

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](mailto: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.