

EDO Principal Correspondence Control

FROM: DUE: / / EDO CONTROL: G20110332
DOC DT: 05/04/11
FINAL REPLY:

Jacob J. Lew, OMB

TO:

Agency Heads

FOR SIGNATURE OF : ** GRN ** CRC NO: 11-0268

DESC:

Realignment of Federal Real Estate
(EDATS: SECY-2011-0280)

ROUTING:

Borchardt
Weber
Virgilio
Ash
Muessle
OGC/GC
Cohen, HR
Burns, OGC
Dyer, CFO
Davis, OEDO

DATE: 05/06/11

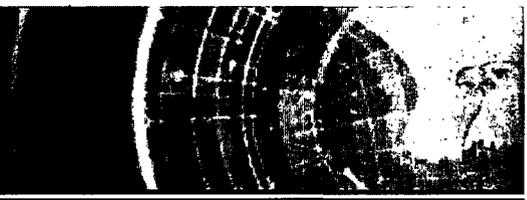
ASSIGNED TO: CONTACT:
ADM Greene

SPECIAL INSTRUCTIONS OR REMARKS:

For Appropriate Action.

EDATS

Electronic Document and Action Tracking System



EDATS Number: SECY-2011-0280

Source: SECY

General Information

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OEDO Due Date: NONE

Other Assignees:

SECY Due Date: NONE

Subject: Realignment of Federal Real Estate

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CC Routing: HR; OGC; CFO

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Response/Package: NONE

Other Information

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Agency Lesson Learned: NO

OEDO Monthly Report Item: NO

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Sensitivity: None

Approval Level: No Approval Required

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OEDO Concurrence: NO

OCM Concurrence: NO

OCA Concurrence: NO

Special Instructions: For Appropriate Action.

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AUTHOR: Jacob Lew
AFFILIATION: OMB
ADDRESSEE: Heads of Exe Depts
SUBJECT: Realignment of Federal Real Estate

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SPECIAL HANDLING: EDO/CFO

NOTES:
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EDO --G20110332



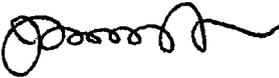
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

May 4, 2011

M-11-22

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Jacob J. Lew
Director 

SUBJECT: Realignment of Federal Real Estate

The President is committed to changing how the government works and to making sure that government lives within our means and is smarter, more effective, and more efficient. In his State of the Union address, the President stated, "We can't win the future with a government of the past." To follow the President's leadership and bring our government into the 21st century, we are taking bold steps to transform the way we manage Federal real estate. The purpose of this memorandum is to inform agencies of the establishment of a new committee that will identify opportunities for improving the Federal government's management of real property as part of that work.

On June 10, 2010, the President issued a memorandum on "Disposing of Unneeded Federal Real Estate," that directed agencies to scrutinize and eliminate excess real property. Agencies have been working aggressively with the Office of Management and Budget (OMB) to meet a goal of \$3 billion of cost-savings on civilian real property by the end of Fiscal Year (FY) 2012. In addition to this memorandum, the Administration has introduced other initiatives that will impact the Federal Government's real estate footprint, including Executive Order 13514, which establishes an integrated strategy toward sustainability in the Federal Government, and the Telework Enhancement Act of 2010.

Most recently, in his FY 2012 Budget, the President introduced a transformative proposal to significantly reduce and realign our Federal civilian real property inventory. The proposal will cut bureaucratic red tape, resolve longstanding competing stakeholder interests, and help address the financial challenges that hinder efforts to realign and consolidate Federal real property. The President's aggressive reform proposal requires Congressional approval. Therefore, to continue to make progress on cutting waste and achieving savings by disposing of unneeded Federal real estate until Congress acts, a new Real Property Advisory Committee (Committee) is hereby established, and shall continue in operation until the end of FY 2015.

The Committee will consist of three Senior Real Property Officers and four Chief Financial Officers from major agencies. The Committee members will be selected by the OMB Controller. The Committee will work closely with the OMB Controller and the Administrator of the General Services Administration to identify short- and long-term opportunities to realign and

consolidate the real property inventory by looking across agency portfolios and multiple government-wide initiatives that impact our real estate needs. The Committee will make recommendations to OMB on strategies to better align real estate with agencies' missions, as well as provide recommendations to agencies on how to advance, continue, and further develop the real property management programs they are already undertaking. The Committee's work will also yield valuable research and analytics to ensure the efficient launch of the President's FY 2012 Budget proposal to resolve longstanding barriers to real property management.

The Committee will operate under the following guiding principles:

- ***Spending on inefficient real property is no longer an option.*** Improving the management of our owned property inventory could yield billions in disposal proceeds and reduced costs. Likewise, millions in cost-avoidance could be achieved by reducing the size of the leased portfolio by utilizing consolidation, co-location, and alternative work schedule strategies.
- ***New technologies have changed how we do our work.*** As a result of the Telework Enhancement Act and in response to Administration policy, more Federal workers will be able to tap mobile technologies to work from any location to improve productivity, assure continuity of operations, and respond to the changing needs of the workforce. This creates very different requirements for the Federal work space. Learning from private sector workforce practices, some agencies are testing "hoteling" stations with laptop hookups to double and triple the number of workers in a work space. The internet is also changing expectations for Federal service delivery to consumers and clients. Excellent service delivery does not always necessitate a physical space.
- ***Better management of real property helps achieve sustainability goals.*** Reducing the amount of space needed for workers and reducing Federal workers' commute times can make a significant positive impact on the government's stewardship of the environment.

The success of the Committee and its mission will require agencies' cooperation. In particular, we expect that agencies will be open and forthcoming with their data, analyses, and management approaches for their real property. Agencies should also consider providing employees on detail to work with the Committee in executing its mission. For its part, we expect that the Committee will operate impartially and with due consideration to agency concerns and challenges.

We look forward to continuing working with the agencies and the new Committee in achieving our mutual goals. If you have any questions regarding this memorandum, please contact Dana James at dmjames@omb.eop.gov or 202-395-7480.