streamlining the simplified lease process would improve the lease acquisition cycle time for smaller lease actions, allow Leasing Specialists and Lease Contracting Officers to spend less time working on the low-risk lease actions with a minimal financial impact, and permit more focus on the larger leases that have a greater financial impact on the GSA portfolio.

FY08 - 09 Lease Transactions without Census								
Net Annual Rent Range	Sq. Ft.	% Sq. Ft.	Total Annual Rent	% Total Annual Rent	Net Annual Rent	% Net Annual Rent	Lease Count	% Lease Count
SLAT: Up to \$150,000	1,665,234	7%	\$ 37,024,221	5%	\$ 28,835,730	5%	489	35%
ALM: \$150,001 - \$300,000	2,396,330	11%	\$ 57,788,376	8%	\$ 46,557,804	8%	215	15%
ALM: \$300,001 - \$500,000	2,054,668	9%	\$ 50,747,806	7%	\$ 41,749,154	7%	107	8%
\$500,001 - \$1,000,000	2,248,812	10%	\$ 68,107,462	10%	\$ 55,546,770	10%	82	6%
\$1,000,001 - \$2,600,000	4,221,555	19%	\$ 157,100,830	23%	\$ 131,760,562	23%	82	6%
Prospectus	4,243,268	19%	\$ 143,653,769	21%	\$ 116,233,359	20%	20	1%
Succeeding/Superseding	5,932,062	26%	\$ 179,361,708	26%	\$ 147,058,667	26%	416	29%
<b>Grand Total</b>	<b>22,761,929</b>	<b>100%</b>	<b>\$ 693,784,172</b>	<b>100%</b>	<b>\$ 567,742,046</b>	<b>100%</b>	<b>1,411</b>	<b>100%</b>

Offerors would spend less money and time completing the simplified lease package. The simplified lease using the SLAT is designed to be a “one and done” acquisition model where the lessor’s submittal would become the lease document: score it one time; no back-and-forth negotiations; one market survey; no requirement for advertisement; and no formal Justification for Other Than Full and Open Competition. Time-consuming GSA reviews would be eliminated, and requirements for offerors to comply with accessibility, fire protection and life safety and seismic reviews would be significantly streamlined. Taking advantage of no-cost, lessor-prepared test fit Design Intent Drawings (DIDs) and complete price negotiation prior to award commensurate with a turnkey lease scenario would allow for an accelerated occupancy date and increased accuracy in determining the date of rent commencement.

For this model—as with all others—in situations where using more than one model may apply, Lease Contracting Officers could use their discretion to choose the model that best meets customer needs and current market conditions.

**Implementation Challenges:** Updates to the FAR and GSAM would be required. The request not to score this model will require input from the Office of Portfolio Management. Training on how to use this model is required and will need to address existing fears of exposure.

## Increase the Simplified Lease Acquisition Threshold

Increase the SLAT from \$150,000 to \$300,000. A statutory change to implement this increase would allow Lease Contracting Officers to use the Simplified Lease Acquisition Model on a larger portion of the lease portfolio. Fifty percent of FY08–09 lease actions were under \$300,000 net annual rent and could have employed this model if the threshold limit were raised. It would be extremely beneficial to apply an annual escalation factor similar to the prospectus-level threshold escalation factor to this threshold level once the increase has been secured. Revisions to existing law, Realty Services Letter (RSL)-2008-07, and GSAM 570 would be required to make this change.

**Benefits:** By increasing the SLAT to \$300,000 net annual rent, the Simplified Lease Acquisition Model would improve our capability to

satisfy more clients by getting them in space quicker. SLAT up to \$300,000 could have been applied to 50 percent of the FY08–09 lease transactions (704 leases), which corresponds to only 13 percent of net annual rent and 18 percent of the square footage of the transactions (see table below), so risk to the portfolio is low.

FY08 - 09 Lease Transactions without Census								
Net Annual Rent Range	Sq. Ft.	% Sq. Ft.	Total Annual Rent	% Total Annual Rent	Net Annual Rent	% Net Annual Rent	Lease Count	% Lease Count
Increase SLAT: Up to \$300,000	4,061,564	18%	\$ 94,812,597	14%	\$ 75,393,534	13%	704	50%
ALM: \$300,001 - \$500,000	2,054,668	9%	\$ 50,747,806	7%	\$ 41,749,154	7%	107	8%
\$500,001 - \$1,000,000	2,248,812	10%	\$ 68,107,462	10%	\$ 55,546,770	10%	82	6%
\$1,000,001 - \$2,600,000	4,221,555	19%	\$ 157,100,830	23%	\$ 131,760,562	23%	82	6%
Prospectus	4,243,268	19%	\$ 143,653,769	21%	\$ 116,233,359	20%	20	1%
Succeeding/Superseding	5,932,062	26%	\$ 179,361,708	26%	\$ 147,058,667	26%	416	29%
<b>Grand Total</b>	<b>22,761,929</b>	<b>100%</b>	<b>\$ 693,784,172</b>	<b>100%</b>	<b>\$ 567,742,046</b>	<b>100%</b>	<b>1,411</b>	<b>100%</b>

**Implementation Challenges:**

- This action would require a statutory change. The approval chain is Office of General Counsel, Commissioner, Administrator, OMB, and Congress. The Office of General Counsel would provide assistance.
- This action would require an update to GSAM to reflect the statutory change.

**Create an Accelerated Lease Model**

Create an Accelerated Lease Model (ALM), and require Lease Contracting Officers to use it for all eligible lease actions. Evaluate the need for exceptions in cases where the Lease Contracting Officer determines that a best-value tradeoff would be warranted for a project within the ALM threshold.

At the outset, for regions 1–10 this acquisition method would apply to leases over SLAT, \$150,000 net annual rent and less than \$300,000 net annual rent. The upper limit for NCR would be \$500,000 in order for that region to benefit from this process. In addition, the upper limit should be revisited for further increases after the ALM has been in use for 1 year.

This improvement would require the following steps:

- Define the ALM process flow.
  - Use a modified TI Approach, competing as low bid when possible and negotiating all costs upfront. This approach assumes complete requirements are available.
  - Establish an ALM pilot test period.

- Eliminate or scale back “risk-averse” clauses such as General Clauses 2 and 17 (Subletting and Assignment, and Fire and Casualty Damage), and reword Clause 11 (Default in Delivery).
- Create a version of the SFO that supports the Accelerated Lease Model and is easy to use. A draft has been prepared (see Exhibit 3m, Draft Instructions for Creating Accelerated Lease Model, and Exhibit 3n, Draft Accelerated Lease Model SF2 Template). Develop an SFO wizard for the ALM in eLease.
- Create an ALM-specific lease file checklist and guidance. A draft has been prepared (see Exhibit 3o, Draft Accelerated Lease model Checklist Pre/Post Award). This step would be completed in concert with the Leasing Desk Guide effort.
- Require a complete Program of Requirements to be developed pre-award so tenant improvement costs can be priced prior to award, thereby affording negotiation leverage and allowing for build-out to start immediately post award.
- Revise Form 1364 (Proposal to Lease Space) into a version compatible with this model. In particular, address the sections on operating costs and security charges.
- The Lessor’s Annual Cost Statement (Form 1217) would no longer be required for this model. Operating costs formation would be extracted from the offeror’s Form 1364. The Lease Contracting Officer could still request this form as necessary for offer evaluation purposes.
- Contract for or develop internal PBS expertise in each region. to evaluate operating costs for Leasing Specialists. If contracting is not a possibility, permanent housing for this expertise would be determined during the implementation stage of the reengineering effort (possibly the Office of Portfolio Management). If neither of the aforementioned options are approved, develop training for Leasing Specialists on how to properly interpret, evaluate, and negotiate the information on Form 1364.
- For this lease model, reduce the number of scoring iterations to one.
- Implement the proposed recommendations for simplifying review of fire protection and life safety and seismic requirements.
- Set a maximum term of 10 years for leases awarded under this model to alleviate the need to score multiple times.
- Eliminate the tax and operating cost text from the SFO, and incorporate the full text by reference similar to the way we handle the

general clauses for SLAT leases. This requires further exploration and review for comment by General Counsel.

**Benefits:** Offering an Accelerated Lease Model for Leasing Specialists to use would provide a simplified method that allows us to negotiate leases quicker and get customers into their space sooner. PBS can achieve the required SFO revisions at the policy level. This model would satisfy a long-standing request from clients and the private sector to accelerate acquisition of less complex procurements. In terms of FY08–09 lease actions, an ALM for leases above the Simplified Lease Acquisition Threshold and up to \$500,000 net annual rent could have been applied to 23 percent of the total lease transactions for that period (see the following table). Because the ALM can be accomplished through policy revisions, its benefits would be immediate.

FY08 - 09 Lease Transactions without Census								
Net Annual Rent Range	Sq. Ft.	% Sq. Ft.	Total Annual Rent	% Total Annual Rent	Net Annual Rent	% Net Annual Rent	Lease Count	% Lease Count
SLAT: Up to \$150,000	1,665,234	7%	\$ 37,024,221	5%	\$ 28,835,730	5%	489	35%
<b>ALM: \$150,001 - \$300,000</b>	<b>2,396,330</b>	<b>11%</b>	<b>\$ 57,788,376</b>	<b>8%</b>	<b>\$ 46,557,804</b>	<b>8%</b>	<b>215</b>	<b>15%</b>
<b>ALM: \$300,001 - \$500,000</b>	<b>2,054,668</b>	<b>9%</b>	<b>\$ 50,747,806</b>	<b>7%</b>	<b>\$ 41,749,154</b>	<b>7%</b>	<b>107</b>	<b>8%</b>
\$500,001 - \$1,000,000	2,248,812	10%	\$ 68,107,462	10%	\$ 55,546,770	10%	82	6%
\$1,000,001 - \$2,600,000	4,221,555	19%	\$ 157,100,830	23%	\$ 131,760,562	23%	82	6%
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**Implementation Challenges:** There is the potential to use this model for all procurements above the SLAT and under 10,000 ft<sup>2</sup>. This recommendation would require additional review and input from the Office of General Counsel.

### Create Comprehensive Acquisition Models for Succeeding and Superseding Leases

Create comprehensive acquisition models for succeeding leases and superseding leases, and require Lease Contracting Officers to use them for all eligible lease actions, as long as doing so is the appropriate course of action and meets customer needs.

The following major actions would be required for this change:

- Prepare detailed policy to allow acceptance of “as-is” space. Policy would address Architectural Barriers Act Accessibility Standards (ABAAS), fire safety, and other SFO provisions as they relate to an “as-is” scenario. Developing policy that permits offerors to use existing tenant improvements when “as-is” space meets SFO requirements would allow the government to benefit from price efficiencies.

- Streamline the SFO as appropriate to reflect clauses and paragraphs relevant for succeeding and superseding leases. Prepare SFO text that addresses second-generation space and the status of the presently occupied space.
- Streamline offer forms such as the Proposal to Lease Space (Form 1364) to provide current rental and market information, to encourage rate reduction and facilitate two-way communication.
- The Lessor's Annual Cost Statement (Form 1217) would no longer be required for this model. Operating costs formation would be extracted from the offeror's Form 1364. The Lease Contracting Officer could still request this form as necessary for offer evaluation purposes.
- Create a specific lease file checklist and guidance for succeeding and superseding leases. This step would be completed in concert with the Leasing Desk Guide effort. See Exhibit 4l, Recommendation to Customize File Checklist.
- Propose replacing the use of the Other Than Full and Open Competition (OTFOC) report with a Findings and Determination document signed by the Lease Contracting Officer. This change would require revision to the Competition in Contracting Act, RSL-2008-07, and GSAM 570.402.
- Provide clarification on scoring for this lease model. The preference is to eliminate the need to score the lease, or to score it only once.
- Clarify policy guidance that allows Lease Contracting Officers to move forward with a succeeding or superseding lease action without a signed OA. Current policy requires approval of the regional portfolio director, who assesses the benefits and risks of proceeding.
- Develop an analytical "stay in place model" to gather relevant data when contemplating remaining in an existing lease. See Exhibit 4m, Recommendation to Create Stay Put Model.
- Address incorporation of recommendations regarding reviews of fire protection and life safety and seismic requirements.
- Use an acquisition plan template created specifically for these models.
- Pursue the possibility of developing a project directly from the existing lease in eLease.

**Benefits:** The Succeeding and Superseding Lease Models would reduce the average acquisition cycle time for "stay in place" procurements and allow PBS to make prudent business decisions in the absence of written

customer agreement. These models would have applied to 29 percent of the total FY08–09 non-Census lease actions; affecting 416 transactions, 26 percent of the net annual rent, and 26 percent of the total square footage (see the following table).

FY08 - 09 Lease Transactions without Census								
Net Annual Rent Range	Sq. Ft.	% Sq. Ft.	Total Annual Rent	% Total Annual Rent	Net Annual Rent	% Net Annual Rent	Lease Count	% Lease Count
SLAT: Up to \$150,000	1,665,234	7%	\$ 37,024,221	5%	\$ 28,835,730	5%	489	35%
ALM: \$150,001 - \$300,000	2,396,330	11%	\$ 57,788,376	8%	\$ 46,557,804	8%	215	15%
ALM: \$300,001 - \$500,000	2,054,668	9%	\$ 50,747,806	7%	\$ 41,749,154	7%	107	8%
\$500,001 - \$1,000,000	2,248,812	10%	\$ 68,107,462	10%	\$ 55,546,770	10%	82	6%
\$1,000,001 - \$2,600,000	4,221,555	19%	\$ 157,100,830	23%	\$ 131,760,562	23%	82	6%
Prospectus	4,243,268	19%	\$ 143,653,769	21%	\$ 116,233,359	20%	20	1%
<b>Succeeding/Superseding</b>	<b>5,932,062</b>	<b>26%</b>	<b>\$ 179,361,708</b>	<b>26%</b>	<b>\$ 147,058,667</b>	<b>26%</b>	<b>416</b>	<b>29%</b>
<b>Grand Total</b>	<b>22,761,929</b>	<b>100%</b>	<b>\$ 693,784,172</b>	<b>100%</b>	<b>\$ 567,742,046</b>	<b>100%</b>	<b>1,411</b>	<b>100%</b>

**Implementation Challenges:** This improvement would require adjusting the Competition in Contracting Act to allow using a Findings and Determinations document instead of the standard OTFOC currently required. There is a potential for resistance from customers should we need to move forward with a leasing action in the interest of the Government without their consent. For example, they may refuse to sign their OA or remain in a specific lease location.

## Lease Business Operations

### Streamline Acquisition Plan Process

Modify requirements for the current standard national acquisition plan template, and mandate its usage.

The following major actions would be required:

- Update and refine the standard acquisition model template. Consider the NCR-updated template as a baseline for revising the current national template. The current guidance on acquisition planning for leases (RSL-2009-06) suggests using the template as a tool. Refine the template; issue detailed guidance by updating the RSL to mandate usage of a standard template; and provide clear implementation instructions.
- The acquisition plan would no longer be considered a progressive, living document. Eliminate the requirement to constantly update the plan during the acquisition process unless a significant change is proposed that alters the intent of the original plan. Acquisition plans would be used only as a planning tool and not to track actual events.
- Incorporate market research, as opposed to a full market survey.

- Modify and streamline the acquisition plan template to fit the procurement type. For example, milestones for an extension would vary from those required for a standard lease or lease construction. The process for a SLAT lease could be minimized by requiring a memorandum to the lease file instead of a formal acquisition plan. In addition, include a new template for extensions that streamlines the document and ties an extension to a long-term space solution, creating a method of tracking and monitoring the use of extensions.
- Keep signatures to a minimum in accordance with the current RSL. Regions would not specify additional signatory requirements.
- Develop an acquisition plan deviation for extensions using the sample prepared. A sample has been prepared. See Exhibit 8d, Proposed National Acquisition Plan Extension.
- Allow a space for regions to provide additional comments as necessary. Eliminate the need to submit lease acquisition plans to Acquisition Policy, since that office does not review or approve them.
- Field-test the revised model.

**Benefits:** A standard and consistent methodology for preparing acquisition plans would establish a common framework for understanding the key features that are intended to define each lease acquisition project, regardless of acquisition model being used. The plan would provide a vital and consistent baseline for verifying client and acquisition team understanding of the criteria and steps intended to achieve a suitable end result. This updated template would eliminate the wide variation of acquisition planning practices noted across the regions today.

**Implementation Challenges:** A review of FAR Part 7 (Acquisition Planning) and GSAM 507.1 (Acquisition Plans) may be required.

## Solicitation Improvements

Reorganize the SFO structure to reduce redundancies, group related requirements in a single location (such as building shell and TI), and make clear and concise the Government's expectations, what the offeror must deliver, and when submissions are required.

Doing this requires the following major actions:

- Reorganize the entire SFO so that each component such as design, construction, and other post award activities, general architectural and engineering requirements, tenant improvements, and monetary considerations are found in one place instead of woven throughout the

document, and eliminate duplications. A draft has been prepared; see Exhibit 6c, Draft Reorganized TI SFO.

- Streamline the Lease File Checklist (Form 3681A) and remove the requirement to file non-value added documents, such as the ACH Vendor Form. This review would occur during the implementation process.
- Develop customer-specific requirements packages to be attached to the SFO. Include information concerning client-specific LEED, sustainability, greenhouse gas reduction, and energy reduction requirements.
- Develop customer-specific communication plans that clearly identify and define customer roles and authorities throughout the acquisition process to allow for the appropriate customer contacts to be involved at critical decision points (such as the market survey and approval, solicitation list and SFO approval, and others).
- Amend the draft market survey RSL to provide for pre-market surveys when possible (staffing and travel funding issues would need to be considered).
- Explore in depth indices other than the CPI to determine annual operating cost escalations, or look into using a standard operating cost adjustment percentage (such as 2 percent).
- Revise the SFO tax clause to provide text clarification concerning establishing the appropriate base year in cases of new lease construction or longer tenant improvement build-out.
- Revise specific general clauses previously mentioned in the Simplified Lease Acquisition Model section to minimize risk.

**Benefits:** The SFO will more clearly state what the Government wants and what the offeror must deliver, a direct response to market requests. Offerors will be able to digest the SFO quickly and clearly understand the costs of submitting a proposal. The revised description of elements such as space standards will eliminate confusion in the market and should result in lower bids. PBS and our clients will not spend time and resources in preparing, negotiating, and signing multiple OAs at different steps in the acquisition process. In fact, reorganizing the SFO and attaching to it customer-specific space requirements will enable offerors to easily price their offer and improve overall timeliness of the lease process. Internally, PBS will be able to focus on value-added procurement activities, as the non-value-added activities would be eliminated from the process.

**Implementation Challenges:** Developing customer-specific space requirements packages and communication plans are long-term activities to be undertaken by the Office of Client Solutions.

## Include a Synopsis for Each SFO

Instead of requiring offerors to review an entire SFO, summarize significant lease elements into a short synopsis produced automatically from data in Real Estate Across the United States (REXUS), the data system that will replace STAR or the eLease SFO Wizard. Potential offerors can quickly review the synopsis to determine if they wish to submit an offer.

Doing this would require the following major actions:

- Create a synopsis form for the key elements—such as square footage, location, TI allowance, submittal dates, and estimated occupancy dates—that will be affixed to the front of the SFO. Single- and multiple-page drafts have been prepared; see Exhibit 6h, Draft SFO Synopsis (Single Page), and Exhibit 6i, Draft SFO Synopsis (Multiple Pages).
- Develop a timetable to attach to the SFO synopsis that identifies all offeror milestone requirements.
- Publish the synopsis developed from the SFO on the Federal Business Opportunities website ([www.FedBizOpps.gov](http://www.FedBizOpps.gov)) as the advertisement (an advertisement is required by GSAM 570).

**Benefits:** Potential offerors could quickly determine their interest in making an offer, rather than having to review the entire SFO to make such a decision. This would be a direct response to suggestions from the private sector. Eliminating non-qualified offerors early on would reduce unproductive discussions and market survey time, and make it easier to identify the best qualified offerors.

**Implementation Challenges:** Several systems would need to interface for automating this synopsis. Project data would be required to make sure we capture the correct square footage. This could come from REXUS or eLease, but eLease would have the more comprehensive list of dates. This function could be best accomplished as an eLease tool, pulling information directly from specific sections of the SFO.

## Apply Industry Standard Space Measurements

Apply industry space measurements and terminology to our leasing actions in line with private-sector practices to provide our customers with a consistent practice and terminology for all their space assignments. Be

consistent in applying space measurements to the owned and leased inventory, managing space utilization, benchmarking, billing, allocating building expenses to various cost centers, and portfolio analysis.

Doing this would require the following major actions:

- Clarify space measurement terms in the SFO: GSA currently uses ANSI/BOMA Z65.1-1966 Office Area (ABOA) and Rentable Areas as its space measurement standard. The general clauses use the term “usable” interchangeably with and in reference to ABOA. This conflicts with industry use of “usable” as a space measurement that differs from office area (ABOA) space measurement. Although the SFO states that ABOA square feet and usable square feet may be used interchangeably throughout the lease documents, this causes confusion for industry practitioners, as the measurement of usable square feet is commonly used in industry and in actuality differs from ABOA square feet.
- Evaluate the recently published 2010 BOMA Space Standards and determine whether applying the new industry space measurements to our leasing actions would require adopting in whole or in part the new space measurement standard. As part of the evaluation process, survey industry partners to see if they intend to adopt 2010 BOMA Space Standards and, if so, Method A or Method B. All evaluations must take into consideration GSA-specific measurement requirements, including for handling of billing for joint-use space.

**Benefits:** Resolving language discrepancies would eliminate confusion for the private sector and our customers by using the generally accepted industry space measurement standard definition versus our internal definition. This would allow for greater consistency and easier partnering with the private sector by eliminating a source of frequent confusion and misunderstanding and reduce time spent clarifying requirements.

**Implementation Challenges:** The current confusion can be resolved by revising the general clauses to eliminate the term “usable” when the intent is to refer to ABOA space measurements, updating the SFO, and communicating the nuances to the leasing community. This can be accomplished quickly.

Adopting the 2010 BOMA Space Standards in whole or in part would require extensive discussion among multiple business lines (including the Offices of Portfolio, Chief Architect, and Real Estate Acquisition), education, training, notifications, and policy changes and guidance. The primary need would be to understand the BOMA 2010 measurement standards and choose between Method A and Method B for calculating total rentable area.

## Expedited Process for Fire Protection and Life Safety Reviews (Requirements 10,000 ft<sup>2</sup> and Below)

Allow offerors to demonstrate fire protection and life safety (FPLS) compliance when the space requirement is for 10,000 rentable square feet or less by providing a certificate of occupancy (or its equivalent) issued by the local governing authority. Equivalency acceptance would be reviewed in detail as part of the implementation strategy for the proposed recommendations, as some local jurisdictions do not prepare certificates of occupancy. Additionally, we need to account for leased facilities where multiple GSA leases total more than 10,000 ft<sup>2</sup>.

The following major actions would be required:

- Allow a certificate of occupancy (C of O) (or its equivalent) to replace the FPLS review for space requirements at or below 10,000 ft<sup>2</sup>.
- Develop and issue revised FPLS policy, including review timelines for all regions, and incorporate them into lease training programs.
- Suggest additional in-house resources or contract support be made available in all regions for FPLS reviews, regardless of project size.

**Benefits:** While acknowledging that the safety and well being of our customers is of utmost importance, revising this process for requirements at or below 10,000 ft<sup>2</sup> to accept the C of O as a replacement for a government FPLS review is similar to how the private sector addresses this issue. In addition, this approach could be expected to reduce offer evaluation time. In FY08–09, 73 percent of our lease transactions were under 10,000 ft<sup>2</sup>. Currently, depending upon the region and available resources, the FPLS review can require months to complete. Moreover, minimizing requirements on the smaller leases that affect a majority of our transactions in the course of a year would free FPLS experts to concentrate on the larger and more complex leases and enable them to be more effective in delivering timely reviews.

**Implementation Challenges:** An in-depth review by the Office of Energy and Environment, Fire Protection and Life Safety Program during the implementation process is required to address this recommendation and items such as monitoring, maintenance, and code enforcement. A study to research local fire protection and life safety codes at least in major markets may be helpful, as well as researching and approving acceptable C of O alternatives for markets that do not issue certificates of occupancy.

## Simplify Seismic Review Requirements

Simplify the requirements for reviewing facility seismic standards. Current approval requirements for seismic certifications are time consuming, and seismic studies are costly to the market. We recognize that Interagency Security Committee (ISC) requirements impact seismic lease policy. This report does not address security requirement improvements in significant detail, but the issue will be covered during the implementation phase.

The following major actions would be required:

- Issue revised policy exempting a building from additional seismic evaluation requirements if the building is in a low seismicity risk zone or the lessor submits certification of prior seismic evaluation.
- Issue revised policy exempting buildings previously certified under seismic category RP4 or RP6 when executing a succeeding or superseding lease.
- Issue revised policy allowing the offeror to fully meet the seismic requirement of the Solicitation for Offers if the Lease Contracting Officer's review indicates that the seismic certificate is complete and unconditional. There would be no submission of the seismic certificate for further GSA review unless the Lease Contracting Officer deems it necessary.
- Issue policy to establish a category for leases under 10,000 ft<sup>2</sup> in moderate to high seismic zones.
- Incorporate revised seismicity policy into the PBS training program.

**Benefits:** Waiving these reviews would improve the competitive environment for lessors by reducing their costs for unnecessary seismic certifications. It would also shorten project cycle time and free staff to concentrate on more complex seismic issues.

**Implementation Challenges:** This change would require reconciliation with Executive orders and national seismic standards, as well as input from the Office of Design and Construction

## Streamline TI/Post-Award Process

Fully define and streamline the TI/Post Award process from lease award through occupancy; eliminate non-value-added activities; and provide support resources for appropriate design and construction oversight.

The following major actions would be necessary:

- Require that each real estate team be resourced with staff or contractors that have the appropriate skill set to execute the streamlined approach properly, including shepherding the DIDs efficiently through the review process.
- Require that all projects with TI build-out requirements be resourced with the appropriate level of construction management oversight.
- Conduct a more thorough follow-on review to identify current regional best practices for this portion of the process that could be adopted across PBS.
- When customers, lessors, or space planning contractors prepare the DIDs, define their responsibility for DID preparation and associated timeframes. Specifically, address the customer's responsibilities for timely completion of DIDs and the consequences to the Government of not keeping within the acquisition timeline.
- Develop a contractor tool for the Tenant Improvement Cost Summary (TICS table). Explore the region 10 version of this tool or other regional variations for national application to support a consistent methodology for reviewing tenant improvement costs.
- Establish as our preferred position that lessors should prepare the DIDs for leases so that they maintain end-to-end responsibility for build-out. Clearly define the customer's role in DID preparation, review, and approval, as well as the associated timeframes. Make clear the customer's responsibilities in timely completion of DIDs and the consequences to the Government for causing a delay. As this may not be appropriate for all customers, we need a process that allows customer-prepared DIDs. This would require coordination with the Office of Client Solutions to establish implementation policies and client agency agreements.
- Scale back the scope and number of CD reviews required for simpler build-outs and smaller leases.
- Develop guidance allowing offerors to price TI based upon a single bid versus multiple bids, and use an Independent Government Estimate (IGE) for determining cost reasonableness. Allowing a tenant improvement notice to proceed with a single bid could generate the best value for the Government, considering overall speed and timeliness, if doing so is warranted by the level of market competition and the lessor's experience.

- Revise the Standard Form 2 to bring consistency to standard lease contract language.

**Benefits:** Streamlining the TI process in this manner for all regions would reduce the time from contract award until rent start and occupancy. Using contracted construction management services would enable Leasing Specialists to devote their time and skills to the actual procurement process, would allow for executing TI build-out in accordance with plans and specifications, and would result in more reliable as-built drawings. This recommendation would significantly improve client confidence in our capability to deliver quality space on time and within budget. Additionally, region 7 has already put into practice most of these recommendations, which has added tremendous value to its delivery process.

**Implementation Challenges:** This change would require adequate budget and manpower resources. This area has been chronically underfunded. Making up a shortfall would require reallocation.

### Study Impacts of Changing the Shell Definition

Conduct a private-sector study to evaluate the cost and benefits of revising the building shell definition and possible implications for the tenant improvement definition.

We recommend the following major actions:

- Develop a scope of work for the study that includes a comparative analysis of current PBS bid requirements and standard commercial leases from various metropolitan markets. The study would also evaluate options such as adopting a “cold dark shell” definition and basing shell definitions on different building types (office, warehouse, lab, etc.).
- Conduct the study and establish a panel that includes private-sector and pricing team representatives.
- Develop an implementation plan that takes into account agency rent estimate cycles, changes to the TI general allowance, associate training, and customer communication.

**Benefits:** A formal study would allow PBS to make an informed decision that takes into account market-based practices, the agency’s desire for high-performance green buildings, and financial impacts. Furthermore, a private-sector study would prove useful if there is customer resistance.

**Implementation Challenges:** PBS would need to revise the Federal Management Regulations and consult with OMB.

## Reimbursable Work Authorizations (RWAs)

Create a graduated funds collection policy for RWAs and revise RWA policy. The following language, drafted by the Office of Facilities Management and Services Programs, has yet to go through the issuance process and is still considered draft.

### Leased Project:

There may be multiple times that an RWA is submitted or amended for acceptance for a leased project. When a customer agency identifies a need for space, the PBS representative will work with the customer agency throughout the project life cycle and request an RWA at each of the following stages of the process:

1. The first time an RWA may be requested is at the completion of the requirements development phase of the project and a cost estimate is generated. This would be if it is determined that lump sum funds are required. The RWA should be submitted and accepted prior to the market survey.
2. An RWA or an amendment to an RWA may be requested at award if the customer agency has special requirements or A-11 items with a final value determination at the time of award.
3. An RWA or an amendment to an RWA will be required after the construction drawings have been completed, a cost estimate generated, the tenant improvement costs negotiated, and the TIs agreed upon with the winning lessor and they exceed the General and Custom TI values. This RWA must be submitted and accepted prior to PBS issuing the notice to proceed for construction.
4. An RWA or an amendment to an RWA will be requested if the agency requests any changes to the final plans as agreed to by GSA and the lessor.

The graduated cost estimate will vary based on the phase in the project life cycle.

The leasing RWA should be given its own type of RWA. The PBS representative submitting the RWA into RETA, the RWA system of record, must check the “lease” box. This should be a mandatory field. This would help the management of RWAs. Because lease RWAs can remain open for up to 4 years, without any financial activity, it can skew data and cause the overstatement of “Unfulfilled Customer Orders” (UFCOs). The schedule should also be entered into the “document tool” in RETA. This will help explain an absence of activity on RWAs with anticipated occupancies a couple of years out.

The following major actions would be required:

- Develop RWA policy and move it through the issuance process.
- Determine whether accepting an RWA before the market survey is too aggressive or conservative, based upon an analysis of PBS risk.

**Benefits:** There will be a consistent policy across all of the regions on accepting and using RWAs in lease projects. It will reinforce the “special” nature of lease projects in their usage and timing of RWA monies. If the lease RWAs are made a separate type and the “lease” box in RETA made mandatory, it will help management of UFCOs.

**Implementation Challenges:** Even with good market data, estimating approximate funds required for an RWA prior to the submission of tenant improvement costs will be a challenge. Even good estimates may need to be revised on multiple occasions due to market conditions, etc. Those multiple revisions tend to frustrate our customers. There will be a great need for estimating and data/knowledge management services. The agencies will need to be trained, so that correct management of their monies does not become a problem. The early receipt of RWAs may cause problems in multiple-year monies or lost monies if estimates are not correct. There may also be an issue with the fees, since the project may require multiple RWAs over multiple fiscal years.

## Rent Bill Management

Prepare for the return of lease data responsibility from the Rent Bill Management process. With the launch of REXUS next year, responsibility for lease data will return to the regions.

The following major actions would be required:

- Determine which regional position will be responsible and accountable for lease documentation, file data accuracy, and lease payment accuracy. Eventually, this responsibility would fall to the proposed new Realty Technician position.
- Before REXUS implementation, minimize the Central Office exception request timeline by reducing Lease Contracting Officer review time from 1 month to 15 days. This would have a positive effect on project cycle time.

**Benefits:** RBM would be able to refocus on its original mandate of accurate and standardized customer billing, and Lease Contracting Officers and BA53 analysts could more quickly respond to changes in lessor payments. When REXUS is implemented, the regions will utilize its additional capabilities.

**Implementation Challenges:** There will be a delay between now and spring-summer 2011, when REXUS is slated to go live.

## Lease Acquisition and Pricing Policy Training

Provide updated training for leasing associates on lease acquisition and pricing policy. The pricing team is already planning to roll out nationwide training with the fourth edition of the *Pricing Desk Guide*. The lease process reengineering team has provided input on pricing subject areas requiring additional training, such as occupancy agreements (OAs) and non-cancelable space designations.

Doing this would require the following major actions:

- Develop pricing training specifically for realty community. Such training would cover:
  - Why an OA is needed and in what situations PBS can proceed without a signature.
  - How the number of OA iterations can be reduced through careful requirements development, good initial rent estimates, and timely delivery of space.
  - Guidance on how to correctly and consistently make non-cancelable space designations. For example, further examination is required to determine at what point in the acquisition process customer signatures are required and whether a signed OA would be required prior to award for cancelable space.
- Investigate whether to separate the requirement for a signature from the need to make prudent business decisions. For example, at award we do not want the customer's refusal to sign an OA to keep us from taking a leasing action at the appropriate time and when it makes the best business sense.

**Benefits:** This training would take advantage of the existing pricing team training plan. Having three iterations of the OA (draft, interim prior to lease award, and final) would promote continued communication with the customer.

**Implementation Challenges:** If the number of OA submittals is further reduced, we must take steps to properly communicate budgetary information to our customers.

## Resource Needs/Contract Support

Procure one or more regional or national support contracts to provide construction cost estimating services (indefinite delivery/indefinite quantity, task order, etc). Initiate a series of regional and/or nationwide contracts engaging professional construction management firms for estimating services and TI construction management oversight.

The following major actions would be required:

- Use market data provided by the Office of Real Estate Acquisition. Quarterly REIS data is currently provided for calculating the Lease Cost to Market performance measure.
- Procure one or more regional or national support contracts for market data and market analysis services. The Office of Real Estate Acquisition is in the process of procuring a contract for market data and analysis.
- Establish a Realty Technician/Assistant position in all regions. This position would be responsible for multiple tasks, including lease document and file data accuracy, and coordination with the Lease Contracting Officer. Region 7 has already effectively established this position and identified appropriate duties.

**Benefits:** Increased market knowledge would enhance our ability to provide the best solutions to our customers and negotiate better rental rates. Realty Assistants would relieve the administrative burden carried currently by the Leasing Specialists and free them to focus purely on the procurement process.

**Implementation Challenges:** This recommendation would have to be evaluated in depth as we move forward. Implementation would require additional funds and would have to allow time to complete the contract process.

## Develop and Enhance Supporting Systems (IT)

Develop and enhance IT systems to support the improved acquisition process.

An automated tool for tracking space requirements is a necessity. Establish a Pipeline Management unit to track existing and expiring lease actions. Evaluate established tracking systems, such as the Customer Agency Response Tracking System (CARTS), a web-based application currently piloted in region 4. CARTS triggers the issuance of continuing need letters and the draft OA, and it tracks projects according to the PBS 15 Milestones. There is a strong need for this functionality, as the current process is manual, labor-intensive, and hindered by variations in regional organization. Because data capacity for CARTS is limited, we are not

advocating the installation of CARTS as a national application. However, we must explore options for a PBS-wide application that can properly interface with or function within our existing systems. Mapping the “to-be” lease acquisition business process will help determine the application’s most effective placement.

The following major actions would be required:

- Develop eLease Dynamic Tasking for each lease model presented (SLAT, ALM, Succeeding/Superseding).
- Investigate whether to build a lease scoring model where data is automatically populated. Further research would be required to determine the appropriate system to contain this functionality.
- Create an electronic lease offer submittal capability (“eOffer”) to facilitate response to SFOs. Explore the potential for this capability with the Office of the Chief Information Officer (CIO).
- Properly exploring the possibility of an eOffer system will take time. Therefore, as an intermediary step, allow for receipt of on-line offers via email, FTP, or other electronic means.
- Revise the eLease SFO wizard to create a summary sheet.
- Revise the eLease SFO wizard to track updates to the SFO and other project-initiated changes. This would help those reviewing the SFO (in-house and private sector) to quickly identify boilerplate versus project-specific changes.
- Develop an automated SFO that generates updated SFO clauses with agency requirements embedded. This would be a long-term action.
- Coordinate with the Federated Acquisition Segment Architecture (FASA) project regarding its goals to:
  1. Standardize the baseline acquisition business processes
  2. Improve data quality and efficiencies
  3. Align technology investments to business processes
  4. Establish an acquisition knowledge management portal
  5. Improve access to electronic tools
  6. Improve GSA’s service performance levels
  7. Reduce costs by eliminating redundant processes/systems
  8. Promote the sharing of common services across the GSA

9. Provide a common understanding of the acquisition sub-segments
  10. Reduce data re-entry for related systems
  11. Identify automation opportunities.
- Completely align with our goals to improve systems used in the lease acquisition process. FASA is sponsored by the Offices of the CIO, CFO, OGC, FAS, PBS, IG, and OAP/OGP.
  - Revise the FedBizOpps application to make it more user-friendly. Make meaningful data available as soon as the screen appears. Improve search engine capabilities to save the user from searching through text, and provide a consistent display for all ads. As of February 18, 2010, IBM U.S. Federal was awarded a contract to consolidate disparate systems tracking contractor performance. Among other items, this will include a redesign of FedBizOpps. Further research into this contract and potential opportunities for collaboration is required.

**Benefits:** The proposed system and interface improvements would clearly improve project timeliness, make it easier for our Leasing Specialists to concentrate on the procurement at hand, and make it easier for offerors to do business with GSA.

**Implementation Challenges:** Research into the potential costs to fund systems development would be required. In addition, further research for an eOffer system would have to consider concerns about system security. Designating offer submittals as sensitive but unclassified (SBU) could increase required security levels and resources, including funding for documenting, monitoring, and testing the system (for example, certification and accreditation, and independent verification and validation).

### **Update Prospectus Lease Process**

Update the 2007 lease prospectus guidance, and the Capital Investment and Leasing Program (CILP) planning call instructions for lease prospectuses.

The following major actions would be required:

- Update guidance such that all regions prepare their prospectus leases with the same level of completeness and quality (create a standard submittal package for all regions), and that they use a consistent approach to evaluate prospectus submittals for compliance.

- Issue a policy statement to reinforce compliance with lease prospectus requirements; encourage consistent practices that eliminate policy ambiguities; and foster communication and coordination across business lines.
- Confirm that the most up-to-date guidance is available on PBS websites (remove all superseded and incorrect guidance).
- Revise 2012 CILP instructions for lease prospectuses (along with descriptions of required information and a listing of tools available for supporting documents). Investigate whether to include examples of well written prospectuses.
- Provide templates for lease prospectuses and supporting documents. The consistency achieved by having all regions use similar submission templates and packages will help improve the quality and timeliness of submissions.
- Continue discussions with the PBS Commissioner and Deputy Commissioner on prospectus language concerning authorizations and escalations, and elevate the issue to OMB.

**Benefits:** This change would generate quality deliverables and an improved product for engaging the market. Process improvements for prospectus-level leases will have a major impact on our inventory. Although prospectus-level leases represent only about 1 percent of our annual lease activity (20 projects in FY08–09), they represent a significant portion of the square feet (19 percent) and net annual rent (20 percent) of our lease transactions, as reflected in the following table.

FY08 - 09 Lease Transactions without Census								
Net Annual Rent Range	Sq. Ft.	% Sq. Ft.	Total Annual Rent	% Total Annual Rent	Net Annual Rent	% Net Annual Rent	Lease Count	% Lease Count
SLAT: Up to \$150,000	1,665,234	7%	\$ 37,024,221	5%	\$ 28,835,730	5%	489	35%
ALM: \$150,001 - \$300,000	2,396,330	11%	\$ 57,788,376	8%	\$ 46,557,804	8%	215	15%
ALM: \$300,001 - \$500,000	2,054,668	9%	\$ 50,747,806	7%	\$ 41,749,154	7%	107	8%
\$500,001 - \$1,000,000	2,248,812	10%	\$ 68,107,462	10%	\$ 55,546,770	10%	82	6%
\$1,000,001 - \$2,600,000	4,221,555	19%	\$ 157,100,830	23%	\$ 131,760,562	23%	82	6%
<b>Prospectus</b>	<b>4,243,268</b>	<b>19%</b>	<b>\$ 143,653,769</b>	<b>21%</b>	<b>\$ 116,233,359</b>	<b>20%</b>	<b>20</b>	<b>1%</b>
Succeeding/Superseding	5,932,062	26%	\$ 179,361,708	26%	\$ 147,058,667	26%	416	29%
<b>Grand Total</b>	<b>22,761,929</b>	<b>100%</b>	<b>\$ 693,784,172</b>	<b>100%</b>	<b>\$ 567,742,046</b>	<b>100%</b>	<b>1,411</b>	<b>100%</b>

**Implementation Challenges:** This change would require OMB agreement on any proposed changes to prospectus language regarding authorization and escalation.

### Clarify Scoring Policies

Revise RSL 2008-03, Determination of Operating or Capital Lease Classification for Budget Scorekeeping Purposes.

The following major actions are needed:

- Clarify when, how often (frequency of runs), within what timeframe, and under what scenarios the “90 percent” scoring calculation is required.
- Score only once, or not at all, depending upon the lease procurement model utilized.
- Investigate whether to allow an exception for certain unique customers, such as the Bureau of the Census. Study further whether to allow exceptions for other customers such as TSA.
- Revise RSL 2008-03, Determination of Operating or Capital Lease Classification for Budget Scorekeeping Purposes.
- Revise the Lease Scorekeeping Workbook, and automate tools; pursue using REXUS or eLease to facilitate lease reviews.

**Benefits:** This change would promote the consistent application of scoring policy.

**Implementation Challenges:** None were identified.

## **Establish Office to Track and Manage Space Requests**

Establish a Requirements Assessment Office or Division in Central Office and each region to manage space requests upon receipt of SF81s or other request formats. This office/function would initiate and manage the proposed space request tracking system, whether it is a new application or a module in eLease or another current system. It would also determine the most efficient way to satisfy client needs (Federal owned space versus private-sector lease) in line with the goals of the Requirements Development Process and Global Project Management. Real Estate Acquisition Divisions in several regions, but not all, currently house this functionality. Going forward, the placement and functions of this office or division would be examined in depth during Phase 2, Implementation Strategy.

The following major actions would be required:

- Develop the organizational requirements, roles, and responsibilities for this office with emphasis on space planning, requirements development, workplace solutions, project management, and system tracking capability. This office would be the central intake for initial space requests, determine if the project should be housed in Federal space or leased, and make a smooth transition to an assigned Global

Project Manager. This office would also draft the OA and perform initial scoring.

- Create workplace experts within GSA who have a professional education in design to provide workplace and space planning expertise during requirements and solutions development.
- Identify and assign key staff members to develop a concept of operations, identify resource requirements, and oversee policy development, system development and implementation, and operational startup.

**Benefits:** This action would enable PBS to confirm that available Federal space is being properly utilized. Establishing this office would provide a focused capability with a single point of contact for clients to determine status of their space request. It would also help clients receive professional requirements development and space planning advice and service, and enable Leasing Specialists to more efficiently focus their skills on lease acquisition activities.

**Implementation Challenges:** This action would require organizational approval to add a new office, additional staffing or reorganization of existing staffing, and funding resources.

## Develop Private-Sector Communication/ Interaction Plan

Improve communication with the private-sector leasing industry by establishing a set of standard communication tools and processes to keep industry informed of key GSA leasing activities and milestones.

Doing this would require the following actions:

- Through expanded use of FedBizOpps and regional forums, keep industry apprised of key activities, including notice of expiring leases.
- Conduct follow-through with the private sector. Follow up with the private sector concerning our recommendations and how they will affect the lease process from the lessor’s standpoint. We will ask our private-sector partners to comment on our recommendations and to estimate how they will affect the costs and time frames for submitting offers.
- Create dedicated regional and national “leasing mailboxes” for communicating with the leasing community.

- Review and evaluate the NCR Automated Advanced Acquisition Program (AAAP) and multiple-award platform. Research is required to review this program or other potential options (such as a schedule for lease locations) to re-approve buildings, lessors, or space in market areas where the Government has a significant presence.
- Consider active participation by the Office of Real Estate Acquisition in professional networks or organizations (such as LinkedIn, the Federal Real Property Association, the CCIM Institute, CoreNet, or others).
- Evaluate private-sector leasing practices to determine whether they would benefit the Government.

**Benefits:** This action would more closely integrate the leasing industry with PBS leasing operations, thereby helping us to keep abreast of private-sector best practices and forge strong working relationships.

**Implementation Challenges:** This action would require an investment of time to make the required system improvements and changes to coordinate some of these initiatives.

# Path Forward

The Lease Process Reengineering Team recommendations offer the opportunity to significantly improve all aspects of the leasing process. Collectively, they simplify and standardize our processes, improve responsiveness to our customers, and enhance collaboration with private-sector lessors and brokers. In addition to the proposed recommendations, the Reengineering Team anticipated the need for change beyond issuing basic recommendations and took the recommendations to the next level by actually beginning to develop the new models presented, revising and rearranging the SFO into defined shell and TI sections, and preparing and completing many of the forms and samples proposed. These completed documents are found in the exhibits package that accompanies this report.

The next steps (Phases 2 and 3) will entail preparing a master plan or strategy for implementing the approved recommendations. Success will require appointing a project manager to lead the implementation effort, assembling committed team members, preparing an effective communication strategy to reach all organizational levels, and dedicated funding. Next steps will also include completing the “to be” business process; organizing private-sector panel discussions and proposed studies; researching, evaluating the need, and contracting for proposed contract support; delving into an in-depth review of systems (IT), human capital resources, and training; and working through the recommendations requiring congressional input and potential changes to statutes, the FAR, and GSAM.

## Implementation

Implementing the approved recommendations will require the following actions:

- Assemble a team that will be responsible for implementing the approved recommendations and next steps. We expect the network of Realty Services Officers (RSOs) to play a large role in developing the implementation plan and making it happen in each region. We still need the support of a project team to help coordinate. For consistency’s sake, the implementation team should include at the very least the team leads from the original Lease Process Reengineering Team; a designated, full-time project manager; and all regional RSOs.
- Develop a proposed communication strategy to facilitate implementation.

- Initiate work to further develop processes, procedures, and forms begun by the Reengineering Team. For each recommendation, draft revised or new guidance and proposed regulatory changes; required organization, staffing, and position changes; evaluation and measurement methods; and recommended training. These would include:
  1. Formalizing proposed changes to current Realty Services Letters (RSLs) and forms affected by the recommendations.
  2. Working with the Leasing Desk Guide team to create Lease File Checklist versions for each proposed lease model, and to incorporate all approved recommendations into that guide.
  3. Exploring further streamlining of SFO content and attachments for the Accelerated Lease Model.
  4. Documenting process steps for proposed new lease models.
  5. Soliciting feedback from the commercial real estate peer review group that commented on the initial recommendations.
- Develop the “to-be” business process and Real Estate team structure. The Reengineering Team, in coordination with the Business Process Improvement Division in the Office of Organizational Resources, has developed an “as-is” process that defines how new and new replacing lease actions are currently performed across PBS. The team has vetted this process with representatives from every region and defined pain points within this process that will, along with this report, aid in the development of the “to-be” process. Going forward, the team will meet with a small group in Central Office to draft a “to-be” process as a starting point. Once the Business Process Improvement Division has documented the draft process, consultants will visit all regions during April and May 2010 to walk through the process and add additional detail. Concurrently with these visits, the Business Process Improvement Division will be analyzing data captured by the Office of Real Estate Acquisition in order to develop baseline data for cycle times of leasing actions, as well as working with the PBS CIO’s office to build additional detail on the data. Once the “to-be” process is finalized after these visits and the data have been analyzed, we will propose methods for capturing future cycle time data so that we can continually improve the process during FY10 and FY11.
- Develop a single RSL to implement all approved reengineering recommendations.
- Develop required training and a regional roll-out program.

- Report weekly progress and prepare monthly summary reports. Reports should include impediments to progress and steps recommended to overcome those impediments. Include periodic progress briefings to senior management.

As discussed below, we estimate that most implementation actions can be completed within 9 to 12 months, and many of these recommendations can be completed concurrently.

## Estimated Implementation Time and Effort

We have estimated the effort and time to begin the proposed next steps and implement the recommendations.

In developing these estimates, we categorized each recommendation element according to the projected implementation timeframe as short-term (9 months or less), mid-term (9–12 months), or long-term (12 months or more). In categorizing these elements, we considered the level of effort required from each business line, staffing, budget dollars, contracts, and other resource factors. These estimated implementation timeframes are identified in the table below. Also, we are currently working with a contractor to develop a detailed implementation plan and schedule for each recommendation element.

Our analysis shows that the proposed models will have a significant impact on our ability to manage our lease workload. We have already completed a significant portion of the work to develop them. These models and our current SFO model will be fully operational when the mid-term recommendations are put in place.

The Office of Real Estate Acquisition will have the largest implementation workload, and the Offices of Portfolio Management and Client Solutions will have significant work as well. Other business lines that will be affected will be brought in to address particular recommendations as required.

Recommendations	Estimated Time to Implement Recommendation
<b>New Acquisition Models</b>	
Establish a Comprehensive Simplified Lease Acquisition Model	Short-term (9 months or less)
Create an Accelerated Lease Model	Short-term (9 months or less)
Create Comprehensive Acquisition Models for Succeeding and Superseding Leases	Short-term (9 months or less)
Increase the Simplified Lease Acquisition Threshold	Long-term (12 months and beyond)
<b>Lease Business Operations</b>	
Apply Industry Space Standard Measurements	
◆ Clarify space measurement terms in SFO	Short-term (9 months or less)
◆ Evaluate and consider for adoption New 2010 BOMA Space Standard	Long-term (12 months and beyond)
Expedite Process for Fire Protection and Life Safety Reviews (Requirements of up to 10,000 square feet)	Short-term (9 months or less)
Streamline Acquisition Plan Process	Short-term (9 months or less)
Include a Synopsis for Each SFO	Short-term (9 months or less)
Make Solicitation Improvements	Short-term (9 months or less)
Simplify Seismic Review Requirements	Short-term (9 months or less)
Lease Acquisition and Pricing Policy Training	Mid-term (9–12 months)
Provide Resource Needs/Contract Support	Mid-term (9–12 months)
Clarify Scoring Policies	Mid-term (9–12 months)
Develop Private Sector Communication/Interaction Plan	Short-term (9 months or less)
Streamline TI/Post Award Process	Mid-term (9–12 months)
Prospectus Lease Process	Mid-term (9–12 months)
Improve IT Tools	Long-term (12 months and beyond)
Establish Office to Manage and Track Space Requests in coordination with incorporating Requirements Development and Global Project Management principles	Long-term (12 months and beyond)
Rent Bill Management Changes via REXUS	Long-term (12 months and beyond)

## Success Measurement Plan

The success of this effort will depend upon continued senior management advocacy, business line and regional acceptance, appropriate resource allocation of both high-quality and experienced personnel, sufficient funding going forward, and time. We have begun the process of identifying resources (staff, contract dollars, travel dollars) required to fully implement the recommendations.

In addition, to properly measure success, we propose the following:

- Compare and evaluate outcomes against fully defined productivity and project cycle time measures

- Pilot the proposed lease acquisition models and assess their value 1 full year after the models have been rolled out to the regions.
- Survey the regions 1 full year after the recommendation implementation strategy has been developed and presented to the regions.
- Solicit feedback from the commercial real estate peer review group that commented on the initial recommendations.

The reengineering process has identified numerous actions and process changes we can undertake to streamline lease acquisition, better manage risk, and, ultimately, provide better space solutions to our client agencies. We have clearly identified inefficiencies, anachronistic practices, and misplaced priorities for assigning risk. Success will largely depend on a commitment to invest the resources and time necessary for reshaping the way we approach our largest core program. We believe this effort will produce many of the desired results and provide relief to our professional realty staff, the commercial real estate industry, our lessors and client agencies, and the American public. We eagerly anticipate the positive outcomes that implementation of the proposed recommendations will achieve.



# Exhibits

The accompanying exhibits document the project charter, individual team assignments, detailed findings, completed sample documents, forms, and model process steps of the individual lease process reengineering working sub-teams, as well as other relevant information reviewed and researched during this effort. Because of the scope and volume of this information, it is provided on a CD-ROM titled “Lease Process Reengineering Team Recommendations Exhibits,” which is attached to the inside back cover of this report.

The list below identifies the 10 sub-teams.

1. Lease Scoring/Prospectus Process/Pricing Policy
2. Simplified Lease Acquisition Process (SLAT)
3. Succeeding and Superseding Lease Models
4. Rent Bill Management
5. Streamlining the TI SFO
6. TI Post-award Process
7. Acquisition Planning Process
8. Customer Connection
9. Seismic and Fire Life Safety Requirements
10. Project Tracking

Each sub-team’s exhibits consist of the following:

- The team’s initial list of considered solutions, the decision on whether to accept or reject each one for further action, and the rationale for that decision
- Detailed discussion of each recommendation accepted for further action, including
  - description,
  - benefits,
  - obstacles,
  - supporting analysis,

- major implementation steps,
- estimated implementation timeline,
- estimated high-level resources required, and
- known overlap with other team recommendations.
- Additional attachments as needed to illuminate issues or augment the team's analysis.

## **Disk Organization**

The information on the CD-ROM is organized according to the following topics and documents, which are listed below with an alphanumeric designation and title corresponding to the files on the disk.

### **Project Charter and Sub-Teams**

- 1a Lease Process Re-engineering Team Charter
- 1b Teams and team members

### **Lease Scoring/Prospectus Process/Pricing Policy Sub-Team**

- 2a Considered Solutions for Lease Prospectuses
- 2b Recommendations for Lease Prospectuses
- 2c Considered Solutions for Lease Scoring
- 2d Recommendations for Lease Scoring
- 2e Considered Solutions for PBS Shell Definition Differences with the Private Sector
- 2f Recommendations for PBS Shell Definition Differences with Private Sector

### **Simplified Lease Acquisition Process (SLAT) Sub-Team**

- 3a Considered Solutions for Inadequate SLAT Forms
- 3b Recommendations for Inadequate SLAT Forms
- 3c Draft Supplemental Lease Requirements Form for Simplified Leases
- 3d Draft General Clauses for Simplified Leases

- 3e Minimum Lease Security Standards Attachment 1 to GSA Form 3626
- 3f Instructions to Complete GSA Form 3626
- 3g Representations and Certifications for Simplified Leases
- 3h Considered Solutions to Better Clarify and Define SLAT Process
- 3i Recommendations to Clarify and Define SLAT Process
- 3j Recommendation for SLAT One and Done
- 3k Considered Solutions for an Accelerated Lease Model
- 3l Recommendation for an Accelerated Lease Model
- 3m Draft Instructions for Creating Accelerated Lease Model SFO
- 3n Draft Accelerated Lease Model SF2 Template
- 3o Draft Accelerated Lease Model Checklist Pre/Post Lease Award

## **Succeeding and Superseding Lease Models Sub-Team**

- 4a Considered Solutions for CICA and FAR Application
- 4b Recommendation to Modify Business Practices
- 4c Recommendation for Pipeline Management
- 4d Considered Solutions to Streamline Lease Process
- 4e Recommendation to Streamline Lease Process
- 4f Recommendation for Alternative Procurement Vehicles
- 4g Considered Solutions for Processes and Forms
- 4h Recommendation to Modify SFO
- 4i Recommendation to Streamline Forms
- 4j Recommendation to Create Determination and Findings Template
- 4k Recommendation to Simplify Market Survey
- 4l Recommendation to Customize File Checklist
- 4m Recommendation to Create Stay Put Model
- 4n GSA Office of Acquisition Policy Memo: Requirements for Use of Justification for Other than Full and Open Competitive Procedures dated August 15, 1991

## **Rent Bill Management Sub-Team**

- 5a Considered Solutions to Improve RBM Portion of the Lease Process
- 5b Recommendation for Decimal Errors
- 5c Recommendation to Eliminate Piecemeal Rejections
- 5d Recommendation for RBM Templates
- 5e Recommendation to Use REXUS as Communication Tool
- 5f Recommendation to Minimize Central Office Exception Requests
- 5g Recommendation to Minimize Exception Requests for Late Activations
- 5h Recommendation to Fix Policy Guidance

## **Streamlining the TI SFO Sub-Team**

- 6a Considered Solutions to Reorganize TI SFO
- 6b Recommendation to Reorganize TI SFO
- 6c Draft Reorganized TI SFO
- 6d Considered Solution to Create SFO Synopsis
- 6e Recommendation to Create SFO Synopsis
- 6f Draft SFO Synopsis (Single Page)
- 6g Draft SFO Synopsis (Multiple Pages)
- 6h Considered Solutions to Reorganize SFO Sections 6-8
- 6i Recommendations to Reorganize SFO Sections 6-8

## **TI Post-Award Process Sub-Team**

- 7a Considered Solutions to Improve TI and Post Award
- 7b Recommendation for TI vs. Shell Definition Confusion
- 7c Recommendation for Inadequate CM Oversight of Build-out
- 7d Recommendation for Agency Produced DIDS
- 7e Recommendation for Accurate As-build Layouts Needed for DIDS Layouts
- 7f Recommendation for Client Expectation of CM Oversight Effort
- 7g Recommendation for Delays in Evaluating TI Bids

## **Acquisition Planning Process Sub-Team**

- 8a Considered Solutions to Improve Acquisition Planning
- 8b Acquisition Planning Team Final Recommendation Report
- 8c Recommendations to Improve Acquisition Planning
- 8d Proposed National Acquisition Plan
- 8e Proposed National Acquisition Plan Extension

## **Customer Connection Sub-Team**

- 9a Considered Solutions to Improve the Lease Process
- 9b Recommendation for Agency Specific Requirements Package
- 9c Recommendation for Specific Communication Plans
- 9d Recommendation for Customer Training
- 9e Recommendation for Market Survey Communication Plans
- 9f Recommendation for Strategic Planning with Clients
- 9g Recommendation for Design Intent Drawings
- 9h Recommendation for Improved Client Real Estate Data Tracking and Analysis
- 9i Recommendation for OA Signatures for Continuing Needs
- 9j Recommendation for Consistent Non-cancellable Policy
- 9k Recommendation for Shell TI Definitions
- 9l Recommendation for Prompting Timely Customer Requirements
- 9m Human Resource Issues to Address During Implementation

## **Seismic and Fire Life Safety Requirements Sub-Team**

- 10a Considered Solutions for Fire Life Safety
- 10b Recommendation for Fire Life Safety
- 10c Considered Solutions Seismic Revision 1
- 10d Recommendation for Seismic Revision 1
- 10e Considered Solutions for Seismic Revision 2
- 10f Recommendation for Seismic Revision 2
- 10g Considered Solutions for Seismic Revision 3
- 10h Recommendation for Seismic Revision 3

## Project Tracking Sub-Team

- 11a Considered Solutions for Succeeding and Superseding Project Tracking
- 11b Considered Solutions for New Project Tracking
- 11c Project Tracking Team Final Recommendations
- 11d Recommendation for Pipeline Management

## Other Information

- 12a PBS Commissioner's Blog dated January 19, 2010
- 12b PBS Commissioner's Blog dated March 11, 2010
- 12c PBS Deputy Commissioner E-mail dated February 18, 2010, *Next Steps to Improve PBS Project Management*
- 12d The "As-Is" National Business Leasing Process Flow Chart for New Leases
- 12e Measures Presentation—OCS (tracking milestones)
- 12f 15 Milestones LB2P 2010 Final
- 12g Government Leasing News article (Industry Roundtable) Winter 2009
- 12h Government Leasing News Supplement Winter 2009
- 12i Government Executive Article Administration Outlines Performance Management Strategy Feb 1, 2010
- 12j ABC Study and Non-Value Added Parts of the Leasing Process
- 12k Government Executive article (Green Property Management)
- 12l National Project Management Briefing for Regional Leadership February, 2010
- 12m Census 2010—Post Project Lessons Learned (10-02-01)
- 12n Workplace Issues Team Report (11-20-09)
- 12o RWA Acceptance in the Federal Lease Process 3-10

## Analytics

- 13a FY08-09 Transactions with and without Census by Net Annual Rent Range
- 13b FY08-09 Transactions by Region by Net Annual Rent Range
- 13c FY09 End of Year Lease Inventory



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