

GAO Highlights

Highlights of [GAO-16-648](#), a report to congressional requesters

Why GAO Did This Study

GSA leases real property on behalf of many federal tenants, but some federal entities have statutory independent leasing authority.

GAO was asked to review federal entities with independent leasing authority. This report examines (1) what is known about which federal entities have independent leasing authority and their use of this authority; (2) how selected independent leases compare to GSA and private sector leases in terms of cost; and (3) to what extent selected entities have leasing policies and practices that align with leading government practices. GAO conducted a survey of 103 federal entities identified in previous GAO work; selected eight entities for their diversity in size and mission, and visited 37 leased office and warehouse locations; analyzed leases and lease files for the 37 locations; reviewed applicable laws, policies, and guidance; and interviewed GSA, OMB, and officials from the selected entities.

What GAO Recommends

GAO recommends that OMB should establish efficient methods to: include data from non-FRPC members to the FRPP and increase collaboration between FRPC and non-FRPC entities. OMB concurred with both recommendations.

View [GAO-16-648](#). For more information, contact David J. Wise at (202) 512-2834 or wised@gao.gov.

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FEDERAL REAL PROPERTY

Actions Needed to Enhance Information on and Coordination among Federal Entities with Leasing Authority

What GAO Found

There is no comprehensive list of federal entities with independent leasing authority. The Federal Real Property Council (FRPC), chaired by the Office of Management and Budget (OMB), was established in 2004 through executive order to coordinate and share leading practices in real property management among federal agencies covered by the Chief Financial Officers Act of 1990. The General Services Administration (GSA) was directed to create a database intended to be a comprehensive inventory of federal facilities, which resulted in the Federal Real Property Profile (FRPP). However, federal entities that are not members of the FRPC are not required to submit data to the FRPP and few do so. Of the 103 federal entities that GAO surveyed, 52 reported having independent authority to lease office and warehouse space. As of October 1, 2015, these 52 entities leased 944 domestic offices and 164 warehouses. Twenty-five of those entities are not members of the FRPC and therefore not required to submit their real property data to the FRPP despite leasing 243 offices and warehouses. As such, the FRPP's incomplete data set reduces its effectiveness as an oversight and accountability mechanism for entities with independent leasing authority.

Offices and Warehouses Leased by Entities That Are Not Members of the Federal Real Property Council

Number of federal entities	Number of offices and warehouses	Rentable square feet	Approximate annual rent
25	243	8,321,232	\$303.4 million

Source: Information reported by federal entities in a GAO survey as of October 1, 2015. | GAO-16-648

GAO's review of the costs of 37 selected independent leases found that the rates of most were less costly or comparable to matched GSA leases. When independent leases have lower costs, it may be attributed in part to: (1) GSA's using standardized lease documents that include clauses with higher energy conservation, security, and seismic requirements, and (2) independent leases' having fewer space modifications, more periods of free rent, and private sector real-estate professionals negotiating with potential owners. Most of the independent leases were also less costly or comparable to matched private sector leases, particularly in the National Capital Region.

GAO reviewed the extent to which eight selected federal entities had policies that incorporated leading government leasing practices and found that six had policies that generally conformed to these practices. However, none of the lease files contained evidence that the practices were consistently followed. For example, 88 percent of the entities' lease files lacked evidence of ensuring best value by documenting advertisements to seek bids to fill their space needs, and 77 percent lacked evidence that entities effectively planned ahead by documenting the factors they used to evaluate lease offers. In addition, the average of all leases we analyzed for space-use more than doubled GSA's recommended target of 150 rentable square feet per employee for office space. It may help federal entities conform to leading practices and meet utilization targets for the space they lease if they can benefit from the coordination and leading real-property management practices shared at the FRPC.