Selected Agencies Plan to Use Workforce Mobility to Reduce Space, but Most Efforts Are Too New to Have Realized Savings
Why GAO Did This Study

New technologies and the adoption of alternative work arrangements have increasingly enabled employees to perform some aspects of their work outside of the traditional office environment. As requested, GAO examined how aspects of mobility have affected agencies’ space needs. This report identifies (1) actions selected agencies have taken as a result of increased workforce mobility to reduce their space needs; (2) the assistance GSA provides federal agencies that are exploring reducing their space needs, at least partly in response to increased workforce mobility; and (3) factors selected agencies and private sector organizations viewed as important to achieving space efficiencies in an environment of increased workforce mobility. GAO focused its review on five agencies: GSA, the Department of Agriculture, the Internal Revenue Service, the Department of Commerce’s USPTO, and the Department of Justice’s Bureau of Alcohol, Tobacco, Firearms and Explosives. Altogether, these five agencies reported holding or leasing more than 400-million square feet of office space in fiscal year 2011. GAO reviewed agency-specific guidance and other documents related to space planning and conducted interviews with key officials from the selected agencies. GAO also interviewed representatives from five private sector organizations to obtain their perspectives on how the private sector plans for its future space needs.

What GAO Found

The five selected agencies GAO reviewed are either exploring or taking actions such as increasing “telework” participation and implementing a “hotel” program—which means that employees give up their individual, permanent space and use shared, nonpermanent workspaces when they are in the office—to reduce their space needs. For example, as part of its headquarters renovation, the General Services Administration (GSA) is making use of open, collaborative work environments and implementing a hoteling program for all employees. In addition, the Department of Agriculture set agency-wide goals for increasing the number of its employees with approved telework agreements as well as its overall telework participation rates for fiscal year 2013. The U.S. Patent and Trademark Office (USPTO) has taken steps to reduce its space needs as a result of increased workforce mobility for more than a decade, and there are indications that USPTO has avoided real estate costs as a result of its efforts. However, GAO was unable to obtain sufficient information to determine the accuracy and validity of USPTO’s estimated cost savings. Beyond USPTO, the agencies GAO reviewed have not yet realized space reductions or cost savings because their efforts are too new. In addition, officials at the selected agencies pointed out that increasing telework participation or implementing a hoteling program may not be appropriate in all instances, such as for employees who work with sensitive or classified documents or who interact with members of the public.

GSA offers general guidance as well as customized programs to help guide agencies’ space-planning efforts in an environment of increased workforce mobility. In this guidance, GSA has shown that agencies can achieve space efficiencies by reconfiguring the layout of existing workstations and implementing various alternative work arrangements. While agencies may take steps on their own to address their changing space needs, GSA has offered two customized programs since 2011 to assist agencies. These programs are designed to help agencies explore mobility and achieve space efficiencies; however, GSA’s client agencies determine whether to act on GSA’s recommendations, and it may take years to realize savings due to factors such as the timing of leases and the cost of reconfiguration.

GAO’s discussions with officials from the selected agencies and private sector organizations identified two factors—acquiring information about the current utilization of office space, and gaining the support of management and employees—that were frequently viewed as important for an organization to achieve space efficiencies in an environment of increased workforce mobility. By measuring how existing space is being used, organizations are better positioned to determine their future space needs. Similarly, by taking steps to obtain the support of leadership and employees, organizations can help facilitate the acceptance of mobility initiatives. Officials described the loss of dedicated workspace resulting from increased mobility as a significant change in the workplace and indicated that organizations that try to impose such changes are less likely to succeed than those that build organizational support.
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Abbreviations:

ATF  Bureau of Alcohol, Tobacco, Firearms and Explosives
GSA   General Services Administration
IRS   Internal Revenue Service
OMB   Office of Management and Budget
USDA  Department of Agriculture
USPTO  U.S. Patent and Trademark Office

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October 17, 2013

The Honorable Thomas R. Carper
Chairman
Committee on Homeland Security and Governmental Affairs
United States Senate

Dear Mr. Chairman:

New technologies and the adoption of alternative work arrangements such as “telework” and “hoteling” have increasingly enabled employees to perform some aspects of their work outside of the traditional office environment—such as at home, in the field, or while traveling.¹ In recent years, the administration has required federal agencies to consider how innovative approaches to space management and alternative work arrangements could help agencies reduce the need for office space. As the federal workspace evolves, the federal government is starting to reassess how it uses its real property assets, which includes nearly 800-million square feet of office space that is owned by the federal government or leased by different federal agencies. As the federal government’s real property manager, the General Services Administration (GSA) provides agencies with guidance regarding real property management and manages selected properties for some agencies.

You asked us to examine how aspects of mobility have affected agencies’ space needs.² We identified: (1) actions selected agencies have taken as a result of increased workforce mobility to reduce their space needs; (2) the assistance GSA provides federal agencies that are exploring reducing their space needs, at least partly in response to increased workforce mobility; and (3) factors selected agencies and private sector organizations viewed as important to achieving space efficiencies in an environment of increased workforce mobility.

¹ “Telework” is a work arrangement in which employees perform all or a portion of their work at an alternative worksite, such as from home or a telework center. “Hoteling” is a work arrangement in which employees work at multiple sites and use nondedicated, nonpermanent workspaces assigned for use by reservation on an as needed basis.

² For purposes of this report, we use the term “mobility” to describe the ability of employees, enabled by information technology, to perform their work in areas other than an assigned office or workstation.
We focused our review on five agencies: GSA, the Department of the Treasury’s Internal Revenue Service (IRS), the Department of Agriculture (USDA), the Department of Commerce’s U.S. Patent and Trademark Office (USPTO), and the Department of Justice’s Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). We selected these agencies because they have high levels of real property holdings or have adopted business practices that support a more mobile workforce.3 We reviewed pertinent laws and regulations that apply to space planning, space utilization, and alternative work arrangements. We assessed efforts by the selected agencies to pursue space reductions as a result of increased workforce mobility based on the July 2010 Presidential Memorandum that federal agencies explore how innovative approaches to space management could help reduce the need for office space.

We also reviewed Office of Management and Budget (OMB) guidance and agency-specific guidance and other documents related to space planning, and conducted interviews with key officials from the selected agencies. We analyzed Federal Real Property Profile data for fiscal year 2011, the most recent available, on how much office space was reported held and leased by the agencies we reviewed, as well as government-wide. The Federal Real Property Profile is a database of federally owned and leased space held by executive branch agencies. In 2012, we reported problems with the reliability of Federal Real Property Profile data, but that it can be used in a general sense.4 As such, for this report, we used Federal Real Property Profile data for the limited purposes of providing background information and selecting agencies for review.

In addition, we interviewed representatives from five private sector organizations—Accenture, Deloitte Consulting, General Mills, Steelcase, and TIAA-CREF—to obtain their perspectives on how the private sector plans for its future space needs in an environment of increased workforce mobility. We selected these organizations because our literature review and interviews with agency officials identified them as having adopted

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3 We made these determinations by analyzing government-wide data on agencies’ real property holdings as of fiscal year 2011 and conducting literature reviews and interviews with agency officials to identify agencies that have adopted business practices that support a more mobile workforce.

business practices for leveraging the mobility of their workforce or adapting their physical space needs to increased workforce mobility. Our findings based on the efforts of the selected agencies and private sector organizations are not generalizable to other federal agencies or private sector organizations, but provide insights.

We conducted this performance audit from January 2013 through October 2013 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.

Background

Mobility and the Federal Workspace

“Mobility” is an overarching term that describes the ability of employees, enabled by information technology, to perform their work in areas other than an assigned office or workstation. GSA has been reporting since the late 1990s that federal agencies could do more to reduce their space needs and achieve savings by recognizing that many of their employees are able to perform their work either outside the office or in smaller workspaces. GSA has noted that mobility can improve employees’ work-life balance, such as by giving employees greater control over their schedule, and can reduce employees’ commuting time. GSA has also noted that federal agencies have not yet widely embraced mobility, but trends in the private sector, workforce demographics, and technology suggest that agencies could do so in the future.

Organizing the workplace around mobility can reduce the size and number of dedicated individual workspaces and accommodate the same number of employees in less total physical space. For example, when agencies provide the necessary technologies, employees may perform their work in areas other than an assigned office or workstation. It may be possible for agencies to reduce their space needs when this mobility is combined with hoteling, which means that employees give up their individual, permanent space and use shared, nonpermanent workspaces.
when they are in the office. Whether an agency can require employees who telework to also participate in a hoteling program may be subject to collective bargaining between the agency and its employee organization or union.

Other potential benefits include allocating more of an organization’s space to collaborative areas, such as conference rooms, team rooms, and informal meeting rooms. Figure 1 illustrates one possible way an agency could reduce its per-employee footprint by redesigning space to reflect mobility.
The federal government’s real property inventory is vast. In fiscal year 2011, over 42,000 assets reported owned by the federal government or leased by federal agencies were categorized as office space—encompassing nearly 800-million square feet of space. Of this, civilian agencies reported holding or leasing about two-thirds, while the Department of Defense and the military departments reported holding or leasing about one-third. Altogether, the five civilian agencies we...
reviewed—GSA, IRS, USDA, USPTO, and ATF—reported holding or leasing more than 400-million square feet of office space.

We have reported that the federal government faces challenges managing its real property, and we have designated federal real property management as a high-risk area.\(^6\) For example, we have found that the government has excess and underutilized property and often leases space in the same areas where it owns underutilized property.\(^7\) Practices such as these are inefficient, resulting in millions in additional costs to federal agencies. The federal government has taken some steps to better manage its excess and underutilized properties, and in recent years the administration has directed federal agencies to take steps to achieve space reductions and cost savings. For example, a June 2010 Presidential Memorandum directed agencies to explore how innovative approaches to space management and alternative work arrangements, such as telework, could help reduce the need for real estate and office space.\(^8\) Subsequently, in May 2012 OMB issued Memorandum M-12-12, entitled *Promoting Efficient Spending to Support Agency Operations*.\(^9\) Section 3 of this memorandum establishes the “Freeze the Footprint” policy, which directs agencies to restrict growth in their civilian real estate inventory. In March 2013, OMB issued supplementary implementing guidance for Freeze the Footprint.\(^10\) OMB’s implementing guidance requires that agencies not increase the total square footage of their office

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\(^6\) See GAO, *High-Risk Series: An Update*, GAO-13-283 (Washington, D.C.: Feb. 14, 2013). Every 2 years, we provide Congress with an update on our High-Risk Program, which highlights major areas that are at high risk for fraud, waste, abuse, or mismanagement, or need broad reform.


and warehouse inventory, using fiscal year 2012 as a baseline. OMB’s implementing guidance also directs agencies to use various strategies to maintain the baseline, including consulting with GSA about using technology and space management to consolidate, increase occupancy rates in facilities, and eliminate lease arrangements that are not cost or space effective.

Officials at the five agencies we reviewed told us they are exploring or taking actions to reduce their space needs and achieve space efficiencies. These actions depend, in part, on a mobile workforce and include increasing telework participation, introducing hoteling, and reducing the size of individual workspaces. However, some agency officials we spoke with pointed out that actions such as increasing telework participation or implementing a hoteling program may not be appropriate in all instances. Some employees, for example, may not want to telework for personal reasons or be unable to telework due to the requirements of their work—these include employees who work with sensitive or classified documents, or who interact with members of the public as part of the jobs.

With respect to the agencies we reviewed:

USPTO has been taking steps to reduce its space needs as a result of increased workforce mobility for more than a decade. For example, under USPTO’s Patent Hoteling Program, more than 4,000 full-time employees—or about 36 percent of its workforce—telework 4 to 5 days per week. These full-time teleworking employees do not have a personal workspace in the office; instead, they use an automated system to reserve a workspace for times when they need to be in the office. According to USPTO officials, most of their employees are patent examiners who perform solitary, independent work, which makes them good candidates for teleworking.11 USPTO officials told us their Patent Hoteling Program has enabled USPTO to accommodate new hires without having to increase its space needs. Further, we note that there are indications that USPTO has avoided real estate costs as a result of its efforts. For example, in 2012, the Department of Commerce reported, that as a result of USPTO’s

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11 Patent examiners are engineers and scientists (scientific and technical professionals) who review and make decisions on patent applications.
Patent Hoteling Program, USPTO has avoided almost $17 million in real estate costs annually since 2006 when the program started. In addition, an analysis of the costs and benefits of USPTO’s Patent Hoteling Program that USPTO conducted for fiscal year 2012 indicates that USPTO’s estimated savings could be larger. However, while we reviewed documentation provided by USPTO regarding its estimated cost savings, we could not verify USPTO’s estimates as some key assumptions—such as rental costs per square feet—were not supported.

- In designing its headquarters renovation, GSA officials told us they made extensive use of open, collaborative work environments; eliminated private offices for most employees, including senior-level employees; established a target ratio of one workstation for every two employees; and implemented a hoteling program for all employees. GSA also eliminated cubicles in favor of a workbench configuration of space, as shown in figure 2. GSA estimates that its renovation, scheduled to be complete before the end of 2013, will allow it to eliminate the need for additional leased space at four locations in the Washington D.C. area, resulting in projected savings of approximately $25 million in annual lease payments, and about a 38 percent reduction in needed office space. However, this estimate does not include the costs of GSA’s renovation, which has not been completed.

The IRS implemented new space standards in October 2012 that reflect changes in the mobility of its workforce and is applying these new standards as part of its space-planning efforts. Under the IRS’s new space standards, employees who work out of the office an average of 80 hours or more per month no longer have a dedicated workstation and must hotel with other employees who are also out of the office an average of 80 hours or more per month.

USDA set agency-wide goals for increasing the number of its employees with approved telework agreements as well as its overall telework participation rates for fiscal year 2013. Officials told us they believe that the increased use of telework could allow the department to reduce its real estate needs. In addition, officials of the Forest Service, an agency within USDA, told us that the Forest Service plans to increase telework participation, utilize hoteling, and decrease the size of individual workstations as part of its headquarters renovation. The renovated space, which formerly provided space for 420 employees, is expected to provide workspace for approximately 760 employees. Forest Service officials said the agency estimates saving at least $5 million in annual rent as a result of these efforts. However, this estimate does not include the costs for its headquarters renovation, which has not yet been completed.

ATF officials told us they are developing a workstation-sharing policy for those employees who telework 3 or more days per week. According to ATF officials, this policy, which they expect to have in
place in October 2013, will help ATF reduce the amount of space it needs to lease in the future.

Officials at each of the five agencies we reviewed told us that they expect their efforts will result in space reductions and cost savings over time. However, it is too early to determine the specific cost savings that might be realized for actions agencies like GSA and the Forest Service are taking, given that they are in progress.

GSA Offers General Guidance and Customized Programs to Help Agencies Address Their Changing Space Needs

Since the late 1990s, GSA has issued several reports that provide general guidance to assist with agencies’ space-planning efforts in an environment of increased workforce mobility. These reports have highlighted the variety of actions that agencies can take to achieve space efficiencies and help ensure that workspaces adequately support their agencies’ missions. GSA’s research on how public and private sector organizations use office space shows that office space in general, and federal office space specifically, is often underutilized as employees work elsewhere. For example, in 2006, GSA reported that its surveys of federal workspaces indicate that employees are typically seated at their desks less than one-third of the average work day because they are often working elsewhere—collaborating with team members, working off-site, or in meetings—the rest of the time. In its reports, GSA has provided examples of how various federal agencies have achieved space efficiencies, including reducing their space needs, through reconfiguring the layout of existing workstations and implementing various alternative work arrangements, such as hoteling and increased use of telework.

While federal agencies are ultimately responsible for addressing their changing space needs, they can also seek assistance from GSA. An official at the Forest Service’s headquarters told us the Forest Service worked with GSA to measure utilization of its leased office space in the Washington D.C. area. According to the official, working with GSA helped provide the Forest Service with information on how its space was being used, and helped the Forest Service determine that it could reduce its office space needs by 25 percent.

In late 2011, GSA established a Workplace Program Management Office designed to help agencies explore and implement mobility initiatives. GSA helps agencies explore mobility as part of a broader approach to space planning as well as engaging workplace strategists in developing solutions focused on mission, people, and space opportunities. For example, since 2011 GSA has offered two customized programs known as Client Portfolio Planning and National Engagements for Workplace Services. In part, these programs are designed to help agencies explore mobility and achieve space efficiencies and also determine the type of workplace configuration that best supports the accomplishment of the agency’s mission. According to GSA officials, these programs also offer additional benefits, such as increased employee satisfaction. GSA officials stressed that customized programs work better because each agency has a unique mission and culture.

GSA officials describe the Client Portfolio Planning program as one that will help an agency find ways to increase energy efficiency and mobility, potentially allowing an agency to reduce its need for office space. GSA collects information about the client agency’s space use and needs through various instruments, including employee surveys. GSA subsequently works with the agency to identify potential opportunities and develops recommendations. According to GSA officials, having a client agency actively participate in this process is a key factor to achieving success in implementing GSA recommendations. If an agency chooses to act upon GSA’s recommendations, it could take years to realize savings due to factors such as the timing of leases, the cost of reconfiguration, and negotiation with employee organizations. GSA officials told us that they work with three new agencies each year and currently have nine departments or agencies participating in this program.14

Unlike the Client Portfolio Planning program, GSA’s National Engagements for Workplace Services program is designed to help agencies examine their operations and identify new ways of working that leverage technology and furniture solutions. According to GSA, the information obtained by participating in this program can help guide an

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14 At the time of our review, these were the Departments of Commerce, Health and Human Services, and State; the Environmental Protection Agency; the Federal Aviation Administration; the Federal Emergency Management Agency; Immigration and Customs Enforcement; the Securities and Exchange Commission; and the Social Security Administration.
agency’s space-planning efforts and mobility initiatives and provide a business case for making changes. GSA funds initial services, such as performing space utilization studies, evaluating existing workplace conditions, developing alternative work arrangement standards, and implementing pilot programs. The client agency funds subsequent services, such as implementing developed programs and evaluating the results. To date, GSA has completed national engagements with two agencies—the Defense Contract Audit Agency and USPTO—and is in various stages of working with eight other departments or agencies. Of the agencies we reviewed, USPTO has worked with GSA under both programs. According to USPTO officials, as a result of working with GSA, USPTO set a goal of releasing space when leases expire and is exploring opportunities to consolidate additional personnel within its headquarters building.

Several factors can affect what strategies or recommendations, if any, GSA’s clients may decide to implement as a result of these programs. These include an agency’s culture, mission, funding sources, and the flexibility it has within its existing leases. For example, USPTO stated that while it concurs with the goal of releasing space when leases expired, its future staffing projections need to be considered when evaluating any proposals. In addition, USPTO noted that it was in ongoing discussions with its employee organization over changes affecting employee workspaces. Also, not all of GSA’s client agencies may complete these programs. For example, GSA officials told us that because one agency did not actively participate during the planning processes of the Client Portfolio Planning program, GSA opted to refocus its efforts on another agency that it perceived was more willing to collaborate in the planning process.

GSA officials also noted that because these programs are relatively new, they involve an iterative and ongoing learning process, including the development of tools to help agencies explore the benefits of mobility. For example, GSA is in the process of developing an additional Excel-based tool aimed at helping agencies quantify the benefits and costs of increased telework participation and implementing other alternative work

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15 At the time of our review, these were USDA, the Department of Education, the Department of Health and Human Services’ Office of the Chief Information Officer, the Federal Protective Service, the Food and Drug Administration, the National Agricultural Statistics Service, the U.S. Marshals Service, and U.S. Probation and Pretrial Services.
arrangements, such as hoteling. According to GSA officials, this tool will be available to agencies later this year. GSA is also developing tools to help agencies measure the extent to which their office space is being used on a daily basis. For example, GSA is exploring how using mobile devices such as cell phones could provide information electronically on which offices are occupied. According to GSA officials, such tools would allow agencies to collect such information without the need to rely on manually observing the workspace.

Accurate Data and Organizational Support Were Viewed as Important to Achieving Space Efficiencies in an Environment of Increased Workforce Mobility

Our discussions with officials from the five selected agencies and five private sector organizations identified two factors as particularly important to achieving space efficiencies in an environment of increased workforce mobility: acquiring information about how office space is currently used and gaining management and employee support. Leading practices in capital decision-making and OMB guidance have stressed that having accurate data is essential to supporting sound capital planning and decision-making. By measuring how existing space is being used, organizations are better positioned to determine how much space they really need. We have also previously found that people are at the center of any management initiative for serious change, and that leading practices for managing change include ensuring that top leadership is behind transformations and that employees are involved throughout the transformation.

Acquiring Information

Officials from three of the agencies we reviewed told us that organizations must first obtain the data necessary to inform their decision-making about future space needs; such data might include current information on space utilization rates, telework participation, and employee views about alternative work arrangements. For example, GSA officials noted that to obtain this type of information, they count heads (i.e., they manually count the number of offices occupied) and solicit employee opinions on

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proposed workspace changes. Officials at the other two agencies told us they take similar steps. For example, Forest Service officials told us that when planning to consolidate space in the Washington, D.C., area, they performed head counts twice a day for several weeks to determine the feasibility of implementing hoteling. According to these officials, their data showed that 60 percent of employee workspaces were occupied at any given time. They then used that knowledge to reduce the number of workstations in their renovated space. IRS officials told us that when their agency implemented a new collaborative workspace design at its headquarters, they held focus groups to obtain employee input on various design features.

Officials from each of the five private sector organizations we contacted also told us that when working to incorporate elements of mobility into space planning, either for a client or their own organization, data on how employees currently use their space is necessary for informed decision-making. For example, a representative of one organization told us that when working with a client, his organization first acquires data on how that client uses its space by examining costs, office density, and space utilization rates; within his own organization, they perform daily head counts to determine how their office space is being utilized. Similarly, a representative of another organization told us that he advises clients seeking to make physical changes to their workplace that they must first do some research to understand the current level of office utilization.

Gaining Support

When introducing physical space changes associated with increased workforce mobility—including the loss of dedicated workspace—organizations may encounter resistance from agency leaders, managers, employees, or employee organizations. Officials from all of the agencies and the private sector organizations we contacted described redesigning space to reflect mobility as a significant change. Several noted that employees have traditionally regarded their workspace as their own personal space and that mobility initiatives can result in reduced personal space for employees. Some pointed out that managers also may be uncomfortable with mobility initiatives for various reasons. For example, managers may be uncomfortable supervising employees who work outside the office, or they may perceive a reduction in office space to mean that they or their programs have become less important to the organization.

To implement changes, agencies we reviewed, as well as private sector organizations we contacted, have taken a number of actions to gain
support. For example, IRS officials told us they worked with agency leadership as well as their union, when they implemented new space standards that reflect changes in the mobility of their workforce. IRS officials told us that they used budgetary pressures as the primary driver to help both managers and employees understand why they needed to substantially change their view of personal workspace. Similarly, Forest Service officials told us they worked with their employee organization when negotiating the space-sharing arrangements they plan to use in their renovated space. Representatives from the private sector told us their organizations took similar steps. For example, a representative of one organization told us that his organization advises clients to ensure, when downsizing offices, that employees understand the link between reducing real estate costs and budgetary sustainability. A representative from another organization told us that when his organization provides space-planning services for clients, it always ensures that employee organizations are consulted. Officials from the agencies we reviewed, as well as private sector organizations we contacted, told us that management needs to gain organizational support for changes and cannot impose change on managers and employees. In their opinion, organizations that have tried to impose such change are less likely to succeed.

We provided a draft of this report to OMB, GSA, IRS, USDA, USPTO, and ATF for review and comment. USPTO provided written comments, which are reprinted in appendix I. In its comments, USPTO stated that a February 2012 audit performed by the Department of Commerce’s Inspector General indicated that USPTO has avoided real estate costs as a result of its Patent Hoteling Program. USPTO also stated that this audit indicated that further analysis would point to increased cost avoidance and savings, and that USPTO has since performed an analysis of its Patent Hoteling Program’s costs and benefits. As noted in our report, we reviewed USPTO’s analysis of the costs and benefits of its Patent Hoteling Program. While USPTO’s analysis provided estimates for some of the Patent Hoteling Program’s costs and benefits, we found that some key assumptions USPTO made—such as rental costs per square foot—were not supported. Accordingly, we could not verify USPTO’s

estimates. USPTO also provided technical comments, which we incorporated where appropriate.

GSA, IRS, and USDA provided technical comments that we incorporated where appropriate. ATF and OMB did not have comments on the report.

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 of this report to the Director of OMB; the Administrator of GSA; the Secretary of Agriculture; the Acting IRS Commissioner; the Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the USPTO; and the Director of ATF. Additional copies will be sent to interested congressional committees. We will also make copies available to others upon request, and the report is available at no charge on the GAO website at http://www.gao.gov.

If you have any questions about this report, please contact me at (202) 512-5731 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 II.

Sincerely yours,

David J. Wise
Director
Physical Infrastructure Issues
Appendix I: Comments from the U.S. Patent and Trademark Office

MEMORANDUM FOR David J. Wise  
Director, Physical Infrastructure  
Government Accountability Office

FROM: Teresa Stanek Rea  
Acting Under Secretary and Acting Director

SUBJECT: Response to Draft Report GAO-14-11: “Federal Real Property: Selected Agencies Plan to Use Workforce Mobility to Reduce Space, but Most Efforts Are Too New to Have Realized Savings”

The United States Patent and Trademark Office (USPTO), on behalf of the Department of Commerce, is pleased to provide a response to the U.S. Government Accountability Office’s (GAO) draft report titled “Federal Real Property: Selected Agencies Plan to Use Workforce Mobility to Reduce Space, but Most Efforts Are Too New to Have Realized Savings” (GAO Report-14-11). The GAO conducted a study to examine how increasing participation in telework and hoteling programs has affected space needs in Federal agencies and the private sector.

The USPTO participated in the interviews that led to the findings of the report. We appreciate the opportunity to comment on the draft report and provide the attached general and technical comments to enhance the accuracy of the final report.

Attachments

“Federal Real Property: Selected Agencies Plan to Use Workforce Mobility to Reduce Space, but Most Efforts Are Too New to Have Realized Savings” (GAO-14-11)

The United States Patent and Trademark Office (USPTO) Patent Hoteling Program (PHP) was audited by the Department of Commerce’s Inspector General and a final report was released in February 2012 as OIG-12-018-A, “United States Patent and Trademark Office: The Patent Hoteling Program Is Succeeding as a Business Strategy.” The report pointed out that while the agency has avoided approximately $17 million in real estate costs as a result of the PHP, further analysis would point to increased cost avoidance and savings. Since the audit was completed, the Patent organization published, in November 2012, a comprehensive calculation of the costs and the cost avoidance related to the PHP and the benefits the program provides to the USPTO. The analysis validated the program’s overall cost savings and other benefits.

The report makes two references to the $17 million real estate cost avoidance associated with the USPTO’s hoteling program. The $17 million annual rent savings is, in fact, only associated with the Patent Hoteling Program. The USPTO has several hoteling programs, all of which yield real estate savings.
Appendix I: Comments from the U.S. Patent and Trademark Office


“Federal Real Property: Selected Agencies Plan to Use Workforce Mobility to Reduce Space, but Most Efforts Are Too New to Have Realized Savings” (GAO-14-11)

We have carefully reviewed the draft report and offer the following technical comments in addition to our general comments, which we believe will further enhance the accuracy of the final report. (Deletions are strikethroughs and changes are underlined in red)

On the Introduction page, paragraph 1, line 10, “...The U.S. Patent and Trademark Office (USPTO) has had a hoteling program in place for more than a decade, and the Department of Commerce estimated that this program has helped avoid almost $17 million in real estate costs annually since 2006, although the Department of Commerce has also noted that USPTO has not performed a comprehensive analysis of the costs of its program. The USPTO Trademark organization started a hoteling program in 2001, and the Patent organization started a hoteling program in 2006. The Patent Hoteling Program (PHP) was audited by the Department of Commerce’s Inspector General Final Report OIG-12-018-A, “United States Patent and Trademark Office: The Patent Hoteling Program Is Succeeding as a Business Strategy” in February 2012. The report pointed out that while the agency has avoided approximately $17 million in real estate costs as a result of the PHP, further analysis would point to increased cost avoidances and savings. Since the audit was completed, the Patent organization developed, in November 2012, a comprehensive calculation of the costs and the cost avoidance related to the PHP and benefits the program provides to the USPTO.

On page 6, paragraph 2, line 9, “…perform solitary, uninterrupted independent work, which makes them good candidates for teleworking.” (Reason for this change – Our concern is that the current text “uninterrupted” infers that examiners cannot be interrupted for stakeholder interactions, interviews or other activities.)

Page 6, paragraph 2, line 9, In 2012, the Department of Commerce reported, that as a result of its Patent Hoteling Program (PHP), USPTO has avoided almost $17 million in real estate costs annually since 2006 when the PHP started; however, the Department of Commerce also noted that USPTO has not performed a comprehensive analysis of the costs of its Patent Hoteling Program. As a result of the suggestion by the Department of Commerce Inspector General, the Patent organization completed, in November 2012, a comprehensive cost-benefit study. The analysis validated the program’s overall cost savings and other benefits.
Appendix II: GAO Contact and Staff Acknowledgments

<table>
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<th>GAO Contact</th>
<th>David J. Wise, at (202) 512-5731 or <a href="mailto:wised@gao.gov">wised@gao.gov</a>.</th>
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<td>In addition to the contact named above, Keith B. Cunningham (Assistant Director), Russell C. Burnett, Colin J. Fallon, Robert K. Heilman, Wesley A. Johnson, Terence C. Lam, John P. Robson, James R. Russell, Crystal Wesco, and Nancy Zearfoss made key contributions to this report.</td>
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