AGENCY: Office of Management and Budget

ACTION: Notice.

SUMMARY: The notice provides the list of Office of Management and Budget (OMB) recommended Federal real property for consideration by the Public Buildings Reform Board (PBRB) for disposal, consolidation, or co-location and the standards and criteria used to assess the property.

ADDRESSES: Recommendations on Federal real property to be disposed may be submitted online at http://www.gsa.gov/fasta.


SUPPLEMENTARY INFORMATION:

I. BACKGROUND: As required in Section 11(d) (2) of Pub. L. No. 114-287, the standards, criteria, and recommendations developed pursuant to subsection (b) shall be published in the Federal Register. OMB asked landholding agencies to submit projects for consideration through an agency recommendation template developed in
II. STANDARDS & CRITERIA: The agency recommendation template allows agencies to provide a business-case justification for the inclusion of the following project types: disposal (by sale as authorized by the Act) and consolidation (which could include colocation, reconfiguration, and redevelopment). The recommendation template required agencies to provide the following information for each project submitted: agency priority, ownership, marketability, agency mission impacts, financial return (including costs associated with project implementation), and utilization rate information. OMB and GSA then evaluated these submissions based on real estate fundamentals, financial information, schedule certainty, and other factors as required by Pub. L. No. 112-287 Section 11(b)(3). In addition, GSA and OMB established a ranking scheme of high, medium, and low priority to assign relative priority to the projects submitted by the agencies. As OMB and GSA are working to mature the FASTA process, the OMB list was limited to less complex property disposals with the understanding that the Board has access to multiple other sources of information to determine its next set of disposal recommendations. More complex options such as consolidations and land swaps were not included in this list because there are other factors, including proposed legislative reforms that may impact those types of disposal options. This approach is intended to build on OMB’s recent coordination with the General Services Administration (GSA) Public Buildings Service (PBS).
approval of the PBRB’s high-value list and the lessons learned from actions taken to sell those properties. OMB looks forward to continuing to refine this process over subsequent rounds provided in the statute by developing increasingly complex transactions, potentially to include consolidations or other actions. Agency submissions were evaluated by review teams from PBS and OMB with priority given to projects with strong real estate fundamentals, favorable financial data, limited complexity, availability of information for the public on effected buildings, and high schedule certainty. A combination of the evaluation of submitted data, assessment of the evaluation factors required by Pub. L. No. 112-287 Section 11(b)(3), and dialogue with agencies resulted in the final high, medium, low rankings. Only projects ranked High or Medium were recommended to the PBRB. Project in the Low category did not provide sufficient financial benefit to the government or had high risk and high cost, generally associated with environmental cleanup.

It is important to note that while OMB, with GSA’s assistance, did conduct this evaluation of the agency-identified properties and is providing a list of properties for consideration of the PBRB, it is ultimately the responsibility of the PBRB to fully vet each property, as the PBRB, working with GSA, is charged with carrying out the disposals and consolidations. Like the High Value Asset process, OMB will expect that the PBRB provide the necessary financial information to weigh the likelihood of project by project success. Further, the availability of appropriations including
appropriations of proceeds from the High Value Round disposals will be a critical
determination of what is possible to execute, and that is currently unknown.

**III. STANDARD UTILIZATION RATES:** In 2017 - 2018, GSA and OMB researched existing
utilization rate standards that could potentially be used to evaluate Agency
Recommendations, in accordance with Pub. L. No. 114-287, Section 11 (c), “Special
Rule for Utilization Rates.” Specifically FASTA required that standards developed
by the Director of OMB pursuant to subsection (b) “shall incorporate and apply clear
standard utilization rates to the extent that such standard rates increase
efficiency and provide performance data. The utilization rates shall be consistent
throughout each applicable category of space and with non-government space
utilization rates.”

This research was conducted by GSA with input from OMB. For each Federal Real
Property Profile (FRPP) predominant building use type, potential utilization rate
approaches were identified and evaluated based on the criteria established in this
section, including the ability to identify efficiency opportunities, provide
performance data, and be consistent throughout each applicable category of space.

A. **Office Buildings**

The results of the study revealed that only the FRPP building type “office”
lends itself to a standard utilization metric. Utilization rates for office space
are used by the private sector and a majority of federal agencies to manage their
space and assess its efficient use. OMB and GSA recommends to PBRB that buildings reported to the FRPP with a building use code of “office” should utilize the following utilization rate calculation: Total Administrative Office Space (useable square feet) divided by Total Headcount = administrative Office Utilization Rate (usable square feet per person). This Administrative Office Utilization Rate formula focuses solely on that space which is commonly found in a commercial office setting: workstations, private offices, collaboration areas, meeting spaces, and other standard support spaces, and associated internal circulation. Any space that is unique to the agency and does not have a commercial office equivalent (termed “special space”) is removed from the calculation. This special space is instead evaluated based on its efficiency relative to achieving the agency’s programmatic goals and established design criteria.

B. Non-Office Buildings

For all other FRPP building types other than “office”, the study revealed that a clear and reliable utilization rate is not in common use within the government or the private sector, and that it is currently not feasible to create such rates without extensive and close collaboration among the government and the private sector. In some building types, there exist significant variations in programmatic purpose that prevent reliable comparisons between them. Creating a standard utilization rate for non-office building types would often provide a misleading and
inaccurate efficiency measurements, particularly if comparison was made among agencies. Based on this, GSA recommends that non-office buildings identified in Agency Recommendations be evaluated individually by real estate professionals, based on the building’s unique ability to meet mission requirements of the agency at that specific location, to assess how efficiently the building is being utilized.

IV. AGENCY RECOMMENDATIONS: In accordance with 11(d)(2) of Pub. L. No. 114-287, the list of recommendations was submitted by OMB and GSA and has been provided to the Committee on Transportation and Infrastructure of the House of Representatives; the Committee on Oversight and Government Reform of the House of Representatives; the Committee on Homeland Security and Governmental Affairs of the Senate; the Committee on Environment and Public Works of the Senate; and the Committees on Appropriations of the House of Representatives and the Senate; the Government Accountability Office; and the Public Buildings Reform Board. OMB believes that to fully utilize the authority provided by FASTA, the next round of PBRB recommendations should include 100 or more properties and that projects already identified by the agencies as priorities are likely to be strong candidates for that list.

Deidre A. Harrison,

Deputy Controller (Acting).
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<tr>
<th>Agency</th>
<th>Agency</th>
<th>Property Name</th>
<th>City</th>
<th>State</th>
<th>Priority</th>
<th>Annual O&amp;M Costs</th>
<th>Total Improvements</th>
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