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INTRODUCTION

The mission of the U.S. Department of Agriculture (USDA) is to provide leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on sound public policy, the best available science, and efficient management. The vision is to expand economic opportunity through innovation, helping rural America to thrive; to promote agriculture production sustainability that better nourishes Americans while also helping feed others throughout the world; and to preserve and conserve our Nation's natural resources through restored forests, improved watersheds, and healthy private working lands. USDA's success lies in its core values of transparency, participation, collaboration, accountability, customer focus, professionalism, and results orientation.

USDA is committed to meeting the directives and goals of the Office of Management and Budget (OMB) Memorandum M-12-12, "Promoting Efficient Spending to Support Agency Operations," and developing a comprehensive Reduce the Footprint (RTF) Plan that describes efforts to reduce the total square footage of domestic office and warehouse inventory as compared to the newly established fiscal year (FY) 2015 baseline.

Mission Overview

USDA is a leader in America's food and agricultural system, helping the farm and food sectors operate in a highly competitive marketplace that must continuously respond to changing consumer demands for safe and high-quality, nutritious, and convenient food and agricultural products. USDA carries out a wide variety of services and activities related to the management, research, and conservation of the Nation's agricultural resources.

USDA is comprised of 35 agencies and offices that reflect its varied mission work and which support seven mission areas. These are:

1. **Natural Resources and Environment.** The Natural Resources and Environment (NRE) Mission Area consists of the Forest Service (FS) and the Natural Resources Conservation Service (NRCS). These agencies work to ensure sustainable management of both public and private lands, including the Nation's soil, watersheds, and ecosystems.

2. **Farm and Foreign Agricultural Services.** The Farm and Foreign Agricultural Services (FFAS) Mission Area is comprised of the Farm Service Agency (FSA), which delivers most traditional farm programs; the Foreign Agricultural Service (FAS), which assists with U.S. agricultural exports; and the Risk Management Agency (RMA), which predominantly handles programs aimed at helping farmers and ranchers weather the unavoidable challenges inherent in agriculture, such as natural disasters. This Mission Area also includes two Government-owned corporations, the Commodity Credit Corporation (CCC) and the Federal Crop Insurance Corporation (FCIC).

3. **Rural Development.** The Rural Development (RD) Mission Area focuses on creating economic opportunities and improving the quality of life in rural America through a variety of valuable programs that together comprise the backbone of Federal efforts to
ensure rural communities are full participants in economic and other community opportunities of modern day America.

4. **Food, Nutrition and Consumer Services.** The Food, Nutrition and Consumer Services (FNCS) Mission Area is comprised of the Food and Nutrition Service (FNS), which administers Federal nutrition programs, and the Center for Nutrition Policy and Promotion (CNPP), which provides science-based dietary guidance to the Nation.

5. **Food Safety.** The Food Safety Mission Area is comprised of the Food Safety and Inspection Service (FSIS), which ensures the safety, correct labeling and packaging of meat, poultry and egg products and inspect and regulates these products in interstate and international commerce.

6. **Research, Education and Economics.** The Research, Education and Economics (REE) Mission Area brings together all of the efforts underway throughout USDA to advance a safe, sustainable and competitive U.S. food and fiber system through science and the translation of science into real-world results. REE is comprised of the Agricultural Research Service (ARS), the National Institute of Food and Agriculture (NIFA), the Economic Research Service (ERS), the National Agricultural Statistics Service (NASS), and the National Agricultural Library (NAL).

7. **Marketing and Regulatory Programs.** The Marketing and Regulatory Programs (MRP) Mission Area is made up of the Agricultural Marketing Service (AMS), the Animal and Plant Health Inspection Service (APHIS) and the Grain Inspection, Packers and Stockyards Administration (GIPSA). This Mission Area facilitates the domestic and international marketing of U.S. agricultural products, and conducts efforts to protect U.S. agriculture from plant and animal health-related threats and to ensure the humane treatment of animals.

Fulfilling its mission work is a chief consideration throughout USDA. For this reason, the land, facilities, and other real property held by USDA are an integral support component to its mission. Much of USDA's real property asset management activities are carried out at the agency level. A principal component in USDA's approach to real property management is preserving the benefits of decentralized decision-making within the Department while increasing oversight at the headquarters level, moving to centralize common processes, and enhancing standardization and accountability at all levels.

**Total Real Property Portfolio Composition**

Effective real property asset management policies are critical to USDA. As the second largest Executive Agency landholder in the Federal Government, and the fifth largest agency in terms of building square foot usage, the Department's real property asset portfolio consists of the following:

- 20,645 owned buildings totaling 41.3 million square feet;
- 17,860 owned structures;
- Approximately 193 million acres of land, 99% of which is public domain and stewardship land;
- 15.2 million square feet of leased building space with an annual rent of $241 million; and
- Approximately 1,100 General Services Administration (GSA) space assignments, occupying 10.2 million usable square feet with $228 million in annual rent

Of the 35 USDA agencies and offices that occupy space, four agencies account for approximately (99%) of the total owned real property portfolio. These are:

- Agricultural Research Service (ARS);
- Animal and Plant Health Inspection Service (APHIS);
- Forest Service (FS); and
- Natural Resources Conservation Service (NRCS)

USDA has been actively pursuing a reduction in its overall real property portfolio since the implementation of the "Freeze the Footprint" policy in 2012. Plans continue to identify and target reductions, not only in the office and warehouse portfolios, but in all categories of real property where reductions are either warranted by a lack of mission need, or necessitated by a lack of underutilization. USDA will continue to accomplish this through detailed knowledge of its real property portfolio, awareness of unutilized or underutilized properties, and swift decision making if the identified properties offer collocation or consolidation opportunities or disposal.

**ROLES AND RESPONSIBILITIES OF SENIOR OFFICIALS**

The Senior Real Property Officer (SRPO) for USDA is Lisa M. Wilusz, who serves as the Director of the Office of Procurement and Property Management (OPPM). OPPM is an office within Departmental Management (DM), led by Dr. Gregory L. Parham, Assistant Secretary for Administration (ASA). The Office of the Chief Financial Officer (OCFO) is led by Jon M. Holladay. A current USDA organization chart follows:
This organization chart displays the names of USDA offices, agencies, and mission areas. Each office, agency, and mission area is placed within a cell connected by lines to show the structure and hierarchy (Under Secretary, Deputy Secretary, or Secretary) for which they fall under. An HTML version that lists USDA Agencies and Offices and USDA Mission Areas is also available on usda.gov.
The SRPO serves as the lead for asset management policy for the entire USDA real property portfolio. Property Management operations are made at the agency/bureau levels. The SRPO has authority of recommending for approval, by the ASA, for any space acquisition projects exceeding $500,000. Agencies individually budget for the operations, maintenance and/or rent of the real property that is in their custody. The SRPO has no direct involvement in the overall real property budgeting process or the business processes at the agency levels to determine real property budgets and respective component funding levels.

BUDGET ASSUMPTIONS AND IMPACT TO REDUCTION TARGETS

Historically, a large portion of the real property assigned from GSA space assignments were funded by a Central Rent Account (CRA) appropriated to Departmental Management for the cost of GSA space across the Department. In the President’s FY 15 budget the Department proposed to shift the funding for rental payments to GSA and security services payments to the Department of Homeland Security from the CRA account to the agency or office occupying the building or facility. One main driver of this action was to increase transparency and accountability for the significant funds required to own, operate and maintain or rent the real property that is under agency/bureau custody. This approach encourages agencies to dispose properties that are underutilized or unutilized as agency budgets are already constrained and have competing funding priorities. The Department regularly advises all agencies to dispose of any real property not specifically required for mission operations. While it is assumed that this approach will identify additional targets for disposal or consolidation, it is too soon to identify any trends from the CRA elimination.

PORTFOLIO STATUS

Overall Agency Building Portfolio

With its diverse and varied missions, USDA maintains a variety of building types necessary to support business operations. The majority of the building portfolio consists of owned properties, followed by properties leased directly through a USDA delegated lease authority and GSA assigned space. As of year-end FY 15, USDA’s portfolio contained approximately 25,000 building assets that are identified as follows:
The Department completed its National Space and Design Guide in 2015 which details how office space should be designed. The guide highlights flexibility through the use of modular furniture and walls, developing a consistent brand identity across USDA, and the integration of technology applications that improve productivity. Suggestions for sizes for work space, desk area, and open and closed office creation are also detailed in this comprehensive guide. Enhancing the customer experience is also addressed by way of promoting collocation practices that improve “one-stop shopping.”

As of year-end FY 15, USDA’s overall portfolio is further identified in the following table:

**FY 15 Portfolio Summary**

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Legal Interest</th>
<th>Number of Assets</th>
<th>Total Square Feet</th>
<th>Total Acres</th>
<th>Operations &amp; Maintenance Costs</th>
<th>Lease Rent</th>
<th>Replacement Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>Owned</td>
<td>20,645</td>
<td>40,832,107</td>
<td></td>
<td>$337,381,953</td>
<td>$10,813,983,581</td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>Direct Leased</td>
<td>3,165</td>
<td>15,192,843</td>
<td></td>
<td>$4,600,170</td>
<td>$241,411,209</td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>State/Foreign</td>
<td>120</td>
<td>475,256</td>
<td></td>
<td>$1,074,308</td>
<td>$114,617,025</td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>GSA Assigned</td>
<td>1,079</td>
<td>10,223,696</td>
<td></td>
<td>$227,834,193</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>25,009</td>
<td>66,723,902</td>
<td></td>
<td>$343,056,431</td>
<td>$469,245,402</td>
<td></td>
</tr>
<tr>
<td>Structure</td>
<td>Owned</td>
<td>17,860</td>
<td></td>
<td></td>
<td>$38,010,732,680</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structure</td>
<td>Leased</td>
<td>53</td>
<td></td>
<td></td>
<td>$31,498</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structure</td>
<td>State</td>
<td>9</td>
<td></td>
<td></td>
<td>$6,474</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub Total</td>
<td></td>
<td>17,922</td>
<td></td>
<td></td>
<td>$38,010,732,680</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>Owned</td>
<td></td>
<td></td>
<td></td>
<td>$31,498</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>Leased</td>
<td>20,827</td>
<td></td>
<td></td>
<td>$1,923,736</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub Total</td>
<td></td>
<td>139,829</td>
<td></td>
<td></td>
<td>$1,923,736</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: Land totals exclude the Public Domain and Stewardship lands of the Forest Service.

The overall building portfolio size shows a slight decrease over the past year with a reported 67,099,121 square feet in FY 14 versus 66,723,902 in FY 15. Conversely, Operations and Maintenance Costs for Owned Buildings increased from $336,578,260 in 2014 to $337,381,953 in 2015. Direct Lease Rent also increased from $230,604,430 in 2014 to $241,411,209 in 2015.
Status Relative to Freeze the Footprint Baseline Requirement

“Freeze the Footprint” (Office and Warehouse) Portfolio Change

<table>
<thead>
<tr>
<th>Year</th>
<th>Square Feet</th>
<th>Annual Reduction (SF)</th>
<th>Annual Reduction (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>35,928,774</td>
<td>FTF Benchmark</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>35,495,908</td>
<td>432,866</td>
<td>1.205%</td>
</tr>
<tr>
<td>2014</td>
<td>35,373,766</td>
<td>122,142</td>
<td>0.344%</td>
</tr>
<tr>
<td>2015</td>
<td>35,264,377</td>
<td>109,389</td>
<td>0.309%</td>
</tr>
</tbody>
</table>

Freeze the Footprint Aggregate Reduction 664,397 1.858%

During the Freeze the Footprint policy phase, USDA achieved a 1.858% reduction in its overall office and warehouse portfolio from FY 12-15. This amounted to 664,397 square feet during the period. While the Freeze the Footprint policy ended in FY 15, a succeeding policy known as Reduce the Footprint has taken its place creating a new office and warehouse space baseline going forward. At the end of FY 15, GSA provided all Departments with revised baselines that removed prior inconsistencies and updated incorrect building use descriptions, thus creating a more accurate reflection of each portfolio. This new baseline is:

Reduce the Footprint - FY 2015 Baseline (in SF)

FRPP Owned & Direct Leased 23,100,489
GSA Occupancy Agreements 9,523,017
Total FY 2015 RTF Baseline 32,623,506

CAPITAL PLANNING

The Department established a Real Property Capital Programming and Investment Process (RP-CPIP) pursuant to E.O. 13327 in 2009, which requires Department-level approval for any real property project exceeding $10 million.

It is important to note that the Office of Procurement and Property Management provides departmental policy, guidance and oversight for USDA property matters. Overall planning and budgeting activities for USDA agencies are overseen by the Office of Budget Program Analyst (OBPA).

REDUCTION TARGETS

Reduction Targets for Office and Warehouse Space

As USDA operates in a decentralized planning structure, each of the agencies is required to review their individual portfolios and make appropriate adjustments to their inventories in the
USDA enterprise asset management system, Corporate Property Automated Information System (CPAIS). The responses provided herein are from agency forecasts anticipated to occur without severe impacts to mission operations.

Office and Warehouse square foot reduction targets for FY 17–21 were provided by each USDA agency through their own internal analysis and mission awareness. As in prior years, agencies analyzed their individual space usage to identify opportunities for disposal or reduction through actions such as collocation, consolidation, and/or space adjustment. Agency target data was provided in CPAIS to OPPM for reconciliation and reporting. Some buildings that may be good candidates for disposal are situated in locations with legislative restrictions that prevent USDA from taking disposal actions. This offers the opportunity for further reductions if the legislation was lifted or enhanced. Fiscal year 2016, projections reflect the on-going efforts to reduce the office and warehouse portfolio by 264,076 square feet. Further, the goal set for reductions in office and warehouse space (by all sources) is projected to provide an additional reduction of 768,596 square feet through FY 21. The following table offers a display of space by type and targeted fiscal year:

<table>
<thead>
<tr>
<th>Domestic Office and Warehouse SF Reduction Targets FY 2017 – FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
</tr>
<tr>
<td>Office Target* (Net SF Reduction)</td>
</tr>
<tr>
<td>Warehouse Target* (Net SF Reduction)</td>
</tr>
</tbody>
</table>

*Reductions are reported as a positive value.

Performance Benchmarks

The Department relies upon the agencies to decide on what factors are significant in the identification or prioritization for consolidation, collocation or disposal projects based on mission needs. The use of the GSA’s new FRPP Asset Consolidation Tool (ACT) is seen as a major enhancement in identifying potential portfolio solutions and its use is anticipated to become more prevalent throughout the agencies. USDA also cooperates with the GSA Client Portfolio Planning team (CPP) whereby both internal USDA and external Federal Government data is viewed in greater detail for collocation or consolidation opportunities.

As indicated, the major driver of any space reduction project at USDA is mission need and Federal mandates to be located in specific geographic locations, versus focusing primarily on the costs involved. Consequently, site locations in more rural settings tend to be less competitive in the real estate market and provide limited options. This tends to drive up rent costs.

Disposal Targets for Owned Buildings
USDA identified 881 buildings containing 1.99 million square feet as not needed for mission requirements but undisposable, or “cannot currently be disposed.” When further delineated, 664 of these buildings or 1.76 million square feet are situated at just two locations: Midewin National Tallgrass Prairie in Illinois and the Henry A. Wallace Beltsville Agricultural Research Center (BARC) in Maryland. Due to the property specifics, such as location, condition, and Federal legislation, and statutory remediation requirements as in the case of BARC, the only viable disposal option at either site is demolition of the buildings and remediation of the land. However, the primary constraining factor for demolition at either of these sites would be the exorbitant costs required for such an undertaking, without yielding any financial return.

Due to the wide dispersion in the mission areas of the USDA agencies across the United States, identifying significant targets for disposal is challenging. Consequently, USDA focuses significant efforts on activities that will consolidate and/or collocate its agency real property into existing facilities and increase efforts in maximizing a more effective utilization of that space, such as the activities of the Real Property Strategic Sourcing Initiative (RP-SSI). The RP-SSI focused on offices with utilization rates that exceeded the USDA standard and thus were considered possible targets for consolidation/collocation. Thus far, USDA has identified 78 owned buildings (of all types) that contain 111,970 square feet to be disposed of during FY 17 through FY 21.

<table>
<thead>
<tr>
<th>Disposal Targets for Owned Buildings FY 2017 – FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
</tr>
<tr>
<td>Disposal Target (Net SF Reduction)</td>
</tr>
<tr>
<td>Disposal Target (# of Buildings)</td>
</tr>
</tbody>
</table>

Based upon information reported in CPAIS by each of the agencies, during FY 16, USDA has planned disposals of 174 owned buildings of all types, containing 642,491 square feet and requiring in excess of $7 million in on-going annual operations costs. In FY 15, USDA disposed of 301 owned buildings that contained 422,465 square feet and required $2.2 million in annual operations and maintenance costs.

**Maintenance of the Reduce the Footprint Baseline**

Space reductions at USDA are identified at the agency levels based upon mission requirements in the respective geographic service-area locations. As program responsibilities shift, opportunities for additional space savings emerge. USDA works internally on collocation opportunities, through the RP-SSI initiative and the GSA CPP, where options for external opportunities with other Federal Agencies are available. Additionally, USDA has contacted the U.S. Postal Service (USPS) as another source of Federal real property that is available nationwide.
Space Design Standard for Future Reductions

Through the assistance of GSA and a private contractor, USDA published its National Space Design Guide in September, 2015 applicable to office space. This document and its accompanying Excel template worksheet are intended to serve all office space occupied by USDA. It complies with internal USDA policy to meet an average office utilization rate (UR) of 150 square feet per person.

In addition to the National Space and Design Guide document that clearly supports the office space utilization rate at an average of 150 square feet per person (SF/PP), USDA has also revised Agriculture Property Management Regulations (AGPMR) Advisory 16–01 Space Utilization Rate Policy and has updated Departmental Regulation (DR 1620–003 USDA Space Management Policy) that solidifies USDA’s intention to mandate the average of 150 SF/PP utilization rate across the Department. This DR is currently being vetted across USDA and has an anticipated implementation date of December 31, 2016. USDA has operations in many rural areas of the country where optimum space utilization is not always achievable. USDA is legislatively required to locate and operate in many areas where real property market selection is limited and so remote that GSA support is not available. In these instances, exceptions to the 150 UR policy are available, but they require senior agency leadership approval.

One example of good space stewardship is at FNS, which is in the process of publishing a FNS National Hoteling/Desk Sharing policy. The purpose of this policy is to establish guidance on hoteling and desk-sharing by personnel of the U. S. Department of Agriculture, Food, Nutrition and Consumer Services (FNCS) located at the National Office, Regional Offices, Retailer Management Centers, and other offices across the FNCS portfolio. A recent success story is at the San Francisco FNS office where workstations were 7’6” x 7’6”. By reducing the workstation sizes to 6’x7’, this highly mobile group was able to accommodate an increase in the number of workstations from 76 to 105. The new layout allowed FNS to accommodate additional employees within the existing office footprint.

APHIS independently engaged GSA and the Total Work Plan (TWP) and Furniture & Information Technology (FIT) programs to assist with space planning and reduction for its four major hubs. Currently the Minneapolis Hub is reducing its square footage by more than 10,000 SF by using the new AGPMR Guidelines and the TWP to develop state-of-the-art space planning options. APHIS expects to reduce Hub footprints by as much as 10 percent to 20 percent using the GSA TWP planning group. Telework and desk-sharing are a few of the space utilization methods being incorporated into space utilization efforts.

Further space reduction concentrations at APHIS involved larger leased offices (over 3,000 SF). It is anticipated that the largest reductions in square footage will take place in offices larger than 3,000 SF and, thus, these actions and activities will have a higher pay-back in space reduction efforts through establishing new leases and the re-competing of old leases using new AGPMR Guidelines. APHIS established a space review board at the Assistant Deputy level to review all new space requests and space expansions, for additional oversight. Agency Programs will be required to provide written documentation for any space that does not meet current utilization
standards. Initial compliance costs for office outfitting will be high, but there is a reasonable expectation for the return on upfront costs over the long-term with lower lease rates for smaller office and warehouse spaces.

CLIMATE RESILIENCY

In March 2015, President Obama signed E.O. 13693 "Planning for Federal Sustainability in the Next Decade," mandating that Federal agencies lead by example in the nation's work of building "a clean energy economy that will sustain our prosperity and the health of our people and our environment for generations to come." In E.O. 13693, the President requires Federal agencies to lead in energy, environmental water, fleet, buildings, and acquisition management, in order to continue to reduce greenhouse gas emissions and to prepare for the impacts of climate change.

At USDA, the Environmental Management Division (EMD) in OPPM focuses on creating policies and procedures supporting resilience to climate change and helping to mitigate threats to agency buildings, structures, utilities, and mission attainment. Specifically, agencies have a target to achieve net zero energy in new buildings, to identify a percentage of existing buildings above 5,000 gross square feet (GSF) intended to be energy, waste, or water net-zero buildings by FY 25, and to put actions in place that allow those buildings to meet that target. Agencies are required, as in the earlier E.O. 13423 and E.O. 13514, to make annual progress toward achieving 100 percent compliance with the Five Guiding Principles in their building inventories. Using energy efficiency, renewable energy, water efficiency, and green infrastructure technologies, Federal agencies must make annual progress towards the FY 25 goal to measure at least 15 percent of existing buildings and building leases above 5,000 GSF as meeting the Guiding Principles. EMD staff is engaged in forming a collaborative USDA Net Zero strategy based on the Net Zero initiative formed by the USDA FS. EMD also participates as a member of the National Capital Planning Commission (NCPC) Monumental Core Climate Adaptation Working Group, a coalition of the NCPC, the Metropolitan Washington Council of Governments, several Federal agencies, local government agencies, and non-governmental organizations.

Examples of ongoing climate resiliency projects that the Forest Service is working on include:

- At the San Dimas Technology and Development Center (SDTDC) in Southern California, FS is accomplishing zero net energy use;
- A pilot study of Net Zero Energy on the Shoshone National Forest, including detailed facility energy consumption audits; working with the Department of Energy's National Renewable Energy Laboratory, a plan was developed to optimize renewable energy technologies at each location in order to reach net zero energy consumption; and
- The FS Sustainable Operations Collective is establishing a ranger district net zero energy implementation model.

USDA encourages all agencies to use domestically harvested wood products as the preferred construction material for all buildings, and seeks to promote this sustainable practice. Wood products are, ideally, locally sourced and originated in National Forest System lands.
A preference for wood stems from its environmental life cycle benefits, such as reduced energy consumption and greenhouse gas (GHG) emissions. Life cycle assessment informs decision-makers on wood and wood products' lower environmental impacts when compared to functionally equivalent products. FS research identifies the environmental impacts of wood versus those of other building materials such as steel and concrete. It reveals that fossil fuel consumption, potential contributions to GHG emissions and quantities of solid waste are actually less when using wood and wood products than by manufacturing using competing materials and products.

**COMPLIANCE INTERNAL CONTROLS**

USDA agencies have developed agency-level internal controls to manage each of their respective portfolios. Due to the diverse mission areas, and organizational structures of each of the USDA agencies, the Department has adopted a flexible decentralized planning approach. For example, identifying and executing offsets when acquiring additional office and warehouse space remains as an ongoing effort within APHIS and other USDA components. APHIS tracks space increases and reductions in an excel spreadsheet for monitoring cumulative year to date square foot changes. Programs can only increase space if there is a corresponding offset available. If there is insufficient space available to offset a request for space increase, the program must provide an approved request to reduce the same amount of more space at another location. This ensures the agency offsets any growth in total office and warehouse space with other corresponding reductions. Agencies that lack internal square foot reductions needed to offset an increase may request that OPPM attempt to locate the required space reduction from the Department’s overall inventory.

The Lease Accountability and Strategy Division was established for the three service center agencies (FSA, NRCS, and RD) to collaborate on lease management and strategy activities. This collaboration has resulted in standardized leasing processes, a reduction in the number of holdover leases, and conformity with Department utilization standards.

The FS requires that for any new leasing action or construction project that will result in a net increase to the facility footprint, a Property Management Division Form 15-05 (Net Space Increase Notification Form) is submitted to the FS Asset Management Review Board (FS-AMRB) for review after obtaining approval from the Regional Forester or Station Director. If the disposal of a separate facility is identified in order to offset the expected net-increase in new space, then, the submitting unit will be responsible to provide a disposal plan with a timeline for the identified facilities. If there are no offsets available to the submitting unit, the FS-AMRB may look for other offsets across the entire FS portfolio.

**FRPP DATA QUALITY IMPROVEMENT**

Recent analytics that GSA has created such as the Asset Consolidation Tool and the Real Property Management Tool will allow the agencies to identify opportunities that exist in their local markets when looking to downsize or relocate. The OPPM Property Management Division
PMD (Public Management Division) strongly encourages the agencies to take advantage of this new technology. Additionally, the Real Property Strategic Sourcing Initiative team has identified a number of consolidation opportunities.

PMD issues the Department-level real property policy and guidance to the agencies, however, implementation of these policies is performed at the agency-levels. Thus, PMD does not set a Reduce the Footprint target for the agencies as it is not directly involved in the mission operations of the agencies.

PMD conducts monthly Real Property Working Group (RPWG) meetings with representatives from each USDA agency to discuss a broad range of real property issues and training. One component of this meeting is to discuss the data quality of assets in the enterprise asset management system, CPAIS. Concurrently, the Department produces an internal “audit” document entitled Real Property Data Quality Improvement (RPDQI) report that identifies CPAIS system data anomalies. Not only are the data issues highlighted, but a supporting spreadsheet is provided to the agencies as background and specific identification of the error. The agencies are advised to have any of the identified errors corrected in CPAIS by the next monthly meeting, typically the first Tuesday of every month. This work has resulted in significant improvements to data quality, completeness, and transparency.

Additionally, the RPDQI report tracks and identifies the following variables which are also benchmarked against prior month results:

- USDA Direct Lease Properties in “Holdover” Status;
- Buildings Missing Physical Address Information (Address, County, City, State, Zip);
- Buildings Missing Gross Square Footage;
- Missing GSA Occupancy Agreement Linkages (Rent on the Web to CPAIS);
- USDA Active Underutilized or Unutilized Buildings;
- USDA Inactive or Excess Utilized Buildings; and
- Leases Without Linked Assets and Leased Assets Missing Leases

CHALLENGES AND IMPROVEMENT OPPORTUNITIES

Note the specific challenges the agency confronts and primary program improvement opportunities (e.g., improved space utilization, asset disposal, consolidation, cost accounting) the agency will address over the next year.

USDA has a significant need to update its CPAIS system to a modern enterprise asset management system that will allow for more accurate accountability of USDA real property assets and take advantage of current technologies including mobile applications to meet emerging data requirements. A new system with an intuitive interface, “cloud-based” applications, on-demand training, and detailed reporting capabilities will allow users to better manage assets and more easily identify opportunities for cost savings.

The following table summarizes a needs analysis for the new enterprise asset management system. Implementation would yield more accurate asset accountability and tracking throughout USDA, and avoid the costly sustainment of existing systems that are duplicated at many of the
agency levels. With one of the largest portfolios of real property in the Federal government, more emphasis needs to be placed on this. However, funds have yet to be identified:

- To manage all USDA Real Estate Portfolio data and all accounting transactions such as reconciliation of lease payments to occupancy agreements. Depreciation, acquisition disposal, subsidiary ledger associated with owned property.
- Track and Manage real property assets for USDA leased and GSA assigned lease property. Support data exchange with GSA GREX system for lease management.
- Track actual construction/reconstruction costs, acquisition costs, depreciation and comply with CFO Act of 1990 and all Financial Accounting Standards Board standards.
- Comply with E.O. 13514 Energy Reporting and Energy Reduction Goals. Must support automatic feeds from the financial system for utility bills.
- Provides visual analysis of data within a geographical context, geographical information system geocoding, Latitude and Longitude, and visual location on mapping applications.
- Manage space and building attributes required for Federal Real Property Profile Reporting. Monitor, manage, and analyze all aspects of energy utilization and performance.
- Analyze, measure, and manage portfolio composition, building performance, usage, and costs.
- Digital filing capability with the ability to link documents and images to building, lease and other documents and automatically update them with version control. Electronically track procurement, inventory, installation, assignment, utilization, value, calendar, leads files repair, reporting, replacement, and disposal of all USDA Property.
- Manages space and building attributes required for Federal Real Property Profile Reporting.
- Electronically track procurement, inventory, installation, assignment, utilization, value, repair, reporting, replacement, and disposal of all USDA Property.
- Improves workflow, screen views, and reduces user decision making, less "hard-paper", notification for lease ending period. Overall ability to increase system usability based on new requirements.
- Support interface to and from financial system on a daily basis.

Data quality also remains a primary concern of the Department. Currently, there is a segregation of duties between OPPM and sub-agencies, and new procedures are being investigated to accomplish the important data improvement process.

Substantial progress has occurred in space utilization over the past several years. Agency recognition that underutilized and unutilized space results in funding not being made available to
support mission needs. There are no advantages to keeping space unless needed for current or future mission needs. The Department’s position on office space utilization is clear and is further defined through the creation of USDA’s National Office Space and Design Guide. Compliance with AGPMR Advisory 16–01, USDA’s internal utilization rate policy, brings forth a forward thinking approach in which office space will be designed and occupied.

Consolidation and collocation opportunities are regularly discussed at the bi-weekly, Department-wide RP-SSI. Opportunities for collocation with the U.S. Postal Service are a recent focus area of the team. The Department will continue participating with GSA’s CPP team in further identifying available collocation opportunities with other Federal agencies.

Michael Scuse, Under Secretary of Farm and Foreign Agriculture

Date 10/24/16
ATTACHMENTS

1. USDA 2017-2021 Consolidated RTF Spreadsheet
2. USDA 2017-2021 Reduction Targets for Owned Building Disposals
Potential FY 17 Real Property Consolidation Project

Agency/Bureaus - USDA/FS/FSA/APHIS/NRCS/RD
Consolidation Project Name – Albuquerque Service Center Consolidation
Location Information - To be vacated: 6200 Jefferson Blvd., NE, Albuquerque, New Mexico (ANM00325, ANM00326, ANM003230, ANM00327, ANM00324) To be consolidated into: 101B Sun Ave., Albuquerque, NM (RPUIID 222037010602)

Anticipated Project Duration - 18 Months

Square Footage and Personnel Count to be Vacated – 47,794 USF and 125 seats.

Square Footage and Personnel Count at Consolidated Location – 18,196 USF and 125 seats.

UR Before Consolidation - Office UR; APHIS = 919; FSA = 310: NRCS = 297; RD = 465

UR Under Proposed Consolidation - 145

All-In UR Before - 382

All-In UR Under Proposed Consolidation - Scenario A = 145 w/ 125 seats on 5th floor in to 18,196 SF. Scenario B = 103 w/ 125 seats relocating to 6th floor in 12,914 SF.

Cost of Current Space - $1,039,596 for GSA OAs.

Project Cost Information - Project Design and Relocation $125,062; Construction Funding for Alternatives $1,250,622; Furniture $1,250,000; IT $1,400,000; Physical Move $490,000.

Payback Calculation - Project costs estimated at $4,515,684. Annual rent savings from consolidation is $1,029,596 equating to a project payback of 4.39 years.