



GSA Office of Government-wide Policy

**2016 GSA**  
**ACHIEVEMENT**  
**AWARD FOR**  
**REAL PROPERTY**  
**BEST PRACTICES**  
**AND INNOVATION**



Office of Real Property Management  
**November 2016**



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# INTRODUCTION

The GSA Achievement Award for Real Property Best Practices and Innovation publication is made possible through the collaborative efforts of the U.S. General Services Administration's (GSA), and the Federal agencies that participated in the 2016 GSA Achievement Award for Real Property Best Practices and Innovation Program. The publication highlights and recognizes best practices and innovative projects in Federal asset management, sustainability and workplace innovation.

This is an annual publication of GSA's Office of Government-wide Policy's (OGP), and produced by the Office of Asset and Transportation Management led by Deputy Associate Administrator Alex J. Kurien in Washington, DC.

For information about the GSA Achievement Award for Real Property Best Practices and Innovation, please contact **Patrice Walker**, Program Manager, at 202-208-7639 or [patrice.walker@gsa.gov](mailto:patrice.walker@gsa.gov) or visit [www.gsa.gov/realpropertyaward](http://www.gsa.gov/realpropertyaward).





# **A S S E T M A N A G E M E N T**

This award recognizes exemplary initiatives, innovations and projects in Asset Management and communicates these cutting-edge ideas to agencies striving to improve their real property management. Achievements are related to asset management planning, inventory management, performance management, utilization and disposal of real property, transportation and infrastructure improvement and portfolio optimization.



New London Embassy



Riverlight Development:  
Location of New Diplomatic  
Residences

## WINNER

### DEPARTMENT OF STATE

# U.S. Embassy in London; Repositioning of Diplomatic Housing Portfolio

In 2012, the U.S. Embassy in London announced they would be moving from the historic Grosvenor Square location to the new Nine Elms development in south London. Although an exciting time for Embassy London, the decision to move triggered a need to re-evaluate the current diplomatic housing inventory. Facing an aging, deteriorating inventory primarily located in north London, a direction had to be chosen – keep the current inventory or invest in new housing opportunities.

This presented a unique prospect for the U.S. Department of State's Bureau of Overseas Buildings Operations (OBO) Directorate of Planning and Real Estate (PRE), which manages the buying and selling of diplomatic real estate for the U.S. government overseas. OBO's portfolio includes more than 8,600 government-owned properties in 275 embassies and consulates in 190 countries.

In 2015, OBO concluded the multi-year execution of their solution – a mass portfolio shift that would increase value by selling

the older, investor-grade properties in north London neighborhoods and reinvesting funds in modern, residential developments in south London that met OBO's safety, operational, security, and sustainability standards. OBO worked with Embassy London to develop a Housing Sales and Acquisition Plan, which identified the units to be sold and the preferred mix and location of the units to be acquired. Additionally, OBO completed portfolio financial modeling to evaluate the buy/sell/lease impact of the housing shift to help ensure sound acquisition and disposal decisions. The sale proceeds were reinvested to purchase unit-types that were more difficult to lease and more costly to rent which resulted in annual rental savings. The project has been very successful based on several different measures:

- Repositioned Housing – First large scale portfolio repositioning effort in OBO history
- Financial Success
  - Sold 43 units for \$7 million above the appraised value

- Purchased 48 modern and efficient units at zero net acquisition costs
- Yielded annual rent savings of \$2.94 million and received \$1.8 million worth of free rent in the form of a leaseback concession on sale of units
- Achieved an internal rate of return of 10.14%; 3 times the U.S. government's cost of capital
- Advanced Sustainability – New units feature upgraded building systems and utility infrastructure, including highly efficient, livable layouts
- New Delivery Method – Established internal support for new and innovative approaches to portfolio management.

The London Housing Portfolio Repositioning is an excellent example of how innovative asset management approaches can turn a waning real estate portfolio into a dynamic, high performing end product. This is consistent with OBO's goal of effectively managing its diplomatic real estate portfolio. It is also aligned with the Government Accountability Office's (GAO) High Risk Report, which urges federal agencies to dispose of, or secure value from, its under-performing properties. With zero acquisition costs, OBO was able to invest in high-quality, efficient units; secure ideal proximity to the new embassy; and create both short- and long-term value for the U.S. government.

# ASSET MANAGEMENT RECOGNIZED ENTRIES

## HONORABLE MENTION

### DEPARTMENT OF THE NAVY

## Federal Agency Transfer-624 Acres at the Former Naval Air Station

The Naval Facilities Engineering Command (NAVFAC), Base Realignment and Closure (BRAC) Program Management Office (PMO) is responsible for implementing all BRAC actions including environmental remediation, stewardship and disposal of real property assets. A key element of the BRAC PMO mission is to expeditiously dispose of BRAC real property at the least cost to taxpayers. Finding innovative solutions is paramount.

The former Naval Air Station Alameda (NAS Alameda) is located in the east San Francisco Bay Area. In 1993 the Defense Base Realignment and Closure Commission (BRAC) recommended its closure and

operations ceased in 1997. In addition to a multitude of environmental sites requiring remediation, significant real property disposal challenges included wetlands protection, an onsite colony of endangered California Least Terns (CLT), and competing interests amongst external entities regarding redevelopment. Given this confluence of liabilities, developing a successful disposal strategy was particularly difficult.

Independent of the base closure, the Department of Veterans Affairs (VA) was reviewing government and private sites to locate new facilities. The VA needed 100 acres to construct a world class clinic and cemetery to serve the San Francisco Bay area. Market research indicated a scarcity of private property meeting their requirements and prohibitive acquisition costs.

An agreement in principle was reached between the Navy and VA which furthered each agencies objectives; the Navy would

transfer former NAS Alameda acreage to the VA at no cost in return for the VA accepting both developable and non-developable land, including a former landfill and on-site endangered species.

In 2011, a creative agreement was reached by the Navy, VA, US Fish and Wildlife Service (Service), and City of Alameda (City) highlighting exceptional cooperation. This multi-agency effort involved the VA utilizing an additional 74 acres which was previously planned for conveyance to the City. The additional acreage allowed the proposed VA facilities to be constructed further away from the CLT colony to alleviate concerns. In return for the City foregoing the 74 acres, the VA agreed to increase the capacity of utility infrastructure for the City to offset development costs. The Navy, VA, USFWS and City worked collaboratively and a Biological Opinion supporting the project was issued by the Service in 2012 and the revised site plan was accepted by all key stakeholders.

In June 2014, the federal agency to federal agency transfer of 624 acres was successfully executed. The Navy's innovative efforts in real property stewardship and disposal facilitated mission accomplishment for 3 federal agencies and the City. Extremely challenging property was transferred allowing the VA to meet the critical goal of providing service to our nation's veterans, while also meeting Navy BRAC mission. The Service was able to implement a comprehensive program to

expertly steward the on-site endangered species in perpetuity, and the City significantly reduced future redevelopment costs. In addition to these extraordinary results, the future VA and City developments will be a catalyst for economic recovery while reducing Department of Defense carrying costs. In all, a truly innovative effort that embodied best real property management practices.

**SPECIAL ACHIEVEMENT**  
**GENERAL SERVICES**  
**ADMINISTRATION,**  
**PUBLIC BUILDINGS SERVICE,**  
GSA Leasing  
Support Services  
Contract

As the nation's largest public real estate organization, GSA must develop innovative solutions for effective asset and resource management. GSA accomplished this objective with implementation of its third generation National Broker Contract (NBC), currently known as the GSA Leasing Support Services (GLS) contract. The GLS team set out to transform leasehold acquisition and real property asset management for the federal government. The GLS project team, under the umbrella of the National Office of Leasing's Center for Real Estate Brokerage Services, developed and awarded the largest brokerage contract in the federal government helping to transform the way GSA manages its staff resources and real property assets, including leaseholds. The contract was designed by

utilizing internal resources and soliciting feedback from across GSA's 11 regions and industry partners. The GLS contract supports GSA's lease acquisition efforts, including requiring the contracted firms to conduct utilization analysis and consider methods to optimize the amount of space occupied by federal agencies in GSA's inventory across the nation. The GLS firms are incentivized to negotiate cost effective solutions for real property leases that GSA procures for office, warehouse, laboratory and many other space types. GSA not only benefits from this program in terms of performance and inventory management, but federal agencies across the country also experience reductions in operating budgets through the opportunity to obtain a commission credit, resulting in reduced rent, at the start of their new leases. Agencies can potentially receive millions of dollars in commission credit reducing the burden of their rental payments to GSA. Overall, the contract will contribute more than \$100 million dollars in cost savings to the federal government providing best value solutions to our client agencies, provide a reduction of more than \$700k in personnel compensation and benefits in the regions, by requiring fewer resources; and will be used to resource more than 1,000 lease projects, resulting in approximately 30-40 million square feet in task orders. The GLS contracts offer consistent, high-quality service to federal agencies that rely on GSA for lease acquisition services. The contracts enable GSA to leverage the expertise of private-sector brokers, allowing GSA to deliver expert

workplace solutions to agencies housed in leased spaces.

**GENERAL SERVICES  
ADMINISTRATION,  
PUBLIC BUILDINGS SERVICE**

## Region 9 Newsletter Standardized Regional Tenant Communications Outreach Plan

Recognizing the important role building newsletters play in communicating critical information to our tenants, a multidisciplinary working group was assembled to design a standard tenant newsletter template and develop an entirely new writing, editing, publishing and distribution process. The result was a new four page newsletter template that featured pre-written content as well as dedicated open sections where property managers could write about building specific news items. Property managers have expressed satisfaction with the new process as it has reduced the amount of content they have to write by 50 percent and has allowed them to devote more of their time and resources to performing their primary function of managing their building and serving their tenants.

In a joint effort between the Region 9 Office of Communication & Marketing and the

Client Solutions and Facilities Management Divisions, they conducted a communications audit of all communication material produced in the region, including tenant newsletters for federal buildings. After conducting an analysis of the region's newsletters and meeting with property managers, the communications initiative was developed to standardize the region's tenant newsletters. The objective was to create regional consistency in the newsletter's publication regularity, template, branding, messaging and content to ensure that all of our federal tenants in our region received the same information. Furthermore, the region sought to leverage this communication channel to engage building tenants and highlight presidential, agency, regional and sustainability initiatives.

The pre-written sections of the newsletter include a message from the PBS Regional Commissioner, calendar of events, short feature stories and practical tips related to that quarter's initiative. Some of the topics covered in these sections include the "If you see something, say something" safety initiative, water conservation, space consolidation, building occupant emergency plans, and a showcase of FAS products, such as sustainable vehicle fleet options and IT services. Additionally, building-specific sustainability data is included via graphs and charts detailing that building's sustainability performance on waste diversion rates and water and energy usage.

The new tenant newsletter template's flexible design provides dedicated sections where building managers can write about construction or renovation projects in their buildings, updated security procedures, upcoming recycling or canned food drives and new building amenities. They can also market vacant space at their building to existing tenants and announce changes in GSA field office personnel. In this manner, the newsletter template successfully facilitates the incorporation of building specific news and announcements with regional initiatives and messaging.

After initial testing, the new tenant newsletter template and process was rolled out regionally to 44 federal buildings and courthouses in Arizona, California, Hawaii and Nevada. With over 60,000 federal tenants in the region's building portfolio, the new tenant newsletter serves as a valuable communications channel to engage our tenants, inform them of key initiatives and feature GSA business offerings which can help them achieve cost savings, reduce their carbon and real estate footprint, and prepare them to play an increasingly integral role in transforming government to be a more sustainable and mobile workplace.



# SUSTAINABILITY

This award recognizes exemplary initiatives, innovations and projects in Asset Management and communicates these cutting-edge ideas to agencies striving to improve their real property management. Achievements are related to asset management planning, inventory management, performance management, utilization and disposal of real property, transportation and infrastructure improvement and portfolio optimization.



## WINNER

GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE

# NCR Consolidated Waste Recovery and Composting Contract

In 2013, the National Capital Region (NCR) of U.S. General Services Administration (GSA) had a waste diversion rate of 36%, which was the second lowest among the agency's 11 regions. Even though the NCR incentivized recycling by collecting, selling and giving tenants money back for the material they recycled, our tenants were not consistently

separating their waste for recycling. While NCR reached the targeted 20% diversion rate in 2012, trends suggested that meeting the 50% diversion rate mandated by Executive Order by the end of 2015 would have been highly unlikely.

The NCR project team looked into the

numbers and determined that there were under-performing buildings within each Service Center and across tenant agencies. These buildings varied in size and physical location. The team also decided to analyze the types of materials that we were sending to landfills. According to waste audits performed in seven NCR office buildings, of NCR's waste 50% was recyclable, 30% was compostable, and only 20% was truly trash. This meant that NCR had the capacity to divert 80% of material from landfills and incinerators, if we could expand the recycling and composting of materials.

After developing an RFI for local composting capacity, it was determined that NCR could send material to local composting facilities. Working with private sector waste haulers, the project team also found off-site waste sorting facilities could sort trash and recover recyclable materials. Materials that tenants did not recycle now had a "safety net" to recover those materials and divert them from landfills.

One other issue that the NCR team faced was that there were four large waste contracts in the region managed by the different Service Centers. The concern was that modifying each of these contracts would be time consuming and add extra costs. As the NCR team analyzed the waste contracts, they determined there was a huge potential for

cost savings by consolidating contracts and adding compost collection.

Since compostable material is generally the part of the waste stream that causes odor and has the potential to attract vermin, building managers schedule frequent trash pick-ups. If the odor-generating compostable materials are stored in smaller containers, collected separately and more frequently, then odor does not build up, tenants will not complain, and building managers can wait until the large trash compactors are full to be removed. Since removal of large compactors can be 10 times more expensive than smaller container pickups, NCR saves money with a composting program.

In December 2015, NCR launched a region-wide consolidated waste management contract for roughly 50 buildings and campuses that incorporated composting and waste recovery services. This new contract is expected to save \$800,000 in FY 2016, and potentially \$5 million over the five-year contract. Since contract implementation, NCR's diversion rate has risen to be the highest in the agency, an average of 76%, and an additional 13,000 tons of recyclable and compostable material will be diverted, which is a 100% increase from 2013.

# SUSTAINABILITY RECOGNIZED ENTRIES

## HONORABLE MENTION

### DEPARTMENT OF COMMERCE

## NOAA National Headquarters Energy Savings

A large number of required Energy Conservation Upgrades were incorporated into the new leases for the NOAA Headquarters Silver Spring Metro Center (SSMC) Campus. The 15 year leases cover 1.1 million square feet in 3 existing 20 year old Class A office buildings located in Silver Spring, Maryland. The following projects were completed to upgrade existing building systems, improve efficiency and save energy:

- Lighting Wattage Reductions and Controls Upgrades
- HVAC Controls Upgrade to Direct Digital Controls
- Variable Speed Drives on HVAC Fans and Pumps

- Upgrade HVAC Equipment Motors to Premium Efficiency
- Domestic Hot Water Time Clock Controls
- Building 2 Complete Chiller Plan Upgrade
- Insulation Upgrades on Heat Exchangers and Hot Water Heaters
- Thermal Equalizer Air Destratification Fans in High Ceiling Areas
- Vending Machine Controls to Shut Down During Unoccupied Periods

The following describes the approach, methodology and results.

NOAA contracted with Washington Gas to identify potential energy conservation measures that could be performed throughout the NOAA Headquarters Campus. The identified energy conservation measures were incorporated into the new leases for the campus as requirements to be performed by the lessor. Since the upgrades were required to be funded by the lessor, NOAA gained the

immediate benefit of a 15% reduction in utility bills without any payback period.

**SPECIAL ACHIEVEMENT**  
**GENERAL SERVICES**  
**ADMINISTRATION,**  
**PUBLIC BUILDINGS SERVICE**

## GSA Region and the GSA Energy Division- Commitment to Sustainability

The General Services Administration Region 2 (Region 2), under the dedicated leadership of Brian Magden – Energy Program Coordinator GSA Region 2 and Ken Shutika -Contracting Officer GSA Energy Division, has been a long-time leader in its commitment to sustainability, an influential innovator in the “art” of procuring green energy, and a selfless sharer of its knowledge and capabilities so that other federal agencies can benefit from buying green energy. Region 2 began purchasing renewable power – in quantity – well before the Energy Policy Act of 2005 and Executive Orders 13514 and 13423 requirements promoted green purchasing. Since FY2001, Region 2 has purchased over 1.6 billion kWh of renewable power for GSA and other federal agencies located in New York and New Jersey. Region 2 will continue to push hard

for agencies to purchase even more green power in upcoming energy procurements if it were chosen to receive a 2016 Achievement Award for Real Property Best Practices and Innovation. There is no greater illustration of Region 2’s commitment to communicating the benefits of green power than encouraging federal agencies to not only purchase green energy but to also purchase more of it.

Continuing its leadership role, Region 2 ran competitive procurements in 2015 with contract start dates as late as June 2016 that have resulted in the purchase of 41 million additional kWhs of renewable power for GSA facilities and client agencies located in New York. Based on its unique approach to purchasing renewable power at low or no cost premiums through online reverse energy auctions, ten federal agencies located New York and New Jersey are currently purchasing green power through GSA energy supply contracts including the U.S. Coast Guard, US Bureau of Prisons, National Park Service, Social Security Administration, United Nations, United Nations International School and Veterans Administration. This is up from seven federal agencies just three years ago in calendar year 2013. As of August 2016, Region 2 has active contracts in place that will deliver green power to federal agencies located in GSA Region 2 through June 2019.

**DEPARTMENT OF COMMERCE**  
NOAA National  
Logistics and  
Reconditioning  
Center

The NWS's National Reconditioning Center/ National Logistics Support Center (NRC/ NLSC) was the last tenant in the 5 million-square-foot jointly owned GSA/National Nuclear Security Administration (NNSA) Bannister Federal Complex. NOAA/NWS was notified by GSA that it intended to shutter the existing Bannister facility on December 31, 2015. Due to the criticality

of NWS operations performed by the NLSC/ NRC and a \$94M inventory of one-of-a-kind weather system parts, it was critical to ensure continuing uninterrupted operations during the move to a secure and robust facility,

capable of housing the unique mission functions. NLSC manages over 12,000 stock items and ships an average of 130 line items daily to over 14,500 customer sites worldwide. NRC makes over 12,000 repairs each year.

This accomplishment supports the DOC Strategic Plan Objective 5.4 for Operational Excellence to improve facilities and support services that drive mission success, as well as Objective 3.2 to build a Weather Ready Nation (WRN). It also aligns with OMB Memorandum M-12- 12, Promoting Efficient Spending to Support Agency Operations, specifically Section 3; Freeze the Footprint, by reducing the required square footage needed for operations.



# WORKPLACE INNOVATION

This award recognizes exemplary initiatives, innovations and projects in Workplace Innovation and communicates these cutting-edge ideas to agencies that aim to improve their real property management.

Achievements are related to creating workplaces that are focused on the future by fostering environments that incorporate integrated and sustainable approaches, enhances employee and business performance, that result in long-term cost savings and design.



## WINNER

**GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE**

# Mid-Atlantic Regional Office Building Prospectus Lease

The GSA Mid-Atlantic Regional Office Building Prospectus Lease Project Team was tasked with finding a new office space solution for the currently expiring lease, while exploring the latest technology and housing trends in the industry that would help GSA reduce space and save rent while offering a world class sustainable office environment. The Mid-Atlantic Regional Office Building (ROB) was previously housed at the historic Strawbridge

Building in Philadelphia, PA, occupying three floors for a total of 164,809 rentable square feet.

Drawing expertise from all subject matters within the Region, an extensive project team of our top professionals was formed to take on the task of finding the 'workplace of the future.' With a reduction of square footage in mind, the project team had to think outside

the box to find a comfortable solution for the same amount of employees. The team was tasked with promoting smaller workstations in a condensed environment to a wide range of employees, from entry level interns to tenured journeymen with 20 or more years of government service.

The project manager created several sub-teams to help form a change management strategy that would focus on changing the daily structure of employees into a 100% mobile environment. This new office structure would factor in desk sharing by reservations or drop-in, collaborative group areas, a centralized personal storage solution, and ample meeting areas to support the Mid-Atlantic Region's thriving teaming culture.

Since teamwork is one of our many regional strong points, the collaborative effort of the ROB project team along with supportive sub-teams were able to collectively secure an office space that met GSA Central Office requirements while improving our office atmosphere and offer state of the art, modern solutions.

In October 2015, GSA Mid-Atlantic Region moved to the Dow Building in Philadelphia, and now occupies 94,039 USF. This is a total reduction of 39,089 USF (37%), while maintaining the same amount of full time employees. The reduction of space will amount to a 49% decrease in rent from the previous lease.

The new ROB achieved Leadership in Energy & Environmental Design (LEED) for Commercial Interiors Gold certification due to the many sustainable features that were installed as part of the construction. Over 90% of the equipment in the Regional Office is Energy Star Rated, and over 20% of materials used in the project were made of recycled content. Lighting efficiency is optimized with 75% of lighting controlled by occupancy and daylight sensors and the fixtures installed consume 41% less power than standard light fixtures. The project team achieved a 30% reduction in water use, and 90% of construction waste was diverted from landfill.

# WORKPLACE INNOVATION RECOGNIZED ENTRIES

## **HONORABLE MENTION** **GENERAL SERVICES** **ADMINISTRATION,** **PUBLIC BUILDINGS SERVICE**

### Design Intent Drawing Guide

The DID Review Guide idea was born from suggestions from two agencies, Health and Human Services and the Department of Homeland Security's Immigration and Customs Enforcement, during Lessons Learned/After Action Review sessions. Agency participants shared their perspective about what GSA could do to improve project delivery for these lease projects. As is the case with many client agencies, these individuals did not represent the Facilities department within their agencies, they led HHS mission activities and Enforcement and Removal Operations. These important stakeholders shared candid feedback that the DID Review process was frustrating and could

be more effective. They knew the information GSA needed was critical to help deliver a best value space solution. Their day jobs required they focus on mission performance, so in the evenings they would try to review the design drawings and commented that what they read looked like a foreign language. One customer said, "We had to get our little A-architecture degree to know what those drawings indicated." Their bewilderment resulted in delays to the design review phase. This candid concern confirmed similar concerns from other agencies.

The project team invented a first-of-its-kind national design and construction guide using collaboration across multiple regions resulting in a detailed design guide that provides PBS clients and employees a thorough understanding of Design Intent Drawings (DIDs). It provides a simple, easy to understand path for how to read and interpret drawings in order to provide helpful input

during DID workshops and the design review process. The guide effectively saves time and taxpayer funds on drawing reviews, and provides clarity of expectations during the design process. This project team volunteered to pioneer and create a useful tool that many GSA employees and external agencies will come to rely on. Currently the guide is being utilized and piloted by the project development team on several construction projects in Regions 5, 9 and 10 until its official release scheduled for FY2017. Today, the DID Review Guide can be viewed from this link on GSA Insite , [https://insite.gsa.gov/portal/mediaId/527753/fileName/DID\\_Review\\_Guide\\_Final\\_01052016.action](https://insite.gsa.gov/portal/mediaId/527753/fileName/DID_Review_Guide_Final_01052016.action). Actions are underway to host this Guide on gsa.gov which requires a 508 Compliant file. Please note when accessing the file, it functions best

when downloaded or viewed through Internet Explorer. It does not function properly through Google.

According to GSA market research, a similar guide developed for private sector clients by a consultant would have cost several thousand dollars to achieve the equivalent detail, appeal, and usability of this tool. The DID Review Guide project resulted in no direct agency expenses and will result in savings on customer space projects for both leased and federally owned inventory. GSA's service delivery will be made more efficient due to reduced miscommunications on project teams, reduced change orders, and increased customer satisfaction.



**U.S. General Services Administration**

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