

GAO

Report to the Chairman, Subcommittee on
Federal Financial Management, Government
Information, Federal Services, and International
Security, Committee on Homeland Security and
Governmental Affairs, U.S. Senate

July 2012

FEDERAL REAL PROPERTY

Strategic Partnerships and Local Coordination Could Help Agencies Better Utilize Space



G A O

Accountability * Integrity * Reliability

Highlights of [GAO-12-779](#), a report to the Chairman, Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, Committee on Homeland Security and Government Affairs, U.S. Senate.

Why GAO Did This Study

GAO designated the federal government's management of its nearly 400,000 real property assets as high-risk in part because of overreliance on leasing and the retention of excess facilities. Real property management is coordinated nationally by the FRPC—an association of landholding agencies chaired by the Deputy Director for Management of the Office of Management and Budget (OMB). To explore the potential to reduce leasing by better utilizing owned properties, GAO was asked to examine: (1) the potential for collocation and the factors that can affect that potential, (2) the possible benefits of collocation, and (3) the challenges associated with collocation, and what solutions, if any, can mitigate these challenges. GAO reviewed property data and documents from eight of the largest property-holding agencies; laws, regulations and guidance; and prior GAO reports. GAO also analyzed eight case study markets of varying size and federal agency presence, and interviewed agency officials.

What GAO Recommends

OMB should work with FRPC and USPS to, among other things, (1) lead the creation of strategic partnerships between GSA and other property-owning federal agencies with less experience sharing real property, and (2) establish a mechanism (including USPS) for local coordination to improve coordination and identify specific opportunities to share space. OMB, GSA, and USPS generally agreed with the recommendations. The details of agencies' comments and GAO's response are addressed more fully within the report.

View [GAO-12-779](#). For more information, contact David J. Wise at (202) 512-2834 or wised@gao.gov.

FEDERAL REAL PROPERTY

Strategic Partnerships and Local Coordination Could Help Agencies Better Utilize Space

What GAO Found

The federal government owns facilities that are underutilized in locations where it also leases space. In some cases, space within these government-owned properties could be occupied by other government agencies. This is particularly true for the U.S. Postal Service (USPS), for which declining mail volume and operational changes have freed space in many facilities. However, this potential for collocation of federal agencies is affected by such factors as the size, location, and condition of the available space (see figure).

Figure: Condition of Federally Owned Property with Underutilized Space



Recently renovated space

World War II era storage hut in present day

Source GAO.

Officials from various agencies said that, in some cases, collocation could result in more efficient service delivery and cost savings or avoidance. For example, underutilized USPS floor and retail window space could be used by other federal agencies, generating space-use efficiencies for USPS and expanding citizen access to government services. Collocation could also help achieve agency synergies, such as shared technology infrastructure.

Agency officials said that strategic partnerships among federal agencies targeted to meet specific needs and a formal local coordination mechanism could mitigate certain challenges to collocation, including administrative and data challenges. Agencies have varying authorities to share available space in their properties and differing capabilities to handle the administrative tasks associated with sharing space. The General Services Administration (GSA), as the federal government's property manager, possesses the capability and experience to market properties and manage leases on a large scale. Officials from other agencies suggested that partnerships with GSA or a private entity could address some administrative challenges and improve collocation efforts. However, the ability to identify collocation opportunities is hindered by the lack of a formal information-sharing mechanism. The Federal Real Property Council (FRPC) is a national, policy-oriented body and, as such, does not manage the local-level negotiations that collocation would require. The FRPC established a database describing all executive branch properties, but it was not designed to identify and manage collocation opportunities, nor does it include USPS data. In contrast, local federal officials indicated that they possess detailed knowledge of specific properties owned by their respective agencies and, with more structured local coordination, could share that knowledge to support collocation efforts. GSA officials said that local councils were an effective method for sharing information.

Contents

Letter		1
	Background	3
	Underutilized Owned Federal Space Exists, but Size, Location, and Condition Affect Colocation Potential	9
	Colocation Could Yield Service-Delivery Efficiency and Cost-Avoidance Benefits in Some Cases	12
	Greater Inter-Agency Collaboration Could Mitigate Some Challenges to Colocation	14
	Conclusions	24
	Recommendations for Executive Action	25
	Agency Comments	25
Appendix I	Scope and Methodology	27
Appendix II	Selected Leasing and Retention of Proceeds Authorities for In-Scope Agencies	30
Appendix III	Comments from the U.S. Postal Service	35
Appendix IV	Comments from the Department of Veterans Affairs	36
Appendix V	GAO Contact and Staff Acknowledgments	39
Related GAO Products		40
Figures		
	Figure 1: Total Square Footage Comparison for Federal Civilian Agencies' Properties, Fiscal Years 2010 to 2012	5
	Figure 2: Examples of Vacant and Underutilized USPS Space	10
	Figure 3: GSA-Held Vacant Space in Dallas, Texas	12

Figure 4: Vacant USPS Space in Easton, Pennsylvania, Requiring Renovation	17
Figure 5: Building 1 at the Philadelphia Navy Yard: Exterior, Interior Unfinished, Interior Finished	18
Figure 6: The Former Downtown Philadelphia USPS Mail Processing and Distribution Center, Now IRS Offices	20
Figure 7: Examples of Federally Held Spaces Described in the FRPP	21
Figure 8: Examples of Spaces Used by Interior at a Leased Site	23

Abbreviations

CPRA	Civilian Property Realignment Act
DEA	Drug Enforcement Administration
DHS	Department of Homeland Security
DOD	Department of Defense
DOE	Department of Energy
FBF	Federal Buildings Fund
FBI	Federal Bureau of Investigation
FRPC	Federal Real Property Council
FRPP	Federal Real Property Profile
FSA	Farm Service Agency
GPRA	Government Performance and Results Act
GRPIS	Governmentwide Real Property Information Sharing program
GSA	General Services Administration
IG	Inspector General
IRS	Internal Revenue Service
NRCS	Natural Resources Conservation Service
NPS	National Park System
OIG	Office of Inspector General
OMB	Office of Management and Budget
SSA	Social Security Administration
UFC	Unified Facilities Criteria
USDA	Department of Agriculture
USPS	U. S. Postal Service
VA	Department of Veterans Affairs

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



G A O

Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

July 25, 2012

The Honorable Thomas R. Carper
Chairman
Subcommittee on Federal Financial Management
Government Information, Federal Services, and International Security
Committee on Homeland Security and Governmental Affairs
United States Senate

Dear Mr. Chairman:

The federal government's real property inventory includes nearly 400,000 owned and leased buildings located throughout the country.¹ As we have reported, the federal government retains more owned property than it needs while simultaneously leasing property from other entities, a practice that is not cost-efficient in the long run, resulting in millions of dollars of additional costs to the federal government.² In addition to an overreliance on leasing, federal agencies continue to face long-standing problems, such as excess and underutilized property and protecting federal facilities. Because of these issues, we have designated the management of federal real property as a high-risk area.³

There are current efforts promoting colocation—moving federal operations from one stand-alone location to a federal location occupied by another entity—and real property management reform. For example, several versions of the Civilian Property Realignment Act (CPRA) are pending in Congress and are aimed at, among other things, reducing the operating and maintenance costs of federal civilian real properties by

¹According to the Federal Real Property Council's most recent Federal Real Property Report, which provided summary-level reports on governmentwide real property data, as of September 30, 2010. This data is reported at the asset level, not the lease level, meaning that while portions of a building are leased, the entire building is counted as an asset.

²GAO, *Federal Real Property: Proposed Civilian Board Could Address Disposal of Unneeded Facilities*, [GAO-11-704T](#) (Washington, D.C.: June 9, 2011).

³GAO's high-risk series identifies areas at high risk due to their greater vulnerabilities to waste, fraud, abuse, and mismanagement or major challenges associated with their economy, efficiency, or effectiveness. See GAO, *High-Risk Series: An Update*, [GAO-11-278](#) (Washington, D.C.: Feb. 16, 2011).

disposing of unneeded properties; realigning other properties by consolidating, colocating, and reconfiguring space; and by realizing other operational efficiencies.⁴ A Senate bill, the Federal Real Property Asset Management Reform Act of 2012, would 1) impose new duties on federal agencies to maintain inventory controls and establish goals for reducing inventories of underutilized properties, 2) establish and direct the Federal Real Property Council (FRPC)—chaired by the Office of Management and Budget (OMB)—to establish an asset management plan and submit an asset disposal plan, and 3) require the Administrator of General Services Administration (GSA) and the FRPC to establish and maintain a database of agency real property.⁵ Additionally, postal reform legislation includes a specific provision related to colocation between USPS and other federal agencies, establishing and tasking the FRPC with identifying federal agency field offices that could be colocated with USPS and other civilian properties and permitting federal agencies to lease space for their field offices from USPS.⁶ In May 2012, OMB also released a memorandum directing agencies to offset any growth in new building space with corresponding decreases through consolidations, colocations, or disposal of space from the agency’s inventory.⁷

To help inform the discussion, you asked us to examine issues surrounding opportunities for colocating federal agencies by which the federal government could reduce privately owned, leased space by consolidating onto underutilized federally owned property. This report addresses:

(1) whether the potential for colocation exists and, if so, what factors can affect that potential;

(2) the potential benefits of colocation; and

⁴E.g., Civilian Property Realignment Act of 2012, S. 2232, 112th Cong. (2012); Civilian Property Realignment Act, H.R. 1734, 112th Cong. (2011).

⁵Federal Real Property Asset Management Reform Act of 2012, S. 2178, 112th Cong. (2012).

⁶21st Century Postal Service Act of 2012, S. 1789, 112th Cong. (2012).

⁷Office of Management and Budget, *Promoting Efficient Spending to Support Agency Operations (M-12-12)*. (May 11, 2012).

(3) the challenges associated with colocation and what solutions, if any, might help mitigate these challenges.

To examine these issues, we analyzed real property data from eight agencies with substantial domestic property portfolios: the Departments of Agriculture (USDA), Defense (DOD), Energy (DOE), Homeland Security (DHS), Interior (Interior), and Veterans Affairs (VA); GSA; and the U. S. Postal Service (USPS). Using available real property data provided by the agencies and ranging from fiscal years 2007 to 2012, supplemented by interviews with regional and national level agency officials, we selected eight U.S. markets in which we conducted case studies. We selected these eight markets to represent markets of various sizes, geographic regions, owned and leased federal properties, and agencies present. In the case study markets with DOD properties, we focused only on DOD properties not located on military bases. We also reviewed relevant legislation and analyzed data and documentation provided by the agencies.

We conducted this performance audit from July 2011 through July 2012 in accordance with generally accepted government-auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Further details on our scope and methodology can be found in appendix I.

Background

Federal Real Property

The federal government's vast real property inventory reflects the diversity of agencies' missions and includes office buildings, prisons, post offices, courthouses, laboratories, and border stations. The Federal Real Property Profile (FRPP) is a database of owned and leased space held by executive branch agencies. It is maintained by GSA on behalf of the

FRPC, although FRPC controls access to the data.⁸ In 2010, FRPP data indicated that 24 executive branch agencies held about 3.35-billion square feet of building space.⁹ These agencies reported that 79 percent of the total reported building space was federal-government owned; 17 percent was leased, and 4 percent of the space was otherwise managed.¹⁰ The eight agencies we reviewed—USDA, DOD, DOE, DHS, DOI, VA, GSA, and USPS—reported holding over 3.32-billion square feet of building space or about 99 percent of reported square footage.

Owned and Leased Space

GSA and USPS are the largest civilian holders of federally owned property. They hold the largest amounts of space, by square foot, of the civilian agencies that we examined. As noted previously, we excluded much of DOD's property from the scope of our review because of the security requirements of traditional military bases, which would make collocation with other agencies unlikely. GSA and USPS together hold more square footage—almost 660-million square feet—than the other agencies we reviewed, excluding DOD, combined—over 454-million

⁸We recently reported that the FRPC has not followed sound data collection practices—related to data consistency, performance measures, collaboration, and data reporting—when collecting FRPP data, that would help it collect these data in a way that is sufficiently consistent and accurate to be useful making property management decisions. See GAO, *Federal Real Property: Improved Data and a National Strategy Needed to Address the Excess and Underutilized Property Problem*, [GAO-12-645](#) (Washington, D.C.: June 20, 2012). We recommended that GSA develop a plan to improve the FRPP consistent with sound data collection practices. Nonetheless, we also reported that the FRPP is sufficiently reliable to be used in a general sense to track assets. As such, for this report, we used FRPP data for the limited purposes of identifying case study markets and summarizing agency-level statistics on owned and leased property.

⁹Only the 24 federal agencies subject to the Chief Financial Officers (CFO) Act of 1990 are required to submit real property data at the constructed asset level to the FRPP on an annual basis under Executive Order 13327. GSA is counted as one of the 24 agencies. The Departments of Education, Housing and Urban Development; the Small Business Administration; the Nuclear Regulatory Commission; and the Social Security Administration obtain and use real estate through GSA. Consequently, GSA reports those real property assets. DOD is also counted as a reporting agency and reports property data for the Army, Air Force, Navy, and Corps of Engineers. USPS is not required to submit real property data to the FRPP and is therefore not included in this data. See, Federal Real Property Council, *FY 2010 Federal Real Property Report: An Overview of the U.S. Federal Government's Real Property Assets*.

¹⁰Otherwise-managed buildings may be owned by a state government or by a foreign government that has granted rights for use to the federal government in an arrangement other than a lease agreement.

square feet. (See fig. 1.) Additionally, both agencies have a wide national presence—GSA-held properties exist in over 750 markets and USPS-held property is in almost 36,000 cities and towns.

Figure 1: Total Square Footage Comparison for Federal Civilian Agencies' Properties, Fiscal Years 2010 to 2012

Agency	Total owned square footage	Total leased square footage
GSA	182.0	193.0
USPS	198.3	84.0
Other agencies ^a	407.3	47.0
	0 100 200 300 400 Square feet (in millions)	0 100 200 300 400 Square feet (in millions)

Sources: GAO analysis of GSA, DHS, USPS, and FRPP data.

^aDOD data are excluded from this analysis.

Note: This analysis includes active buildings only; land and structures or property that are disposed, excess, or inactive are not included. USDA, DOE, GSA-“leased,” Interior, VA data are from fiscal year 2010; DHS and GSA-“owned” data are from fiscal year 2011, and USPS data are from fiscal year 2012.

Federal agencies, particularly GSA in its role as broker and property manager to the civilian portion of the U.S. government, rely on costly leasing, and the number of federal government leases has increased in recent years. The civilian federal agencies we reviewed held leases in close to 41,000 assets covering nearly 324-million square feet of space, with GSA and USPS leasing the most space.¹¹ Nearly all of GSA’s leases are for other tenant agencies—for example, its four largest customers in the leased inventory are the Department of Justice, DHS, the Social Security Administration (SSA), and Department of Treasury (Treasury)—based upon those agencies’ identified needs. According to GSA’s annual portfolio report, since fiscal year 2008, its leased inventory has experienced faster growth than its owned inventory. We have reported that over time GSA has relied heavily on operating leases to meet new long-term needs because it lacks up-front funding needed to purchase

¹¹USDA, DOE, GSA-“leased,” Interior, VA data are from fiscal year 2010, DHS and GSA-“owned” data are from fiscal year 2011, and USPS data are from fiscal year 2012.

buildings or space.¹² In addition, GSA has reported operational losses related to leasing, once indirect overhead expenses have been allocated, in recent years.^{13,14}

GSA's Role

GSA is authorized by law to acquire, manage, utilize, and dispose of real property for most federal agencies. GSA is able to enter into lease agreements for up to 20 years that the Administrator of GSA considers to be in the interest of the federal government and necessary to accommodate a federal agency.¹⁵ GSA uses this authority to lease space on behalf of many federal government agencies.

In 2004, the administration added managing federal real property to the President's Management Agenda and the President issued an executive order, applicable to 24 executive departments and agencies 1) establishing FRPC and 2) requiring FRPC to work with GSA to establish and maintain a single, comprehensive database describing the nature, use, and extent of all federal real property held by executive branch agencies, except when otherwise required for reasons of national security.¹⁶ FRPC worked with GSA to create the FRPP to meet this

¹²See, for example, GAO, *General Services Administration: Comparison of Space Acquisition Alternatives—Leasing to Lease-Purchase and Leasing to Construction*, [GAO/GGD-99-49R](#) (Washington, D.C.: Mar. 12, 1999) and *General Services Administration: Opportunities For Cost Savings in the Public Buildings Area*, [GAO/T-GGD-95-149](#) (Washington, D.C.: July 13, 1995).

¹³See GAO, *Federal Real Property: Overreliance on Leasing Contributed to High-Risk Designation*, [GAO-11-879T](#) (Washington, D.C.: Aug. 4, 2011). GSA income statement losses within the leased inventory, as measured by funds from operations (FFO), increased dramatically in recent years to \$102.9 million in fiscal year 2009 before falling to \$64.8 million in fiscal year 2010. FFO is derived by calculating the amount of revenue remaining after deducting all direct and indirect expenses (excluding depreciation) associated with operating a building, and provides the Federal Buildings Fund with contributions to capital towards future investments in renovations, repairs, and new construction.

¹⁴According to GSA, losses in leased inventory are partially attributable to the accounting treatment of different rent payments and fees in accordance with financial statement reporting requirements, but the agency should still be able to cover all the extra costs with the administrative fee it charges tenant agencies.

¹⁵40 U.S.C. § 585.

¹⁶Federal Real Property Asset Management, Exec. Order No. 13327, 69 Fed. Reg. 5897 (Feb. 6, 2004).

requirement. FRPC is chaired by the Deputy Director for Management of OMB and is composed of Senior Real Property Officers from the 24 executive departments and agencies, the Controller of OMB, the Administrator of GSA, and any other full-time or permanent part-time federal officials or employees as deemed necessary by the Chairman of the Council. The order does not apply to USPS and FRPC does not work directly with USPS on the management of its real property.¹⁷ These efforts notwithstanding, we have previously reported that the federal government continues to face a number of challenges to effectively managing its real property.¹⁸ In particular, we have reported on challenges to disposing of excess properties, making better use of properties that are underutilized, and reducing overreliance on leasing.¹⁹

USPS Challenges

USPS, which is an independent establishment of the executive branch, is authorized to sell, lease, or dispose of property and is exempt from most federal laws dealing with real property and contracting.²⁰ Although declining mail volume and changes to its operations have resulted in excess capacity and facility space throughout the postal network, our recent work has shown that USPS faces challenges, such as legal restrictions and local stakeholder influences, that have limited its ability to

¹⁷The executive order applies to the Departments of Agriculture (USDA), Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, Interior, Justice, Labor, State, Transportation, the Treasury, Veterans Affairs (VA); the Environmental Protection Agency; the National Aeronautics and Space Administration; the United States Agency for International Development; the General Services Administration (GSA); the National Science Foundation, the Nuclear Regulatory Commission; the Office of Personnel Management; the Small Business Administration; and the Social Security Administration.

¹⁸See, for example, GAO, *Federal Real Property: Progress Made Toward Addressing Problems, but Underlying Obstacles Continue to Hamper Reform*, [GAO-07-349](#) (Washington, D.C.: Apr. 13, 2007); *Federal Real Property: Proposed Civilian Board Could Address Disposal of Unneeded Facilities*, GAO11-704T (Washington, D.C.: June 9, 2011) and *High-Risk Series: An Update*, [GAO-11-278](#) (Washington, D.C.: February 2011).

¹⁹Section 102 of Title 40 of the United States Code defines excess property as “property under the control of a federal agency that the head of the agency determines is not required to meet the agency’s needs or responsibilities.” GSA’s federal management regulations defines underutilized property as “an entire property or portion thereof, with or without improvements, which is used—(a) Irregularly or intermittently by the accountable Executive agency for current program purposes of that agency; or (b) For current program purposes that can be satisfied with only a portion of the property.” 41 C.F.R. § 102-75.50.

²⁰39 U.S.C. §§ 401, 410.

close postal facilities in order to restructure its retail and processing network.²¹ For example, USPS has often faced resistance from affected employees, communities, and elected officials when it has attempted to consolidate its processing operations and networks or close mail-processing facilities because of concerns about possible effects on service, employees, and communities. USPS recently announced that it will maintain existing retail locations, with modified operating hours. As a result of these issues, USPS has more space than it needs. Our recent work has also shown that USPS faces a deteriorating financial condition. For example, at the end of fiscal year 2011, the USPS had incurred a \$5.1-billion loss for the year, had \$2 billion remaining on its \$15-billion borrowing limit,²² and projects it will be unable to make its \$5.5 billion scheduled retiree health benefits payment to the federal government.²³ In addition, USPS was conceived as a financially self-sufficient entity, but its revenues do not cover costs at about 80 percent of its retail facilities.²⁴

²¹GAO, *U.S. Postal Service: Challenges Related to Restructuring the Postal Service's Retail Network*, [GAO-12-433](#) (Washington, D.C.: Apr. 17, 2012).

²²USPS is authorized to borrow \$3 billion annually and a maximum of \$15 billion. 39 U.S.C. § 2005(a). USPS borrows money from the U.S. Treasury via the Federal Financing Bank.

²³Originally due at the end of fiscal year 2011, USPS's \$5.5-billion retiree health benefit payment was delayed until August 1, 2012. Pub. L. No. 112-74 (Dec. 23, 2011).

²⁴According to the Postal Reorganization Act of 1970, "[p]ostal rates and fees shall provide sufficient revenue so that the total estimated income and appropriations to the Postal Service will equal as nearly as practicable total estimated costs of the Postal Service." Pub. L. No. 91-375, 84 Stat. 760 (Aug. 12, 1970) (formerly 39 U.S.C. § 3621). See also, *Payments on Unfunded Liability by the U.S. Postal Service to Civil Service Retirement Fund: Hearing Before the Committee on Post Office and Civil Service, United States Senate, on H.R. 29, 93rd Cong. 73-74* (statement by Post Office and Civil Service Committee Chairman Gale McGee).

Underutilized Owned Federal Space Exists, but Size, Location, and Condition Affect Colocation Potential

Underutilized Owned Space

The federal government owns facilities that are underutilized in locations where it also leases space for different purposes. This is particularly true for USPS, as declining mail volume and changes in operations have freed space in many owned facilities. While there are problems with using governmentwide data to identify underutilized space, as will be discussed later in this report, we observed underutilized space held by multiple federal entities in the case study markets we visited for this report. For example, in each case study market, we observed one or more cases of vacant or underutilized space in post offices, including both offices and space on the processing floor, that officials said could be re-configured and physically separated from USPS operations (see fig. 2.)

Figure 2: Examples of Vacant and Underutilized USPS Space



Vacant USPS offices (top) and underutilized spaces on the processing floor (bottom).
Source: GAO.

In some cases, spaces within these underutilized owned properties could be used by other government agencies. According to a recent report by the USPS Office of Inspector General (OIG) related to post office utilization, excess floor and retail window space exists nationwide that could be used by other government agencies or used to perform transactions on behalf of other government agencies.²⁵ The USPS OIG's office also conducted several regional studies examining excess USPS space and noted a correlation between space leased by GSA and the ability of USPS to significantly accommodate federal space needs. For example, one of those studies estimated that of the USPS districts

²⁵United States Postal Service, Office of Inspector General. *21st Century Post Office: Opportunities to Share Excess Resources – Management Advisory*, DA-MA-12-003 (Arlington, VA: Feb. 9, 2012.)

reviewed, USPS excess space may accommodate 147 of 175 (or 84 percent) of agencies' current federal leases, and noted that GSA paid considerably more per square foot than the value assigned to USPS space. However, the Inspector General (IG) did not determine whether the excess space identified was usable for sharing with other agencies, in part because USPS systems and policies do not identify usable areas, and noted that more information would be necessary to determine whether USPS's excess space would be suitable for another government tenant.

Space Size, Location, and Condition Affect Colocation Potential

We observed several attributes that could affect using underutilized space for colocation. These attributes included size, location, and condition, which would likely render some spaces more appropriate for sharing than others. Much of the underutilized space we observed was small—only several hundred to a few thousand square feet. We also observed underutilized space that was not contiguous. Both of these attributes could limit those spaces' suitability for effective colocation. Furthermore, underutilized space that we observed varied in terms of its location within facilities. For example, GSA and VA officials described having some space that is less desirable to potential tenants. Although we observed generally high occupancy in GSA's multi-agency federal buildings, GSA officials showed us some space they said is not easily leased because of its location, such as a first floor interior office bordering the building's maintenance hallways or windowless basement spaces, and noted that these extra spaces can remain in GSA buildings when an agency does not require the entirety of a vacant space. VA officials noted similar issues, in that empty or available space at its campuses is often located in buildings surrounded by other VA buildings, which can make it harder for outside parties to access and use.

Additionally, we observed underutilized space in a wide range of conditions, from rundown to newly renovated, which could also affect colocation options. GSA officials said that a variety of physical aspects of the space may factor into the desirability of the space for colocation, including ceiling height, support column size, lighting, and windows. For example, Figure 3 shows interior office space in a GSA-held federal building in downtown Dallas that GSA officials told us has been vacant for years, a vacancy that they attributed to the lack of natural light and the large support columns that make it difficult to place workstations.

Figure 3: GSA-Held Vacant Space in Dallas, Texas



Source: GAO.

Colocation Could Yield Service-Delivery Efficiency and Cost-Avoidance Benefits in Some Cases

Federal officials we spoke with indicated that colocation could result in improved government operations through increased efficiencies for service access or delivery to the public in some cases. For example, VA officials stated that their incentive for colocation is to expand veterans' medical care efficiently, and that sharing space with other agencies with similar missions, such as the U.S. Army, could help achieve that goal and avoid duplicating medical capacity. Moreover, according to a recent report by the USPS OIG, the Postal Service would benefit from sharing post office space with other government entities while generating revenue and increasing efficiency by expanding citizen access to government operations. For example, USPS currently has interagency agreements to provide non-postal government services, such as accepting passport applications and Selective Service registration forms. DHS officials discussed broadly how DHS is often collocated with USDA, the Drug Enforcement Administration (DEA) and the Federal Bureau of Investigation (FBI) because those agencies have complementary missions to certain DHS operations. These colocations take place in both

GSA-held and DHS-held space. While not inter-agency, Interior officials described how the agency has tried to colocate its various bureaus for the sake of agency synergies, especially since the public often does not distinguish among the roles of the bureaus. They noted that integrating services in space or function is a good practice that could occur across agencies. USDA officials also said that the colocation of the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) provided synergies because they are able to share databases and pass information more readily between the two entities.

Federal officials also said that, under certain circumstances, colocation could result in cost savings or avoidance for the federal government. For example, DHS officials described the department's examination of colocation opportunities within the department, and cited one case it studied where cost savings could result from productivity gains, reduced redundancy, and cost avoidance. USPS officials in multiple locations noted USPS would benefit from revenue from a federal agency tenant. For example, USPS could share underutilized floor and retail window space with other government agencies, generating revenue to offset some building costs. Additionally, GSA officials described the motivation to accomplish savings from consolidation and colocation as responsible asset stewardship.

While federal officials seemed to agree that colocation can produce efficiencies, data limitations, such as the lack of a national, multi-agency asset-management tool as discussed in the next section, make it difficult to estimate the financial and nonfinancial benefits from colocating federal agencies, because the quality of any estimate is a direct function of the input data. Moreover, colocation will not always be more cost-effective than leasing in the short run, particularly if the costs to reconfigure owned space are high. For example, DOD officials said that it cost \$20 million to renovate a vacant 70,000-square-foot warehouse within the Naval Support Facility in suburban north Philadelphia and move the Navy Human Resources Service Center there from leased commercial space. They estimated that the payback period for the move would exceed 30 years. Information on cost and service delivery improvements from colocations can help agencies decide whether to proceed with colocations and aid agencies in evaluating completed colocations. Generally, however, agencies lack the tools—such as a standardized approach for quantifying costs and benefits—to determine whether, and to what extent, colocations will generate or are generating intended savings or financial benefits, metrics that are key to helping agencies manage their resources. Moreover, some federal officials indicated that

quantitatively measuring the nonfinancial results of colocations, such as intergovernmental collaboration, was difficult to do because these are difficult concepts to monetize, as they can be subjective. We found that agencies generally lacked the tools to measure the costs and benefits of colocation efforts. Our work on capital decision making has shown that establishing an analytical framework for review, approval, and selection of projects; evaluating a project's results; and incorporating lessons learned into the decision-making process are all key principles and practices of such an effort.²⁶ Establishing a framework with a mixture of financial and nonfinancial benefits, such as service delivery improvements, allows entities to better evaluate performance.

Greater Inter-Agency Collaboration Could Mitigate Some Challenges to Colocation

Agency officials said that greater collaboration—through strategic partnerships among federal agencies targeted to meet specific needs and a formal local coordination mechanism—could mitigate some administrative, financial and data challenges to colocation. Agencies' varying real property-management authorities can create administrative challenges, which officials said could be addressed through a strategic partnership with GSA. Acquiring the needed up-front financing for repair or renovation remains challenging for agencies, although some agencies have secured up-front financing through partnerships with private entities. Agencies face challenges identifying colocation opportunities because of limitations with available data and the lack of a coordination mechanism. Officials from a few agencies suggested that structured local or regional coordination could best identify opportunities where the missions of various agencies could be "matched" to appropriate space because of local and regional federal officials' more detailed knowledge of local needs, conditions, and opportunities.

Administrative Challenges

Agencies have varying real property management authorities related to colocation, including the ability to share property and retain the proceeds, and this variation can create administrative challenges for agencies seeking to increase inter-agency colocation opportunities. For example, USPS can share its property with private or government entities and retain

²⁶GAO, *Executive Guide: Leading Practices in Capital Decision-Making*, [GAO/AIMD-99-32](#) (Washington, D.C.: Dec. 1998).

the proceeds,²⁷ but other agencies may not be able to do so.²⁸ DOE officials reported that the agency is allowed, under certain circumstances, to share government-owned real property, but it is not allowed to retain the proceeds, unless provided for in its annual appropriation. In addition, even if an agency has the authority to share real property, it may not be well-prepared to handle tasks such as setting lease rates and managing the financial arrangements for renovations. For example, GSA officials said some agencies do not know what rates to charge for the space they would share with other agencies. Moreover, Navy officials said agencies with the authority to share properties can face administrative challenges managing the many various sources of funds potentially needed should extensive renovations be necessary to bring properties up to usable condition.

Officials from six agencies as well as commercial real estate officials said that to overcome some of these administrative challenges and improve colocation efforts, agencies could address specific challenges through a strategic partnership with GSA. They said GSA has administrative structures and experiences that could benefit less-experienced agencies. For example, GSA, as the federal government's property manager, already possesses the capability to market and price properties and manage leases on a large scale. Our previous work on the Government Performance and Results Act (GPRA)²⁹ also supports the idea that strategic partnerships could be beneficial to overcoming these challenges. We have reported that cross-government agency collaboration can produce more public value than can be produced when agencies act alone.³⁰ Specifically, agencies can enhance and sustain

²⁷USPS is authorized to hold, maintain, sell, lease, or otherwise dispose of such property or any interest therein. 39 U.S.C. § 401(5). USPS is authorized to retain and use all revenues that it receives. 39 U.S.C. § 2401(a).

²⁸Appendix II provides more information on selected sharing and retention of proceeds authorities granted to the agencies we included in our review.

²⁹Both Congress and the executive branch have recognized the need for improved collaboration across the federal government. Accordingly, in January 2011 the almost two-decades-old Government Performance and Results Act of 1993 (GPRA) was updated with the GPRA Modernization Act of 2010 (GPRAMA). Pub. L. No. 111-352, 124 Stat. 3866 (2011). GPRAMA amends the Government Performance and Results Act of 1993, Pub. L. No. 103-62, 107 Stat. 285 (1993).

³⁰See GAO, *Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration among Federal Agencies*, [GAO-06-15](#) (Washington, D.C.: Oct. 21, 2005).

their collaborative efforts by engaging in a variety of practices³¹ such as establishing policies and procedures to operate across agency boundaries, by, for example, developing interagency handbooks that define common standards, policies, and procedures. During our review, officials from four agencies suggested that increased collaboration through some of these practices could help mitigate some of the administrative challenges of colocation. As a potential approach for these types of strategic partnerships, OMB officials described GSA's effort to work with selected agencies to develop strategic plans for future property needs and identify potential areas for consolidation.

USPS has some experience collaborating with other agencies on real property issues, and as it explores further options to better utilize excess space, strategic partnerships with other agencies, particularly GSA, could help USPS overcome administrative challenges that may be impeding colocation. A February 2012 USPS OIG report said USPS has experience with intergovernmental collaboration because it already shares space in federal buildings and conducts transactions for other federal entities.³² For example, the Mansfield, Ohio, federal building hosts a post office as well as offices of SSA, the Internal Revenue Service (IRS), and the U.S. Department of Labor. The report noted that because many postal facilities are near many GSA-leased properties, sharing space could potentially lower overall federal lease costs. The report recognized USPS's need to optimize its network through internal consolidations and closures, but said USPS could use its underutilized resources better through external collaboration. USPS management agreed with the OIG recommendation to develop and implement a strategy to address these findings.

³¹Such practices include (1) define and articulate a common outcome; (2) establish mutually reinforcing or joint strategies; (3) identify and address needs by leveraging resources; (4) agree on roles and responsibilities; (5) establish compatible policies, procedures, and other means to operate across agency boundaries; (6) develop mechanisms to monitor, evaluate, and report on results; (7) reinforce agency accountability for collaborative efforts through agency plans and reports; and (8) reinforce individual accountability for collaborative efforts through performance management systems. See [GAO-06-15](#).

³²United States Postal Service, Office of Inspector General. *21st Century Post Office: Opportunities to Share Excess Resources – Management Advisory*, DA-MA-12-003 (Arlington, VA: February 9, 2012.)

Financial Challenges

During our site visits, we found federally owned properties that could be made available for leasing; however, many of the spaces would need substantial repair or renovation, and acquiring the needed up-front financing remains challenging for agencies.³³ For example, we saw several USPS properties in which the available space required substantial renovation to replace old carpet, peeling paint, and outdated fixtures, and to repair water damage (see fig. 4). However, USPS's deteriorating financial condition may limit the costs it can incur to renovate its facilities prior to sharing them with other agencies.³⁴

Figure 4: Vacant USPS Space in Easton, Pennsylvania, Requiring Renovation



Upstairs offices in the Easton Main Post Office with walls, ceilings and floors damaged by water.
Source: GAO.

³³For capital projects, including substantial repairs and renovations, agencies must record budget authority for the full cost of an asset up front. Such up-front funding provides recognition for commitments that are embodied in budgetary decisions and maintains governmentwide fiscal control. However, providing budget authority for the large up-front costs of capital assets creates challenges in an era of resource constraints. See, GAO, *Budget Issues: Alternative Approaches to Finance Federal Capital*, [GAO-03-1011](#) (Washington, D.C.: Aug. 21, 2003).

³⁴See, for example, [GAO-12-433](#), [GAO-11-759T](#), and [GAO-11-278](#).

We also observed spaces that would need potentially costly specialized repairs or renovations. For example, some of the U.S. Navy properties we visited at the mixed-use Philadelphia Navy Yard (see fig. 5) would need asbestos abatement and water damage repair. Navy officials told us that the properties could be leased from the Navy by other government agencies, and that some agencies have made inquiries to do so. However, they said that the agencies were alarmed by the complexity and costs of repairs, which effectively ended any further consideration of the properties for colocation. Had any agencies pursued leasing the properties, Navy officials said they likely would lack sufficient up-front financing. In addition to general and specialized renovation costs, Navy officials said DOD Unified Facilities Criteria (UFC) requirements prescribe certain antiterrorism measures, such as blast-proof windows and security gates, which can further elevate the costs of renovations to DOD-owned buildings, both on and off-base.

Figure 5: Building 1 at the Philadelphia Navy Yard: Exterior, Interior Unfinished, Interior Finished



Source: GAO.

The up-front costs of renovations present a challenge to GSA that hinders its colocation efforts. GSA regional officials said that financing renovations is the most serious challenge they face in improving the utilization of their assets. Regional officials said they have considered acquiring vacant USPS facilities that could support colocation, but have been reluctant to do so in part because of the up-front cost of the extensive renovations needed to make the properties usable. As we have previously reported, in recent years budgeting and appropriations decisions, made by the executive branch and Congress, have limited the amount of resources made available from the Federal Buildings Fund to

GSA to fund real property operations, acquisition, and maintenance.³⁵ GSA headquarters officials told us that these limitations make it challenging for the agency to effectively manage its portfolio and result in delayed or cancelled projects.

In an era of resource constraints and competing priorities, some agencies have secured up-front financing through partnerships with private entities. Federal officials suggested that such strategic partnerships have helped agencies respond to financial challenges associated with renovations, although our previous work has shown this option generally adds expense. Both GSA and USPS cited previous IRS consolidations into underutilized USPS properties in Kansas City and Philadelphia that were arranged using private financing to overcome a lack of up-front federal funding. These arrangements involved multiple stakeholders and were large-scale, complex arrangements designed to replace outdated regional IRS offices (see fig. 6).³⁶ Private real estate development and GSA regional officials said that if GSA had access to up-front funding to renovate the building, the Philadelphia arrangement would not have been necessary, and the property could have remained in the federal inventory.³⁷ This outcome would have made redevelopment more cost-efficient for the government in the long-term, because as we have

³⁵GAO, *Federal Buildings Fund: Improved Transparency and Long-term Plan Needed to Clarify Capital Funding Priorities*, [GAO-12-646](#) (Washington, D.C.: Jul. 12, 2012).

³⁶In downtown Philadelphia, GSA had considered purchasing USPS' large, underutilized 30th St. Mail Processing and Distribution Center Station, but was dissuaded by the substantial cost of the renovation that would be needed for the building, which was constructed in 1935. Instead, in April 2007, USPS signed a deal with a private developer to renovate nearby facilities and, in August 2007, signed a memorandum of understanding with GSA for private redevelopment of the building into IRS offices. In September 2008, USPS moved its retail operations and distribution unit out of 30th St. into its new facilities. When the 30th St. renovation was complete, IRS moved into the property (see fig. 6). In exchange for financing the \$184-million renovation, the developer received all interest and rights from USPS for the 30th St. land, building, and a nearby 1,661-space parking garage, and until August 25, 2030, will receive lease payments from GSA, who in turn will receive rent from IRS.

³⁷The decision to lease rather than own space for federal operations is often influenced by factors other than cost-effectiveness, including budget issues. Federal budget-scoring rules require that budget authority for ownership options be recorded fully up front in the budget to appropriately reflect the government's commitment. For GSA operating leases, however, only the budget authority needed to cover the annual lease payments is required. This reduces the up-front funding commitment but generally costs the federal government more over time. See [GAO-11-879T](#).

reported, renovations financed by the private sector will generally cost more than those financed by Treasury borrowing.³⁸

Figure 6: The Former Downtown Philadelphia USPS Mail Processing and Distribution Center, Now IRS Offices



A private entity took title of and renovated the 1935 building, and now leases it back to the federal government.

Source: GAO.

Data Challenges

The only national-level, multi-agency real property database—the FRPP—was not designed to be an active asset management system.³⁹ As such, it does not possess the level of detail necessary to support the

³⁸See [GAO-03-1011](#).

³⁹The FRPP was designed to describe the nature, use, and extent of federal real property held by executive branch agencies, except when otherwise required for reasons of national security. Federal Real Property Asset Management, Exec. Order No. 13327, 69 Fed. Reg. 5897 (February 6, 2004).

identification of colocation opportunities. The FRPP can provide basic descriptive information about the government's federal property holdings, such as address, square footage and facility type; however, colocation decisions would require more data elements than would be practical to add to the FRPP. For example, the FRPP provides square footage information, but it does not provide information on orientation or use of space. We visited a DHS-held site where most of the facility was underground and much of the unoccupied space was used by environmental systems such as air filtration units and pumps that could not be removed. (See fig. 7.) The FRPP does not reveal that the facility is underground, nor does it convey the substantial challenges to reconfiguring the space. Similarly, we found that one building under renovation was characterized as "underutilized" in the FRPP. While not technically incorrect, characterizing this space as underutilized can be misleading because the simple utilization designation does not necessarily indicate if the space can be immediately occupied or used for colocation.

Figure 7: Examples of Federally Held Spaces Described in the FRPP



The FRPP does not capture when "underutilized" buildings are under renovation (left) or when spaces cannot be occupied, such as areas used for environmental systems at an underground facility (right).

Source: GAO.

As a result, local and regional federal officials are generally better positioned than headquarters officials to manage the colocation process because of their more detailed knowledge of local needs, conditions, and

opportunities. We found that detailed property knowledge necessary to facilitate colocations was concentrated at the regional and local levels, rather than at headquarters. When we asked for detailed information about specific properties, we were referred to local and regional federal officials, who were knowledgeable about specific sites and facilities. Some headquarters officials were familiar with attempts at colocation and could describe overall situations, but they were not the primary contacts for these efforts, nor could they readily describe the properties' attributes or local office needs. In general, local and regional federal officials said that they knew property details—such as space configuration, access routes, and parking availability—that would be important for facilitating colocations.⁴⁰ In addition, FRPC, which created the FRPP database, is a national, policy-oriented body. As such, the scope of FRPC's mission does not include managing the local-level negotiations that colocation would require.

The detailed property knowledge held by local federal officials is important for ensuring an appropriate match between the agency that owns the property and the agency that would lease space. Officials from many agencies reported that matching the location of available property to the mission and security needs of the agency searching for space is an important consideration; for example, DOE's need for isolated, remote sites as compared to VA's interest in sites readily accessible to veterans. However, officials noted that there are no universal requirements regarding their respective agencies' property needs—rather, the property needs vary across the country in response to mission needs. In some cases, agencies have operational requirements that would make colocation inappropriate if the potential tenant and potential lessor did not share the same mission needs. For example, USPS officials noted the Postal Service's need to keep mail secure and separate from potential tenant agencies or members of the public who may need to access the facility. Additionally, officials from DOD told us that in some circumstances their security requirements would make them ill-suited to share space with other agencies, such as when public access would be

⁴⁰Although some agencies possess databases with detailed property information, we found that local and regional federal officials still used their personal knowledge. For example, one GSA property manager told us that several specific rooms were better for storage than tenants because janitors used the access hallway to bring the entire building's trash to the dumpsters.

required. However, in instances where mission needs were similar, potential tenants might see enhanced security as desirable.

In other cases, an agency's mission may dictate the need for a specialized facility that could make colocation inappropriate. For example, USDA officials in a few regions told us that farmers often drove farm vehicles, including tractors, to Service Center locations and that in these cases, underground parking in a federal building would be problematic. In addition, we visited a leased Interior site that required a blacksmith and carpentry shop, cold storage for artifacts, and parking for large maintenance vehicles, such as wood-chippers and industrial mowers (see photos in fig. 8 below). An Interior official said that these needs would have to be taken into account to share space. None of these details are included in the FRPP, but local and regional officials from several agencies noted that they can speak readily on how mission needs and facility details may impact colocation.

Figure 8: Examples of Spaces Used by Interior at a Leased Site



Interior carpentry space to repair historic design elements of Park Service property (left), a cold storage locker (center), and one of Interior's maintenance vehicles stored on-site (right).

Source: GAO.

Officials from several agencies acknowledged that property knowledge is sometimes communicated informally. However, various officials noted that the lack of a systematic mechanism to share information hinders any efforts to collocate. Officials from a few agencies suggested that structured local or regional coordination could best identify opportunities where the missions of various agencies could be “matched” to appropriate space. Several local officials who showed us vacant federal spaces said there is currently no online or formal mechanism they can use to share vacancy details with officials from other agencies who might need space. A previous effort at local coordination—the Governmentwide

Real Property Information Sharing program (GRPIS)—experienced some success, according to GSA officials, which they attributed to connections made at the local level. The program was tasked with encouraging and facilitating the sharing of real property information among federal agencies, and it revolved around the formation of real property councils within major federal communities nationwide. GSA officials said that local councils were an effective method for sharing information. However, officials said the program became essentially inactive after responsibility for the program was transferred within GSA and local connections were lost.

Conclusions

Colocating federal agencies into government-owned space represents an opportunity to improve government operations while simultaneously addressing two of the federal government's long-standing real-property management challenges: reducing over-reliance on costly leasing and the presence of underutilized owned property. Our analysis of eight markets shows that there are underutilized owned properties near areas where the government also leases space for other purposes. However, colocations are far more complicated than just matching the square feet needed with the square feet available. Agencies' mission needs and building-specific issues that include security, condition, configuration, and use must align for the colocation to fully succeed. FRPC has coordinated federal real property actions for almost a decade at the national level, but detailed local knowledge of agency missions and facility needs combined with systematic communication channels are needed to match owners with compatible tenants.

Once matched, numerous capacity and administrative hurdles remain as challenges to successful colocation. GSA is the only agency that has a core mission of managing real property. Several landholding agencies lack the experience and administrative tools necessary to effectively market and manage their property as a landlord. Creating cross-agency relationships with GSA to assist in tasks such as setting rental rates, crafting lease documents, renovating space, and otherwise managing the property would improve consistency of approach and allow each agency to remain focused on its core mission.

Colocation is not always the right answer. We found that agencies can force relocations into ill-suited locations, pushing the financial breakeven point out decades into the future. Without the tools to measure the benefits and costs of colocation efforts or proposals, policy makers are unable to effectively weigh colocation as an option. Understanding the

financial costs and savings associated with colocation efforts, as well as the nature and extent of synergies and improved services, will allow agencies to better demonstrate that the benefits can be worth the costs of renovating and moving an agency out of privately leased space.

Recommendations for Executive Action

To promote colocation across agencies, the Director of the Office of Management and Budget (OMB) should work with the Federal Real Property Council (FRPC) and the U.S. Postal Service (USPS) to implement GAO's three recommendations:

- Establish a mechanism, which includes USPS, for local coordination in markets with large concentrations of federal agencies to identify, on a case by case basis, specific opportunities to share space and improve coordination of real property use across agencies.
- Develop strategic partnerships and a coordinated strategy with assigned roles and tasks between the General Services Administration (GSA) and other federal landholding agencies (USPS specifically) with less experience sharing real property.
- Develop and implement tools, along with supporting guidance, to measure, evaluate, and disseminate information on financial and nonfinancial benefits, such as service delivery improvements, from collocating federal agencies.

Agency Comments

We provided a draft of this report to OMB, GSA, USPS, VA, USDA, DOE, Interior, DHS, DOD, and IRS for review and comment. In commenting on a draft of this report, officials from OMB said that they agreed with the report's findings, conclusions, and recommendations and offered technical comments that we incorporated as appropriate. They said that OMB has little power over how USPS manages its real property assets. The officials also said that GSA has already started looking at consolidating tenant field operations within its portfolio, and suggested that the report clarify the role that we recommend GSA takes in facilitating consolidations. USPS agreed with the facts and findings in the report and provided comments regarding our recommendations. USPS's comments are contained in appendix III. GSA agreed with our recommendations and provided technical comments that we incorporated as appropriate. DHS and VA provided clarifying technical comments which we incorporated, where appropriate. VA's comments are contained in appendix IV. USDA, DOE, Interior, DHS, DOD, and IRS did not provide comments.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the Secretary of Agriculture, the Secretary of Defense, the Secretary of Energy, the Administrator of General Services, the Secretary of Homeland Security, the Secretary of the Interior, the Commissioner of Internal Revenue, the Director of the Office of Management and Budget, the Postmaster General, and the Secretary of Veterans Affairs. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you or your staff have any questions, please contact me at (202) 512-2834 or wised@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix V.

Sincerely yours,

A handwritten signature in black ink that reads "David J. Wise". The signature is written in a cursive, flowing style.

David J. Wise
Director, Physical Infrastructure Issues

Appendix I: Scope and Methodology

Our objective was to review the issues surrounding colocation—that is, moving federal operations from one stand-alone location to a federal location occupied by another entity.¹ To accomplish this, we addressed (1) if the potential for cross-agency colocation exists, what factors can affect that potential; (2) the potential benefits of colocation; and (3) the challenges associated with colocation, and what solutions, if any, can mitigate these challenges. During the course of our work we used the Federal Real Property Portfolio (FRPP), a government-wide database of owned and leased space, maintained by GSA on behalf of the Federal Real Property Council (FRPC). We recently reported that the FRPC has not followed sound data collection practices—related to data consistency, performance measures, collaboration, and data reporting—when collecting FRPP data, that would help them collect these data in a way that is sufficiently consistent and accurate to be useful making property management decisions.² We recommended that GSA develop a plan to improve the FRPP consistent with sound data collection practices. Nonetheless, we also reported that the FRPP can be used in a general sense to track assets. As such, for this report, we used FRPP data for the limited purposes of identifying agencies within our scope, selecting case study markets and summarizing agency-level statistics on owned and leased property.

We used the 2010 Federal Real Property Portfolio (FRPP) summary report and U.S. Postal Service property data to identify the agencies which hold the largest amounts of property. We then limited our scope to 8 of the top 10 agencies, which include the Departments of Agriculture (USDA), Defense (DOD), Energy (DOE), Homeland Security (DHS), the Interior (Interior), Veterans Affairs (VA), the General Services Administration (GSA), and the U.S. Postal Service (USPS).³

¹ For the purposes of this review, we focused on one aspect of colocation, defined as moving government operations from privately-owned leased spaces to spaces owned by the federal government. Although colocation can also be used to describe agencies sharing space leased from the private sector, that interpretation is not used for this report.

²GAO, *Federal Real Property: Improved Data and a National Strategy Needed to Address the Excess and Underutilized Property Problem*, [GAO-12-645](#) (Washington, D.C.: June 20, 2012).

³We did not include the Department of Justice (DOJ) or the Department of State (State) in our scope because some of their holdings were notably inappropriate for colocation, including State's international holdings and DOJ's prisons.

To determine the factors that can affect cross-agency consolidation, we analyzed detailed data and interviewed agency officials about the property holdings in 8 specific U.S. markets: Allentown PA, Cleveland OH, Dallas TX, Kansas City KS, Kerrville TX, Philadelphia PA, San Antonio TX, and Waco TX. To select these areas and provide nationwide statistics on owned and leased facilities, we analyzed basic inventory data, including location, occupant, size, owned/leased data from the FRPP for the 7 agencies in our scope that are represented in the FRPP. USPS, which is not represented in the FRPP, provided data from its internal systems. While case studies are not generalizable, we selected diverse markets in terms of market size, geographic region, owned and leased federal properties, and agencies present. Although we used GSA-defined markets as a guideline, to better reflect the interests of this review we delineated markets by using an estimated 60-minute commute radius, and selected the borders based on professional judgment (for example, in more rural areas, following the direction of development.) We identified the primary cities of large and medium markets using GSA data, and then selected small markets within driving distance of a large or medium-sized market in order to facilitate travel.

Because there are no reliable real property cost and benefit data, we primarily relied on interviews with federal agency officials at the national, regional, and local levels to determine the potential benefits of colocation. We focused on benefits that were mentioned by officials from more than one agency and more than one market. We also reviewed relevant GAO and other reports and documents, including USPS Office of Inspector General reports, and laws, regulations, and guidance.

To determine the challenges associated with colocation and what solutions, if any, could mitigate these challenges, we visited facilities that were both owned and leased, with a particular emphasis on owned offices and warehouses that were categorized as underutilized.⁴ We did not include properties categorized as inactive, excess, or disposed in our scope, and we did not include land. Using this information, we conducted an analysis to identify key challenges that agencies face when making property decisions and the options, if any, for mitigating those challenges.

⁴During site visits we excluded DOD properties that agency officials identified as being on secure military installations, as these properties are subject to the Base Realignment and Closure Act (BRAC), and have greater security requirements than average federal buildings.

We also interviewed agency officials at the national, regional, and local level, and reviewed documentation provided to us regarding specific properties. We did not examine any screenings for other potential uses of real property, such as use for the homeless or public benefit. To determine which challenges were the most pressing, we only included challenges which were raised in more than one market and by more than one agency.

We conducted this performance audit from July 2011 through July 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Selected Leasing and Retention of Proceeds Authorities for In-Scope Agencies

This list is not intended to be inclusive of all of an agency's real property authorities; there may be other authorities not included below that may authorize colocation.

Agency	Relevant statute and description of authority
Agriculture (USDA)	<p><i>Enhanced Use Lease Authority Pilot Program</i> <i>7 U.S.C. § 3125a note</i></p> <p>The Secretary of Agriculture is authorized to establish a pilot program and lease nonexcess real property at the Beltsville Agricultural Research Center and the National Agricultural Library to any individual or entity, including agencies or instrumentalities of State or local governments, if the Secretary determines that the lease is consistent with, and will not adversely affect, the mission of the agency administering the property; will enhance the use of the property; will not permit any portion of the property or facility to be used for the public retail or wholesale sale of merchandise or residential development; will not permit the construction or modification of facilities financed by nonfederal sources to be used by an agency, except for incidental use; and will not include any property or facility required for any agency purpose without prior consideration of the needs of the agency. Consideration for any lease shall be for fair market value and for cash. The Secretary is authorized to enter into leases until June 18, 2013, and the term of the lease shall not exceed 30 years.^a</p> <p><i>Retention of Proceeds/Enhanced Use Lease Authority Pilot Program</i> <i>7 U.S.C. § 3125a note</i></p> <p>Consideration for leases shall be deposited in a capital asset account, which is available until expended, without further appropriation, for maintenance, capital revitalization, and improvements to the department's properties and facilities at the Beltsville Agricultural Research Center and the National Agricultural Library.</p>
Defense (DOD) ^b	<p><i>Leases of Non-Excess Property of Military Departments</i> <i>10 U.S.C. § 2667</i></p> <p>The Secretary of a military department is authorized to lease nonexcess real property under the control of the department that is not needed for public use if the Secretary considers the lease to be advantageous to the United States and upon such terms that will promote the national defense or be in the public interest. The term of the lease may not be more than 5 years, unless the Secretary determines the term should be longer to promote the national defense or to be in the public interest. Lease payments shall be in cash or in-kind consideration for an amount not less than fair market value. In-kind consideration includes maintenance, protection, alteration, repair, or environmental restoration of property or facilities; construction of new facilities; providing facilities; or providing or paying for utility services.</p> <p><i>Retention of Proceeds/Leases of Non-Excess Property of Military Departments</i> <i>10 U.S.C. § 2667</i></p> <p>Proceeds from leases of a military department are deposited into a special account in the Treasury and are available to the Secretary of that military department for such activities as maintenance, protection, alteration, or environmental restoration of property or facilities; construction of new facilities; lease of facilities; or payment of utility services. At least 50 percent of the proceeds received shall be available for activities at the military installations where the proceeds are derived. Prior to fiscal year 2005, any amounts deposited in a special account from the disposition of property were only available as provided in an</p>

**Appendix II: Selected Leasing and Retention of
Proceeds Authorities for In-Scope Agencies**

Agency	Relevant statute and description of authority
	<p>appropriation act. Beginning in fiscal year 2005, any amounts deposited into a special account from the disposition of property are appropriated and available for obligation or available to the Secretary without additional congressional action.^c</p> <p><i>Conveyance or Lease of Existing Property and Facilities</i> <i>10 U.S.C. § 2878</i></p> <p>The Secretary concerned is authorized to convey or lease property or facilities, including ancillary supporting facilities to eligible entities at such consideration the Secretary concerned considers appropriate for the purposes of the alternative authority for acquisition and improvement of military housing and to protect the interests of the United States.^d</p> <p><i>Retention of Proceeds/Conveyance or Lease of Existing Property and Facilities</i> <i>10 U.S.C. § 2883</i></p> <p>Proceeds from the conveyance or lease of property or facilities under 10 U.S.C. § 2878 shall be credited to the Department of Defense Housing Improvement Funds. Proceeds may be used to carry out activities with respect to the alternative authority for the acquisition and improvement of military housing, including activities required in connection with the planning, execution, and administration of contracts subject to such amounts as provided in appropriation acts.</p>
Energy (DOE)	<p><i>Leasing of Property</i> <i>42 U.S.C. § 7256</i></p> <p>The Secretary of Energy is authorized to lease acquired real property located at a DOE facility that is to be closed or reconfigured and is not needed by DOE at the time the lease is entered into if the Secretary considers the lease to be appropriate to promote national security or is in the public interest. The term of the lease may be up to 10 years, with an option to renew the lease for another 10 years, if the Secretary determines that a renewal of the lease will promote national security or be in the public interest. Lease payments may be in cash or in-kind consideration and may be for an amount less than fair market value. In kind consideration may include services relating to the protection and maintenance of the leased property.</p> <p><i>Retention of Proceeds/Leasing of Property</i> <i>42 U.S.C. § 7256</i></p> <p>To the extent provided in advance in appropriations acts, the Secretary is authorized to use the funds received as rents to cover administrative expenses of the lease, maintenance and repair of the leased property, or environmental restoration activities at the facility where the leased property is located.</p>
General Services Administration (GSA)	<p><i>Disposition of Real Property</i> <i>40 U.S.C. § 543</i></p> <p>The Administrator of GSA is authorized to dispose of surplus real property by sale, exchange, lease, permit, or transfer for cash, credit, or other property.</p> <p><i>Conveyance of Property Consolidated Appropriations Act of 2005, Pub. L. No. 108-447, §412, 118 Stat. 2809, 3259 (2004)</i></p> <p>The Administrator of GSA, notwithstanding any other provision of law, is authorized to convey by sale, lease, exchange, or otherwise, including through leaseback arrangements, real and related personal property, or interests therein.</p>

**Appendix II: Selected Leasing and Retention of
Proceeds Authorities for In-Scope Agencies**

Agency	Relevant statute and description of authority
Homeland Security (DHS/U.S. Coast Guard)	<p data-bbox="542 464 1484 516"><i>Retention of Proceeds/Conveyance of Property Consolidated Appropriations Act of 2005, Pub. L. No. 108-447, § 412, 118 Stat. 2809, 3259 (2004)</i></p> <p data-bbox="542 525 1511 604">Net proceeds from the disposition of real property are deposited in GSA's Federal Buildings Fund (FBF) and are used for GSA real property capital needs to the extent provided in appropriations acts.</p>
Interior (DOI)	<p data-bbox="542 615 1135 674"><i>General Powers of the Commandant, U.S. Coast Guard</i> 14 U.S.C. § 93(a)(13)</p> <p data-bbox="542 682 1511 789">The U.S. Coast Guard may rent or lease real property, not required for immediate use, for a period not exceeding 5 years. Payments received from the rental or lease, less amount of expenses incurred (exclusive of governmental personal services), to be deposited in the Treasury.</p> <hr/> <p data-bbox="542 804 964 863"><i>Leases for National Park System (NPS)</i> 16 U.S.C. § 1a-2(k)(1)-(4)</p> <p data-bbox="542 871 1520 1031">Interior is authorized to enter into a lease with any person or governmental entity for the use of buildings and associated property administered by the Secretary as part of the National Park System. Leases shall be for fair market value rental. Buildings and associated property leased shall be used for an activity that is consistent with the purposes established by law for the unit in which the building is located; shall not result in degradation of the purposes and values of the unit; and shall be compatible with National Park Service programs.</p> <p data-bbox="542 1073 954 1131"><i>Retention of Proceeds/Leases for NPS</i> 16 U.S.C. § 1a-2(k)(5)</p> <p data-bbox="542 1140 1520 1274">Rental payments must be deposited into a special Treasury account where the availability of funds is not subject to an appropriation act. Funds are available for infrastructure needs such as facility refurbishment, repair and replacement, infrastructure projects associated with park resource protection, and direct maintenance of the leased buildings and associated properties.</p> <p data-bbox="542 1316 928 1375"><i>Leases for Housing NPS employees</i> 16 U.S.C. § 17o</p> <p data-bbox="542 1383 1520 1493">Interior is authorized where necessary and justified to make available employee housing, on or off the lands under the administrative jurisdiction of the National Park Service, and to rent or lease such housing to field employees of the National Park Service at rates based on the reasonable value of the housing.</p> <p data-bbox="542 1535 846 1593"><i>Housing for NPS employees</i> 16 U.S.C. § 17o</p> <p data-bbox="542 1602 1520 1682">Subject to the appropriation of necessary funds in advance, Interior is authorized to lease federal lands and interests in land to qualified persons for up to 50 years for the construction of field employee quarters.</p> <p data-bbox="542 1724 818 1782"><i>Presidio of San Francisco</i> 16 U.S.C. § 460bb note</p> <p data-bbox="542 1791 1520 1894">The Presidio Trust is authorized to enter into leases with any person, firm, association, organization, corporation or governmental entity necessary to carry out its authorized activities. The Presidio Trust is authorized to establish procedures for lease agreements for the use and occupancy of Presidio facilities. The National Park Service or any other Federal</p>

**Appendix II: Selected Leasing and Retention of
Proceeds Authorities for In-Scope Agencies**

Agency	Relevant statute and description of authority
Postal Service (USPS)	<p>agency is authorized to enter into leases with the Presidio Trust which are necessary and appropriate.</p> <p><i>USPS Real Property Authorities</i> 39 U.S.C. § 401(5) The Postal Service is authorized to acquire in any legal manner, real property or any interest therein, as it deems necessary or convenient in the transaction of its business and to hold, maintain, sell, lease, or otherwise dispose of such property or any interest therein.</p> <p><i>USPS Real Property Authorities</i> 39 U.S.C. § 401(6) The Postal Service is authorized to construct, operate, lease, and maintain buildings, facilities, or equipment, and to make other improvements on any property owned or controlled by it.</p> <p><i>USPS Retention of Proceeds/Real Property Authorities</i> 39 U.S.C. §§ 2003, 2401 Proceeds are deposited into the Postal Service Fund and remain available to the Postal Service without fiscal year limitation to carry out the purposes, functions, and powers of the Postal Service. All revenues received by the Postal Service are appropriated to the Postal Service and are available without additional congressional action.</p>
Veterans Affairs (VA)	<p><i>VA Transfer Authority – Capital Asset Fund</i> 38 U.S.C. § 8118 The Secretary of VA is authorized to transfer real property under VA’s control or custody to another department or agency of the United States, to a state or political subdivision of a state, or to any public or private entity, including an Indian tribe until December 31, 2018. The property must be transferred for fair market value, unless it is transferred to a homeless provider. Property under this authority cannot be disposed of until the Secretary determines that the property is no longer needed by the department in carrying out its functions and is not suitable for use for the provision of services to homeless veterans by the department under the McKinney-Vento Act.</p> <p><i>Authority to Outlease</i> 38 U.S.C. § 8122 The Secretary may lease for a term not exceeding 3 years lands or buildings, or parts or parcels thereof, belonging to the United States and under the Secretary’s control. A lease made to any public or nonprofit organization may provide for the maintenance, protection, or restoration, by the lessee, of the property leased, as a part or all of the consideration for the lease. Prior to the execution of any such lease, the Secretary shall give appropriate public notice of the Secretary’s intention to do so in the newspaper of the community in which the lands or buildings to be leased are located. The proceeds from such leases (less expenses for maintenance, operation, and repair of buildings leased for living quarters) shall be turned over to the Treasury of the United States as miscellaneous receipts.</p> <p><i>Retention of Proceeds/Transfer Authority</i> 38 U.S.C. § 8118 Proceeds from the transfer of real property are deposited into the VA Capital Asset Fund and, to the extent provided in advance in appropriations acts, may be used for property</p>

**Appendix II: Selected Leasing and Retention of
Proceeds Authorities for In-Scope Agencies**

Agency	Relevant statute and description of authority
	transfer costs such as demolition, environmental remediation, and maintenance and repair; costs associated with future transfers of property under this authority; costs associated with enhancing medical care services to veterans by improving, renovating, replacing, updating, or establishing patient care facilities through minor construction projects; and costs associated with the transfer or adaptive use of property that is under the Secretary's jurisdiction and listed on the National Register of Historic Places.

Source: GAO analysis

^aThis pilot program was enacted in the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, § 7409, 112 Stat. 1651, 2014-2016 (2008).

^bOur review of DOD did not include real property at a military installation designated for closure or realignment under a base closure law. Therefore, for purposes of this appendix we have excluded DOD authorities relating to base closure or realignment. Additionally, while some authorities in this enclosure, such as 10 U.S.C. § 2667, contain subsections relating to base closure and realignment, for purposes of this enclosure we are referring to the other subsections of the statute.

^cDepartment of Defense Appropriations Act for Fiscal Year 2005, Pub. L. No. 108-287, § 8034, 118 Stat. 951, 978 (2004).

^dThis authority does not apply to property or facilities located on or near a military installation approved for closure under a base closure law. See 10 U.S.C. § 2878(b).

Appendix III: Comments from the U.S. Postal Service

TOM A. SAMRA
VICE PRESIDENT, FACILITIES



July 12, 2012

Mr. Keith Cunningham
Assistant Director
GAO
441 G Street, NW
Washington, DC 20548

Dear Mr. Cunningham:

Thank you for the opportunity to review the draft report entitled *Strategic Partnerships and Local Coordination Could Help Agencies Better Utilize Space* (GAO-12-779). As previously indicated, we are in agreement with the factual statements and findings contained in the report. However, with respect to the three recommendations for Executive Action, we have some concerns as follows:

- 1) Recommendation calling for inclusion of USPS in local coordination efforts: USPS does not object to the concept of sharing space and will consider co-locating with other federal agencies. USPS prefers, however, that this be carried out on a case-by-case basis. Please note that USPS has implemented a proactive program to review and take steps necessary to consolidate and right-size space needs, as well as, to determine how to best utilize any resulting excess space. In situations where USPS has identified underutilized space, we are actively and aggressively pursuing third party tenants where deemed appropriate by engaging CBRE, a National Real Estate Services Provider. Such space is being marketed to generate revenue and reduce overall expense. While USPS can agree to make other federal agencies aware of available excess space, at this time based on the USPS' ongoing financial challenges and consolidation efforts, USPS ultimately needs the flexibility to lease excess space to a tenant, either private 3rd party or federal agency, that provides the most synergistic and financial benefits to USPS.
- 2) Recommendation to develop strategic partnerships with assigned roles and tasks: USPS does not object to the concept of developing strategic partnerships and has actively pursued opportunities with GSA where deemed to be mutually beneficial. Oftentimes, however, the cost involved to make the space conform to GSA standards is prohibitive and suggests that moving forward with a strategic partnership will be challenging.
- 3) Recommendation to develop and implement tools: USPS does not have the financial or the human resources to develop and implement tools to measure and evaluate and disseminate information on non-financial benefits from co-locating federal agencies.

In conclusion, USPS needs to maintain flexibility during these extreme times of uncertainty. While USPS has every intention of cooperating with the spirit of GAO's initiatives outlined in the report, USPS must ultimately be able to make decisions based on the best value and best result for USPS.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom A. Samra".

Tom A. Samra

Cc: Janie Bjork

Appendix IV: Comments from the Department of Veterans Affairs



DEPARTMENT OF VETERANS AFFAIRS
Washington DC 20420

July 11, 2012

Mr. David J. Wise
Director, Physical Infrastructure Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Wise:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office's (GAO) draft report, "**FEDERAL REAL PROPERTY: Strategic Partnerships and Local Coordination Could Help Agencies Better Utilize Space**" (GAO-12-779) and offers the enclosed comments.

VA appreciates the opportunity to comment on your draft report.

Sincerely,


John R. Gingrich
Chief of Staff

Enclosure

Enclosure

Department of Veterans Affairs (VA) Comments to
Government Accountability Office (GAO) Draft Report:
***"FEDERAL REAL PROPERTY: Strategic Partnerships and Local Coordination
Could Help Agencies Better Utilize Space"***
(GAO-12-779)

General Comments:

Page 9, Paragraph 1, Line 6: GAO states "Furthermore, underutilized space that we observed varied in terms of its location within facilities. For example, GSA and VA officials described having some space that is less desirable to tenants." Later in the paragraph GAO states "VA officials noted similar issues, in that empty or available space at its campuses is often located in buildings surrounded by other VA buildings, which can make it harder for outside parties to access and use."

Page 9, Paragraph 2, Line 1: GAO states "Additionally, we observed underutilized space in a wide range of conditions."

VA Comment: VA has made significant progress in reducing its inventory of excess or underutilized assets through reuse or disposal. However, as GAO has noted, there are challenges that frequently must be considered and overcome before disposals or reuses (including sharing of space) can occur. Much of VA's inventory is over 50 years old, with an average building age of 57 years. Thus, many of the buildings are designated as historic. In addition to the age of the inventory, many of these assets are in poor condition, and are located on large medical center campuses, with limited access to the general public. These are factors that must be considered when determining the appropriate use or disposal of the asset. The ability to sell, share, or repurpose assets, as well as the ability to demolish assets in some cases, can be significantly impacted by these factors. VA fully supports the sharing of assets where appropriate and we appreciate GAO's recognition of the challenges VA and many other agencies face in doing so.

Page 10, Paragraph 1, Line 3: GAO states "For example, VA officials stated that their incentive for co-location is to expand veterans' medical care efficiently, and that sharing space with other agencies with similar missions, such as the U.S. Army, could help achieve that goal and avoid duplicating medical capacity."

VA Comment: VA is currently operating a joint VA-Navy facility in North Chicago, Illinois, as an example of co-location with agencies with similar missions. In addition, through our Strategic Capital Investment Planning (SCIP) process, we are reviewing opportunities for additional DoD collaboration in the future.

1

Enclosure

Department of Veterans Affairs (VA) Comments to
Government Accountability Office (GAO) Draft Report:
***"FEDERAL REAL PROPERTY: Strategic Partnerships and Local Coordination
Could Help Agencies Better Utilize Space"***
(GAO-12-779)

Page 16, Paragraph 2, Line 1: GAO states "In an era of resource constraints and competing priorities, some agencies have secured upfront financing through partnerships with private entities."

VA Comment: As a part of its overall strategy to better manage vacant and underutilized property, VA has used this approach through its now-expired Enhanced-Use Leasing (EUL) authority. By repurposing vacant and underutilized assets using this now-expired authority, VA was able to outlease underutilized or vacant land and thereby obtain housing options, enhanced services, and improved operations, in addition to reducing VA's operating costs of these underutilized and vacant assets. The EUL authority served as a valuable and necessary tool to continue maximizing the use of our real property assets, and VA remains committed to working with the Administration and Congress on re-authorization of this authority (or similar authority).

As a result of the EUL program, Veterans have enjoyed access to an expanded range of services— services that would not otherwise be available on medical center campuses. The EUL program has also allowed the elimination of operation and maintenance costs associated with the vacant and underutilized buildings and land that have been outleased via EUL. One prominent example of these expanded services is helping VA further its goal of eliminating Veteran homelessness by 2015. VA used its EUL authority to develop housing projects that included both transitional and permanent supportive housing for Veterans who are homeless or at risk of homelessness. Other housing projects include independent and assisted living for senior, disabled, and returning Veterans.

This type of authority offers a win-win situation for VA, Veterans, taxpayers, and the local community. It is certainly possible this type of win-win situation can be replicated using a multi agency approach for repurposing.

Page 29, Section on VA Authorities: GAO lists three VA authorities related to leasing, VA Transfer Authority – Capital Asset Fund, Authority to Outlease, and Retention of Proceeds/Transfer Authority.

VA Comment: While these are valid VA authorities related to leasing, the focus of the report is on sharing space within the federal government. Since all federal agencies are part of the USG, they would not lease space to one another. Permits, revocable licenses, and VA enhanced sharing agreements (38 USC 8151-8153) are the vehicles that VA presumably would use to grant use of space rights to other federal agencies.

2

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

David J. Wise, (202) 512-2834 or wised@gao.gov.

Staff Acknowledgments

In addition to the contact named above, Keith Cunningham (Assistant Director); Jessica A. Evans; Colin Fallon; Gary Guggolz; Alison Hoenk; Hannah Laufe; SaraAnn Moessbauer; Joshua Ormond; Susan Sachs; and Crystal Wesco made key contributions to this report.

Related GAO Products

Federal Real Property: National Strategy and Better Data Needed to Improve Management of Excess and Underutilized Property. [GAO-12-645](#). Washington, D.C.: June 20, 2012.

Federal Buildings Fund: Improved Transparency and Long-term Plan Needed to Clarify Capital Funding Priorities. [GAO-12-646](#). Washington, D.C.: July 12, 2012.

U.S. Postal Service: Postal Service: Challenges Related to Restructuring the Postal Service's Retail Network. [GAO-12-433](#). Washington, D.C.: April 17, 2012.

Decennial Census: Census Bureau and Postal Service Should Pursue Opportunities to Further Enhance Collaboration. [GAO-11-874](#). Washington, D.C.: September 30, 2011.

Federal Real Property: Overreliance on Leasing Contributed to High-Risk Designation. [GAO-11-879T](#). Washington, D.C.: August 4, 2011.

Federal Real Property: Proposed Civilian Board Could Address Disposal of Unneeded Facilities. [GAO-11-704T](#). Washington, D.C.: June 9, 2011.

Federal Real Property: Progress Made on Planning and Data, but Unneeded Owned and Leased Facilities Remain. [GAO-11-520T](#). Washington, D.C.: April 6, 2011.

High-Risk Series: An Update. [GAO-11-278](#). Washington, D.C.: Feb. 16, 2011.

VA Real Property: VA Emphasizes Enhanced-Use Leases to Manage Its Real Property Portfolio. [GAO-09-776T](#). Washington, D.C.: June 10, 2009

Federal Real Property: Authorities and Actions Regarding Enhanced Use Leases and Sale of Unneeded Real Property. [GAO-09-283R](#). Washington, D.C.: February 17, 2009.

Federal Real Property: Strategy Needed to Address Agencies' Long-standing Reliance on Costly Leasing. [GAO-08-197](#). Washington, D.C.: January 24, 2008.

Federal Real Property: Progress Made Toward Addressing Problems, but Underlying Obstacles Continue to Hamper Reform. [GAO-07-349](#). Washington, D.C.: April 13, 2007.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (www.gao.gov). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to www.gao.gov and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#). Subscribe to our [RSS Feeds](#) or [E-mail Updates](#). Listen to our [Podcasts](#). Visit GAO on the web at www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Website: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Katherine Siggerud, Managing Director, siggerudk@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800 U.S. Government Accountability Office, 441 G Street NW, Room 7149 Washington, DC 20548

