

*Performance
That
Pays*

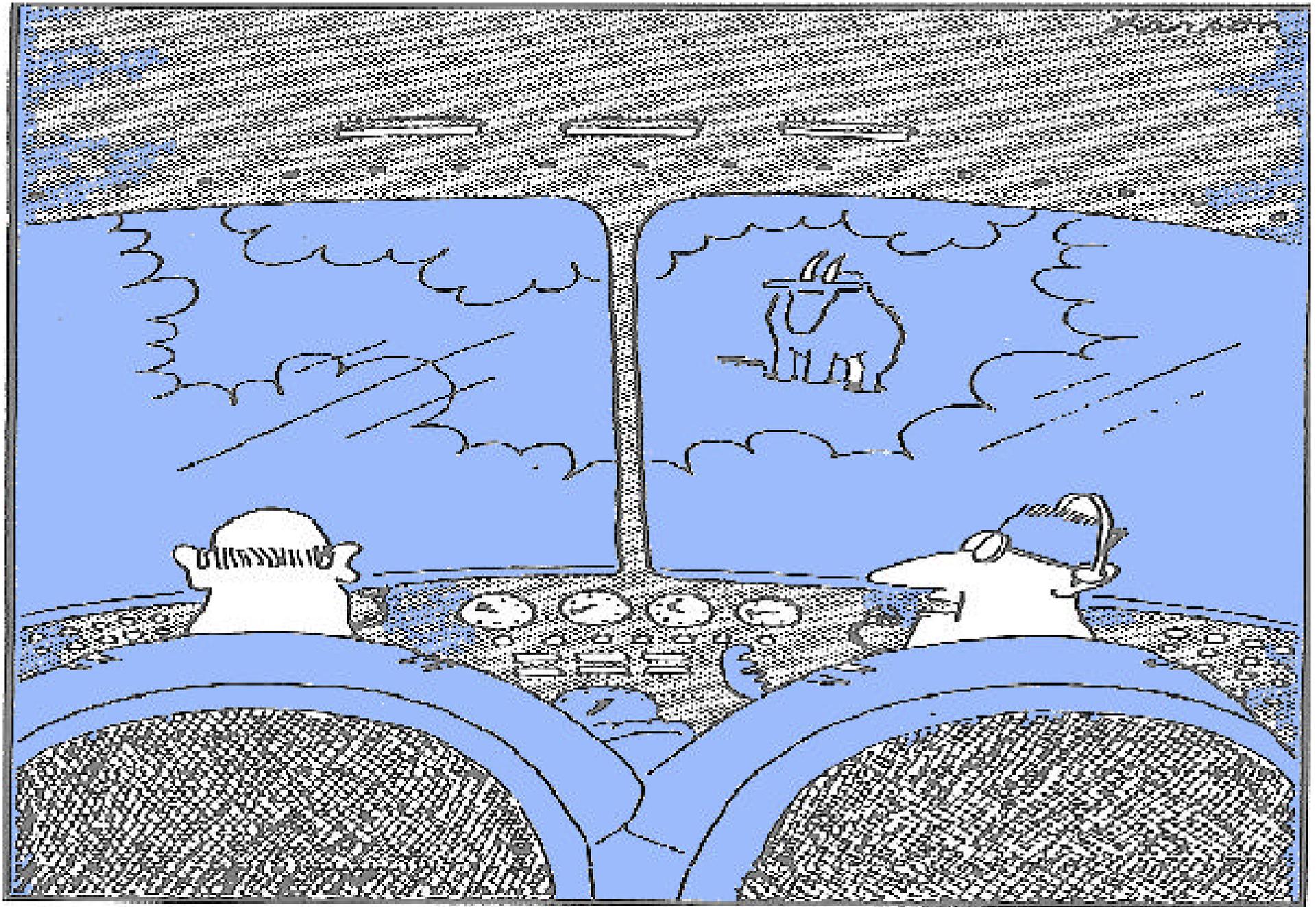
The PBS Vision ... “to be recognized as the best public real estate organization in the world.”

*“Rewards for Employees
Reap Rewards for Agency”*

*“Streamlined Performance
Goals Get Results”*

*“Federal Times”
Dated: March 6, 2000*

*Linking
Budget To
Performance*

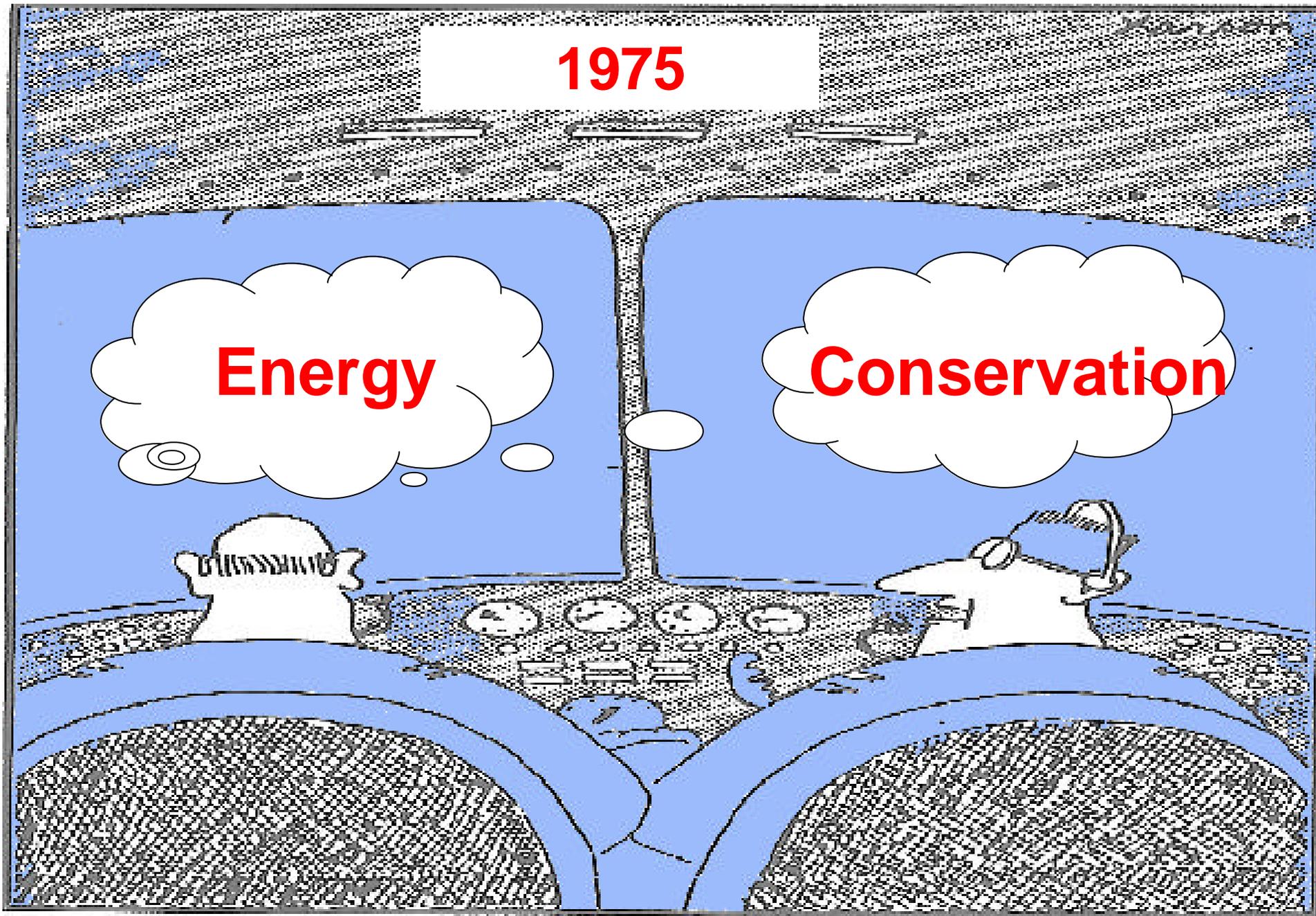


"Say . . . What's a mountain goat doing way up here in a cloud bank?"

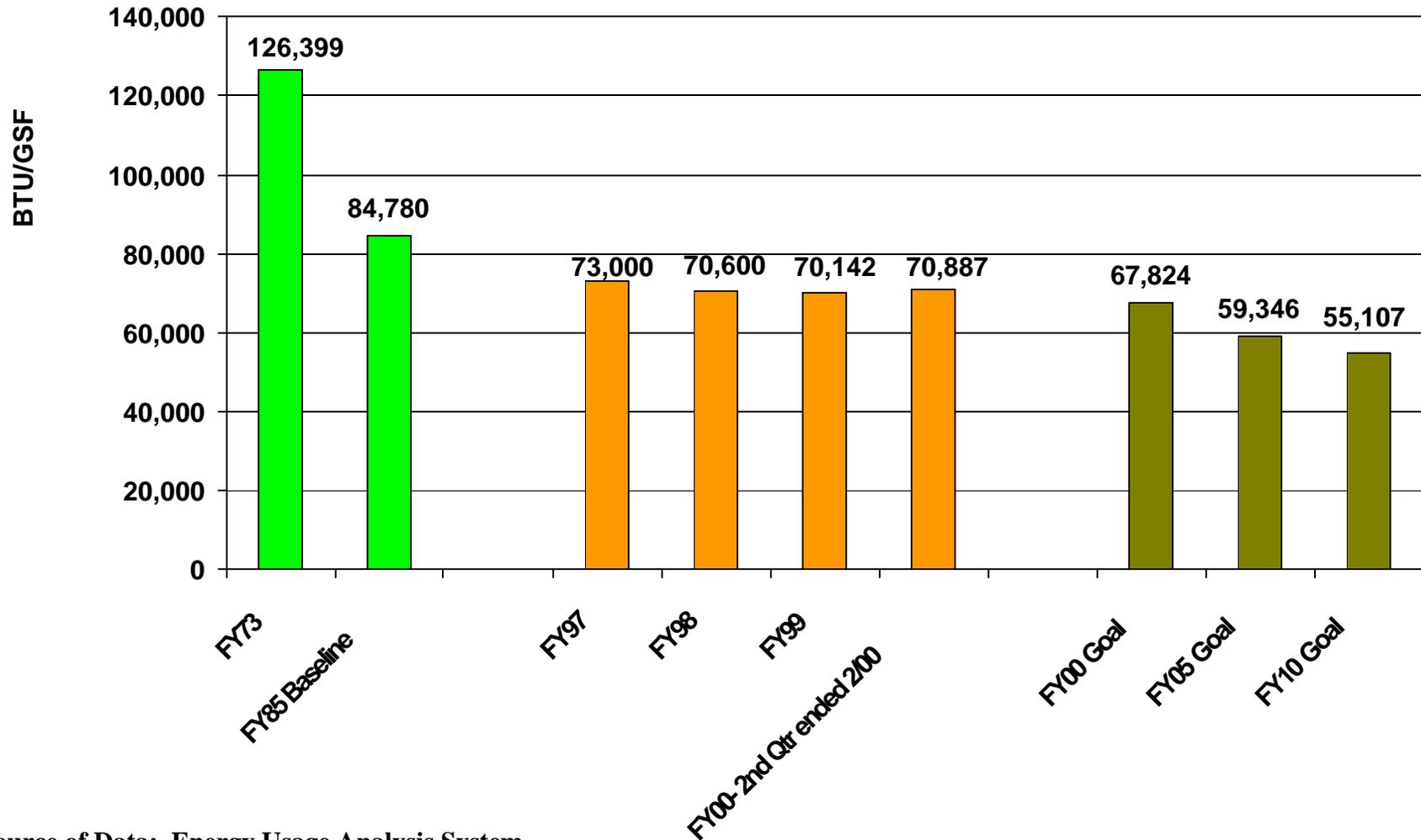
1975

Energy

Conservation



Energy Usage Compared to Energy Goals



Source of Data: Energy Usage Analysis System

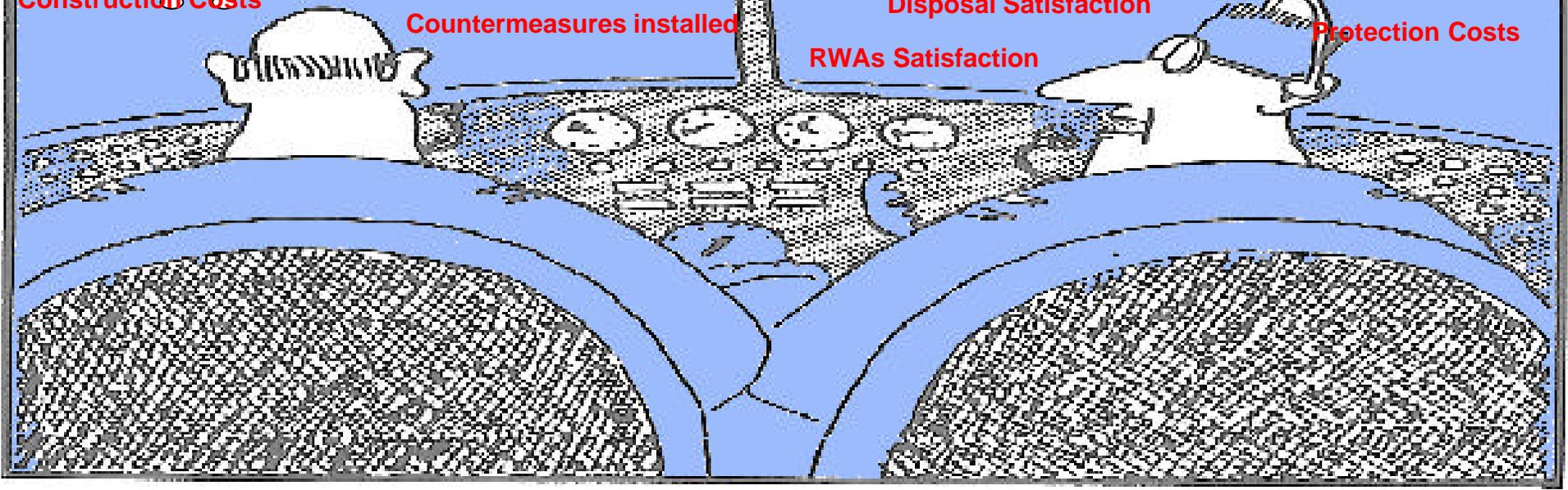
1995 - 38 Performance Measures

Projected Delivered as Planned
Reinvention Initiatives
Reducing G&A
Cost Sq.ft. Protected
Form Analysis
Leases Under 10K
Reinvention Follow On BPR's, LABS
Cost to Occupy
Water Utilization
Property Disposal Survey
Q Initiative
Net Operating Income
Bldg. Profitability
Cost of Operating Space
Total Rate of Return
Transactional Report Cards
Vacancy Rates
PBS Customer Service Plan
Succession Plans
Improve IFMA Results
Response Time
to Emergency Situations
Operating Costs vs. Private Sector
PBA Customer Service Plans
Design Efficiency
RWA's & Service Calls
Admin Contact Survey
Lease Payment vs. Appraised Rates
Reduced Crime Rates
Security Reviews

"Say . . . What's a mountain goat doing way up here in a cloud bank?"

1997 - 26 Performance Measures

Building Operations (cleaning, maint., & utilities) Percent of GSA Bldgs.in Compliance W/UFAS
Income and ROI Energy Consumption Construction Satisfaction
Increase Fed. Enrollment in Child Care Program Develop new PBS Financial Reports
Major R&A/New Const. on Schedule and Budget Market Share in Alterations
Overall Tenant Satisfaction Leasing Costs Cycle Time for Leases Space Alterations, Guarantee Discounts
of Federal Employees in Telework Programs % of Gross Potential Income
Funds from Operations Leasing Satisfaction Services - Gains/Losses Value of sales to FMV
Construction Costs Market Share in Realty Services - Gains/Losses Child Care Centers Accredited
Countermeasures installed Disposal Satisfaction Protection Costs
RWAs Satisfaction



1998 -13 Performance Measures

Actual Income as % of Gross Potential Income

Funds from Operations

New Construction - Budget

R&A and New Construction

New Construction -Schedule

RWA Cycle Time

Tenant Customer Satisfaction

Maintenance Operating Cost

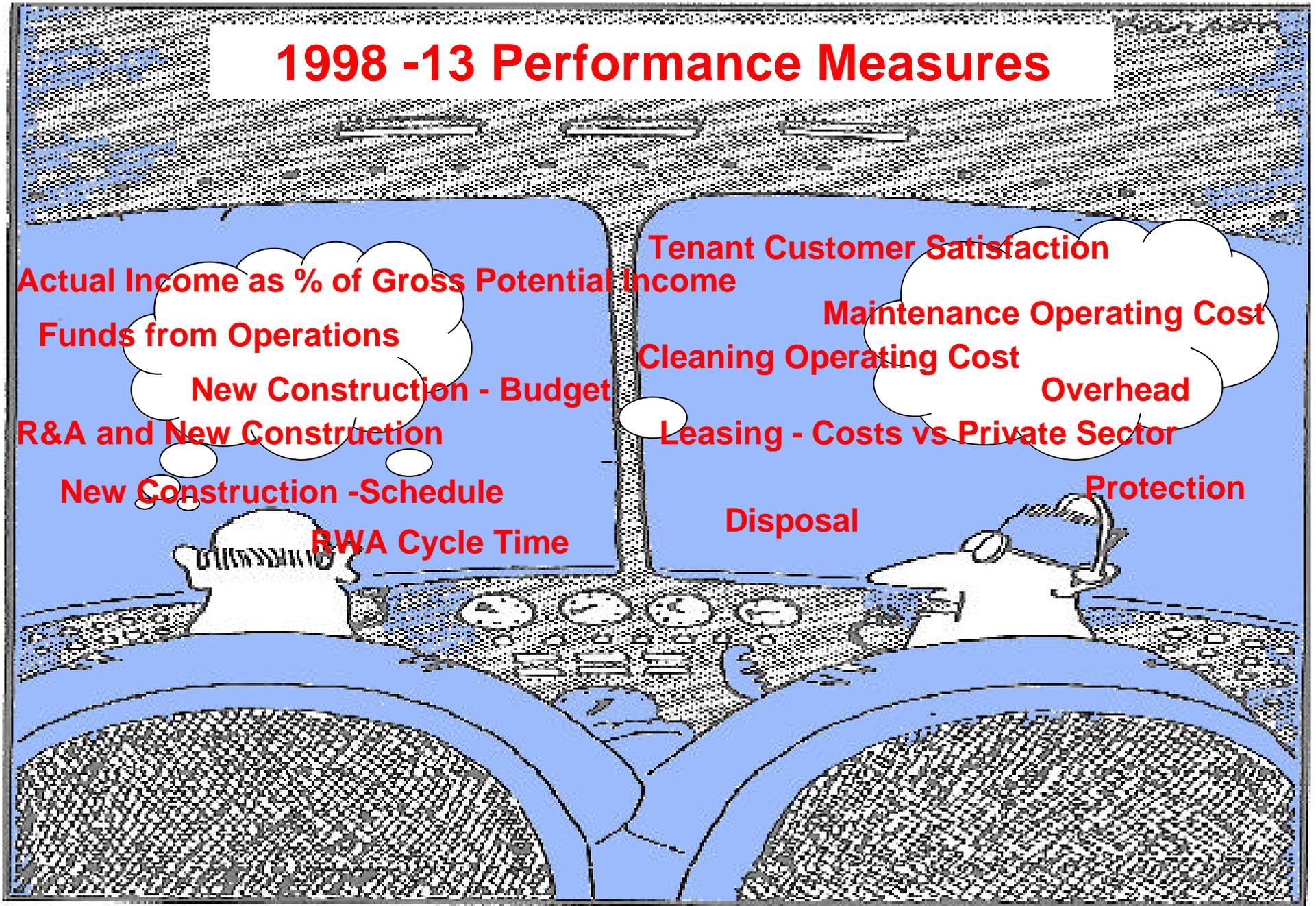
Cleaning Operating Cost

Overhead

Leasing - Costs vs Private Sector

Disposal

Protection



The Big "9" Measures

Funds from Operations

Customer Satisfaction

Indirect Costs as a % of Revenue

Lease Costs

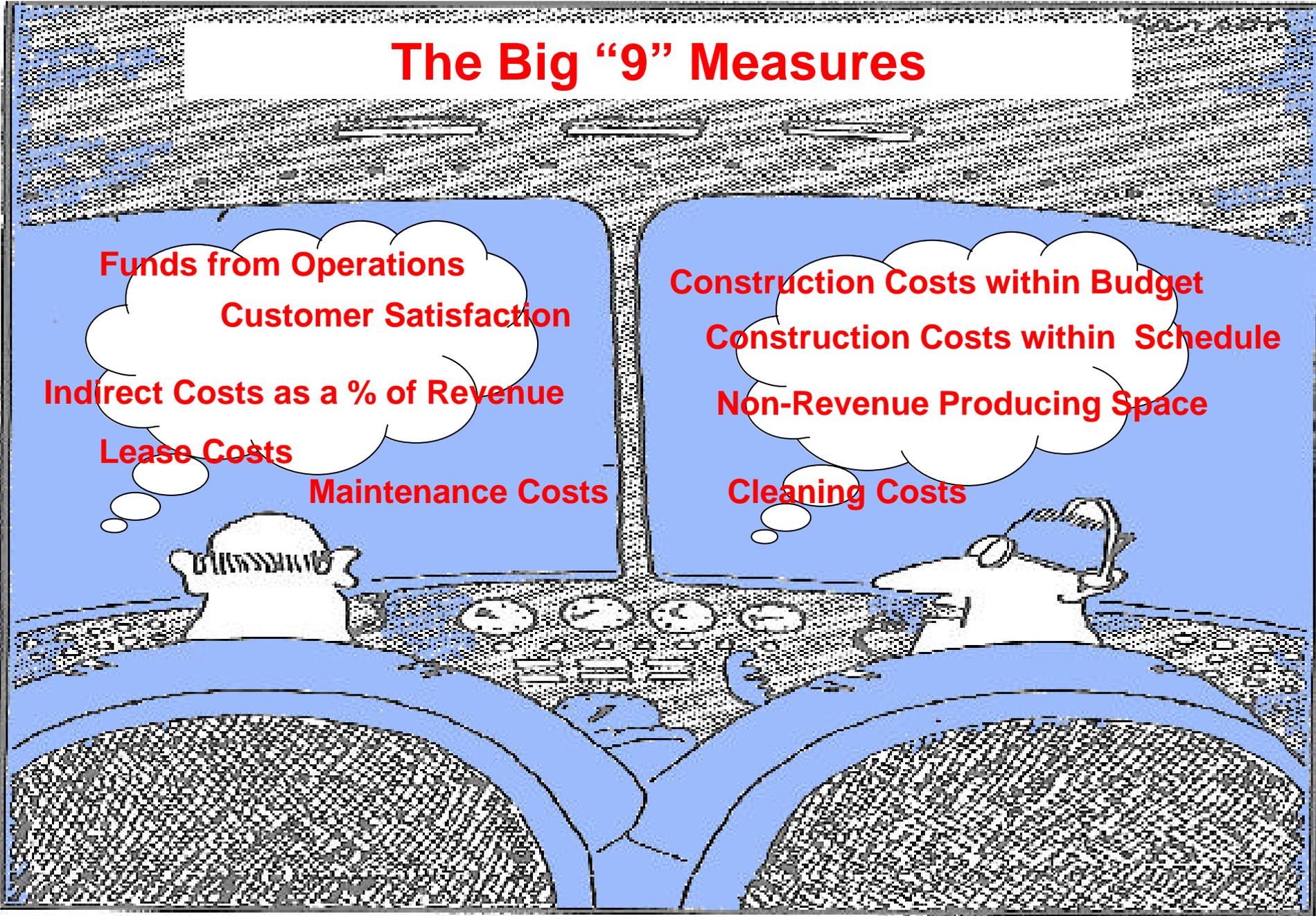
Maintenance Costs

Construction Costs within Budget

Construction Costs within Schedule

Non-Revenue Producing Space

Cleaning Costs



Linking Budget to Performance

- ➡ Measures were working - Commissioner decided that an incentive would boost performance gains
- ➡ 9 key measures were chosen to evaluate our regions performance
- ➡ \$69 Million was withheld from regional budget allocation

Linking Budget to Performance

- ➡ Developed regional targets and national goals for each measure based on previous performance
- ➡ Tracked and reported progress toward meeting goals and targets
- ➡ Distributed \$69 Million based on regions performance against the targets

Linking Budget to Performance

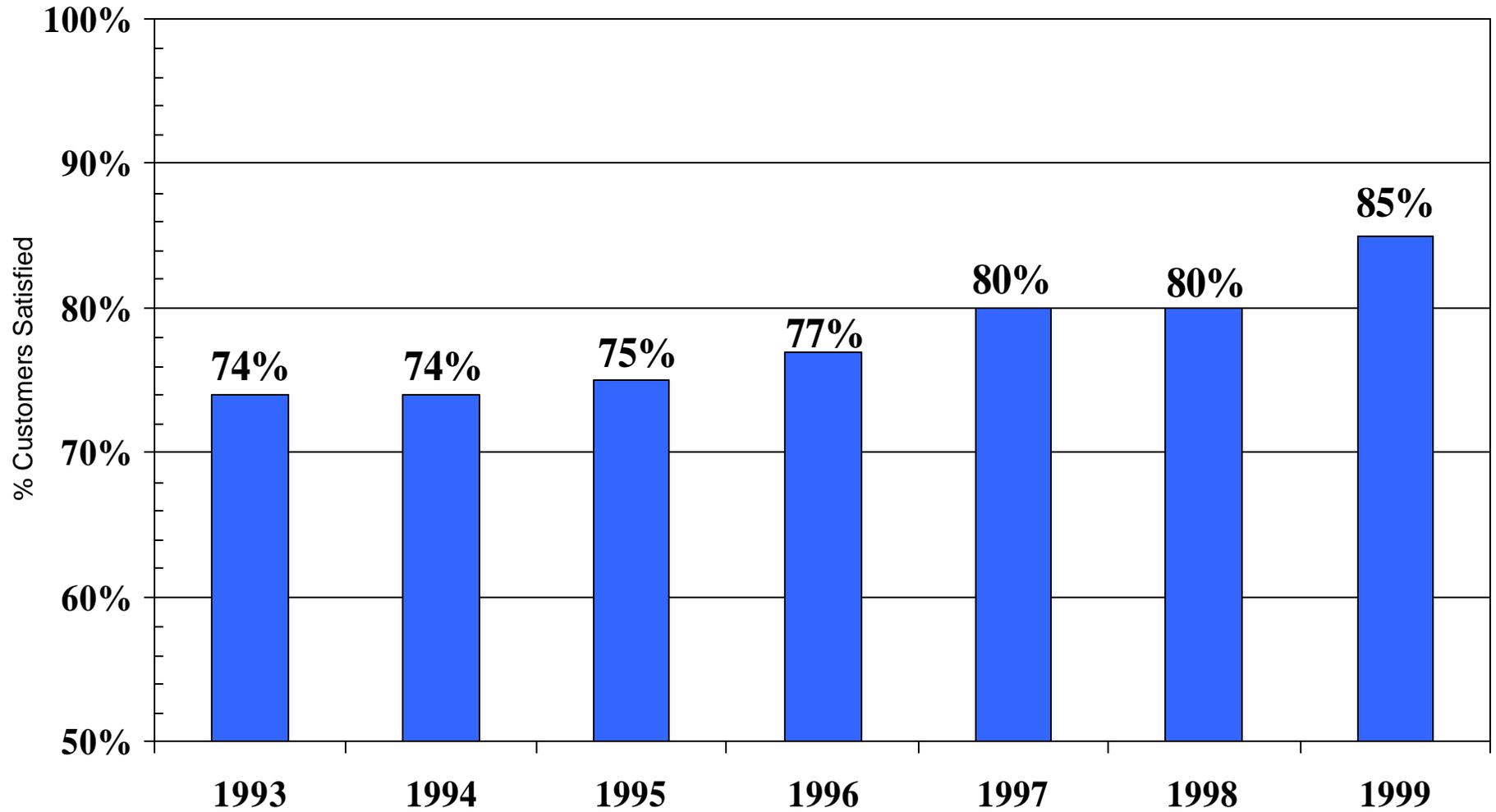
The Measures:

FFO	35%
Customer Satisfaction	15%
Indirect Costs	10%
Non Revenue Space	10%
Cleaning Costs	10%
Maintenance Costs	5%
Leasing Costs	5%
Construction	
Budget	5%
Schedule	5%

What Gets Measured Gets Done

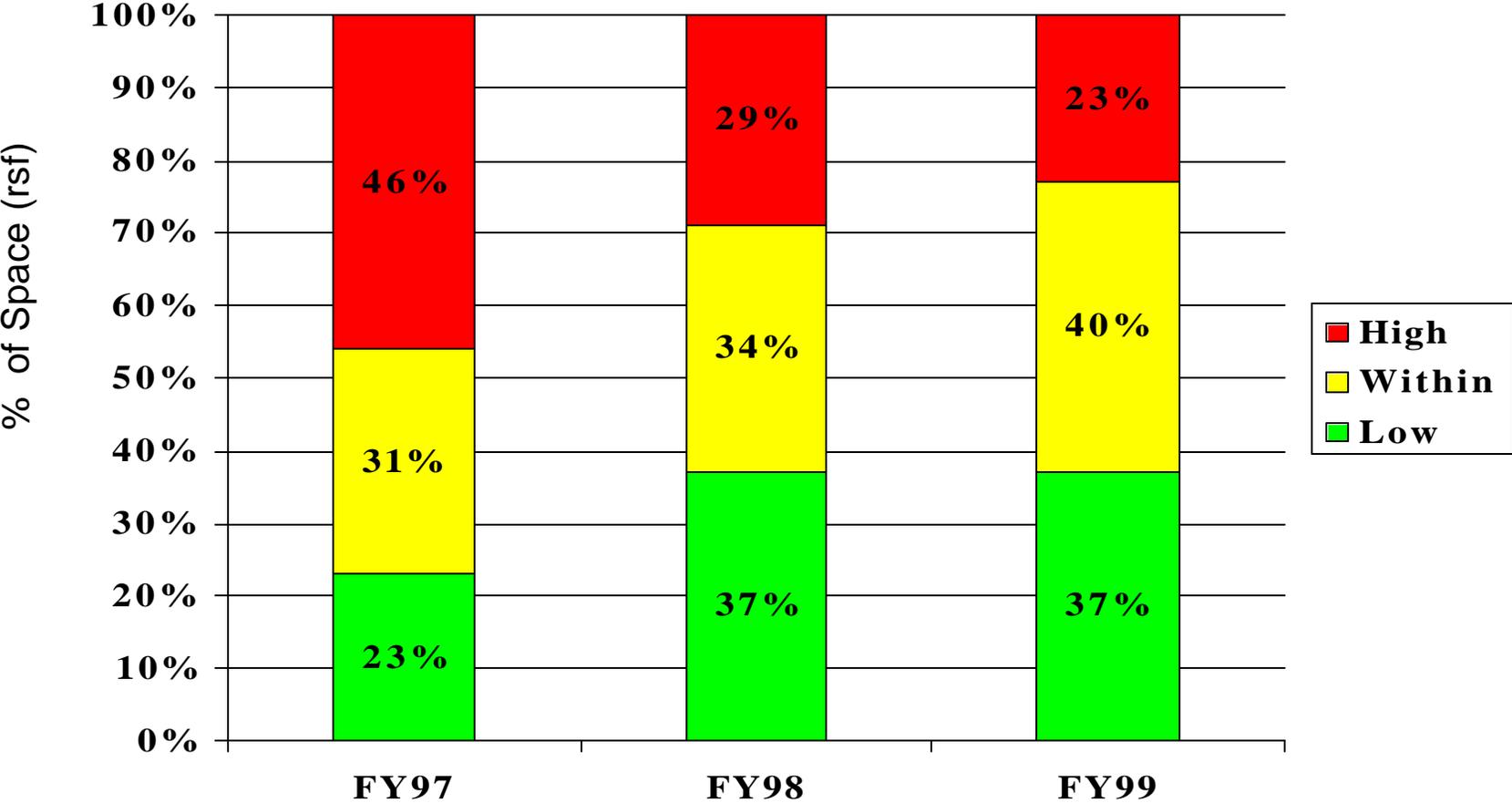
Customer Satisfaction Survey

National



GSA Cleaning Expenses for Office Space (\$/Sq.Ft.)

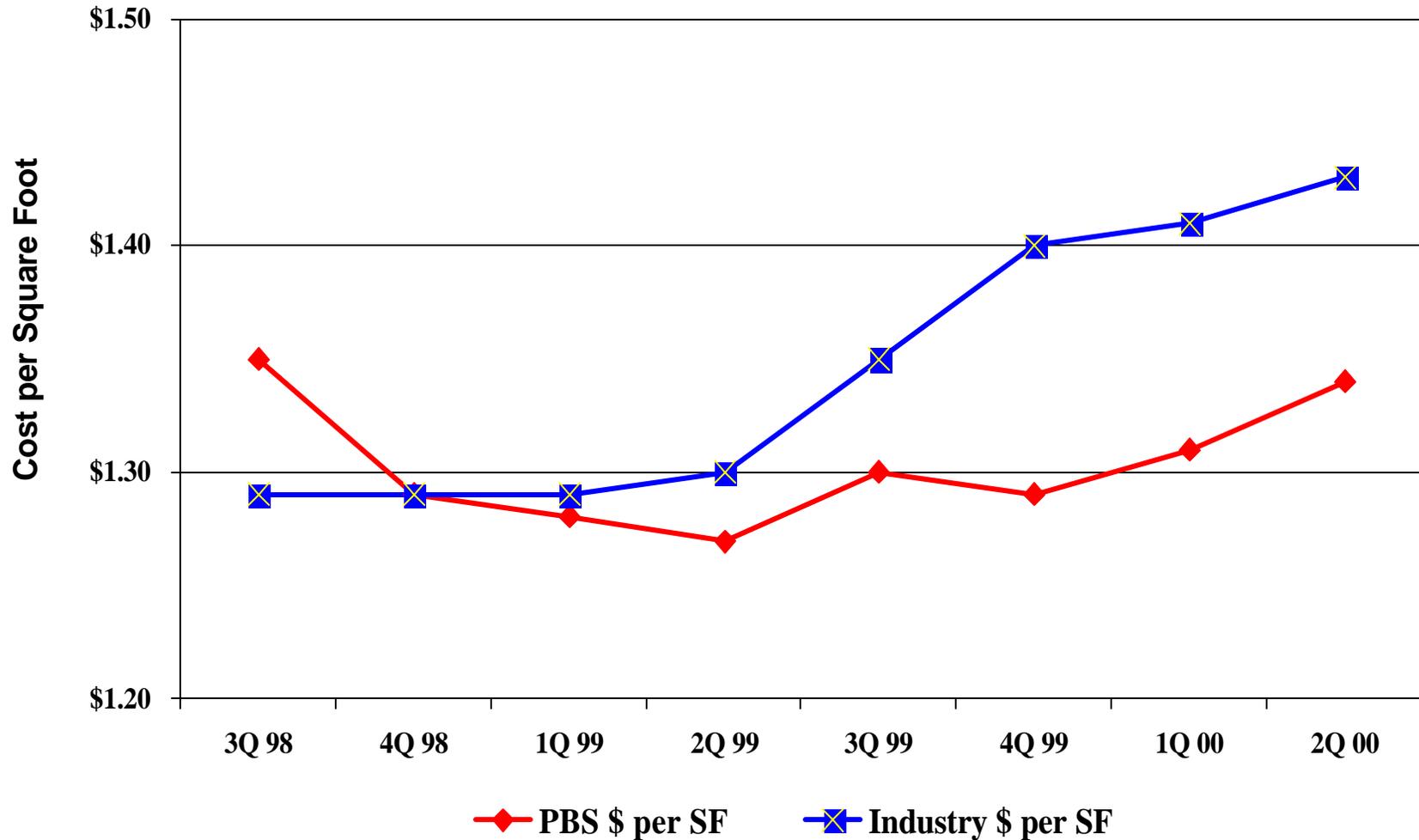
Gov't Cost	\$1.45	\$1.29	\$1.31
Industry Cost	\$1.30	\$1.29	\$1.43



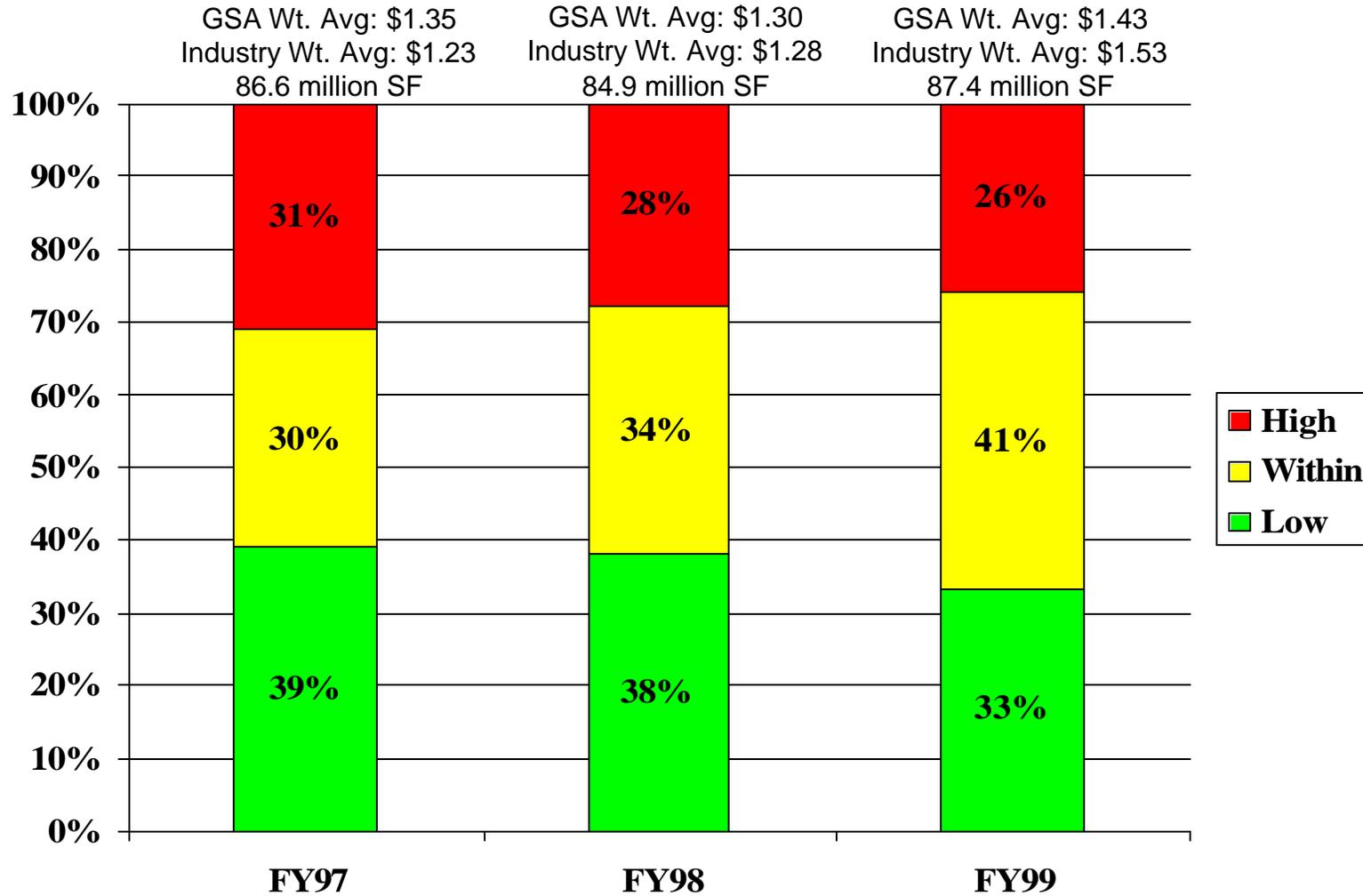
Source of Data: Infowizard & BOMA

Cleaning Costs

3rd Quarter 1998 to 2nd Quarter 2000

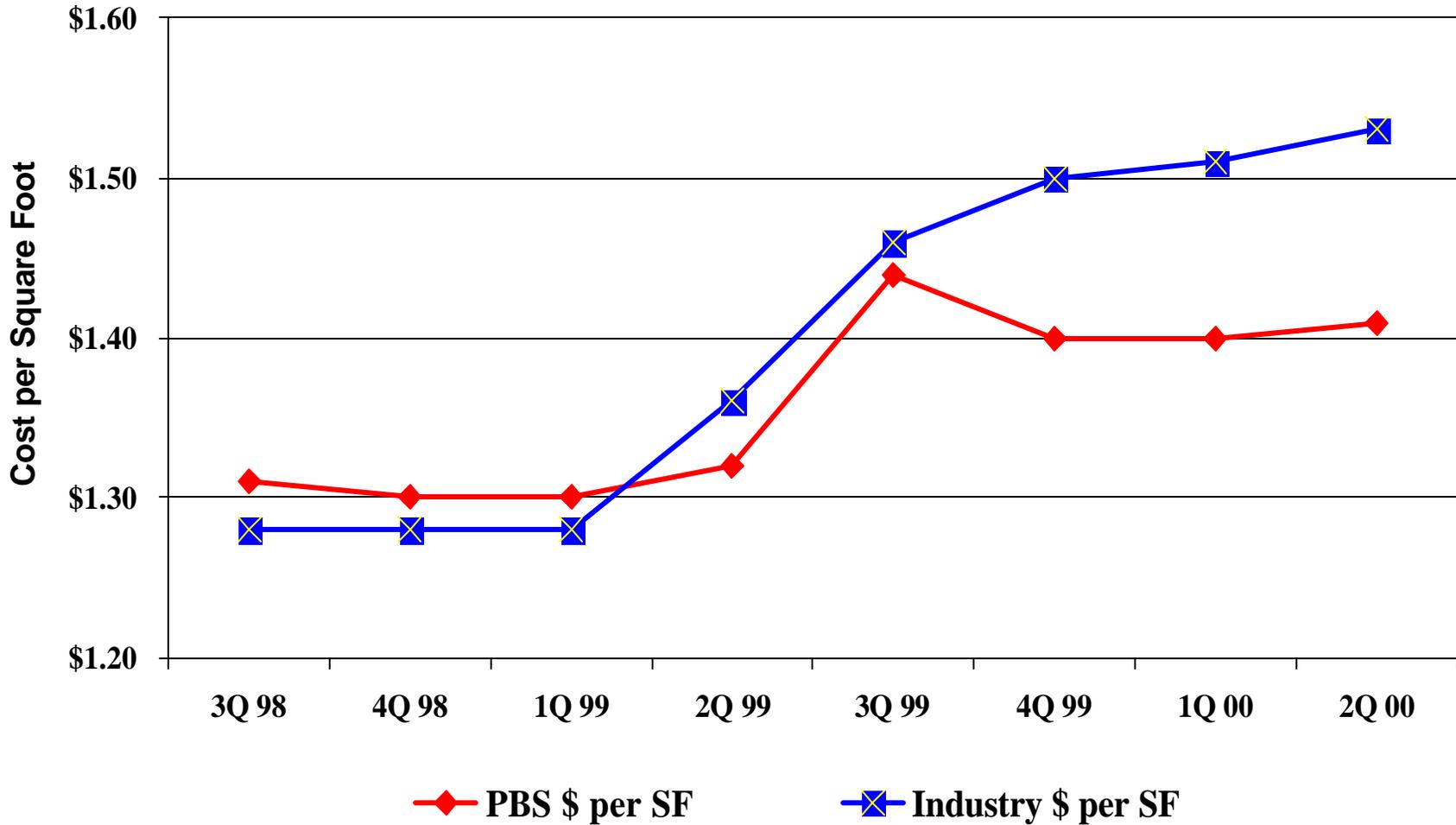


GSA Maintenance Expenses for Office Space

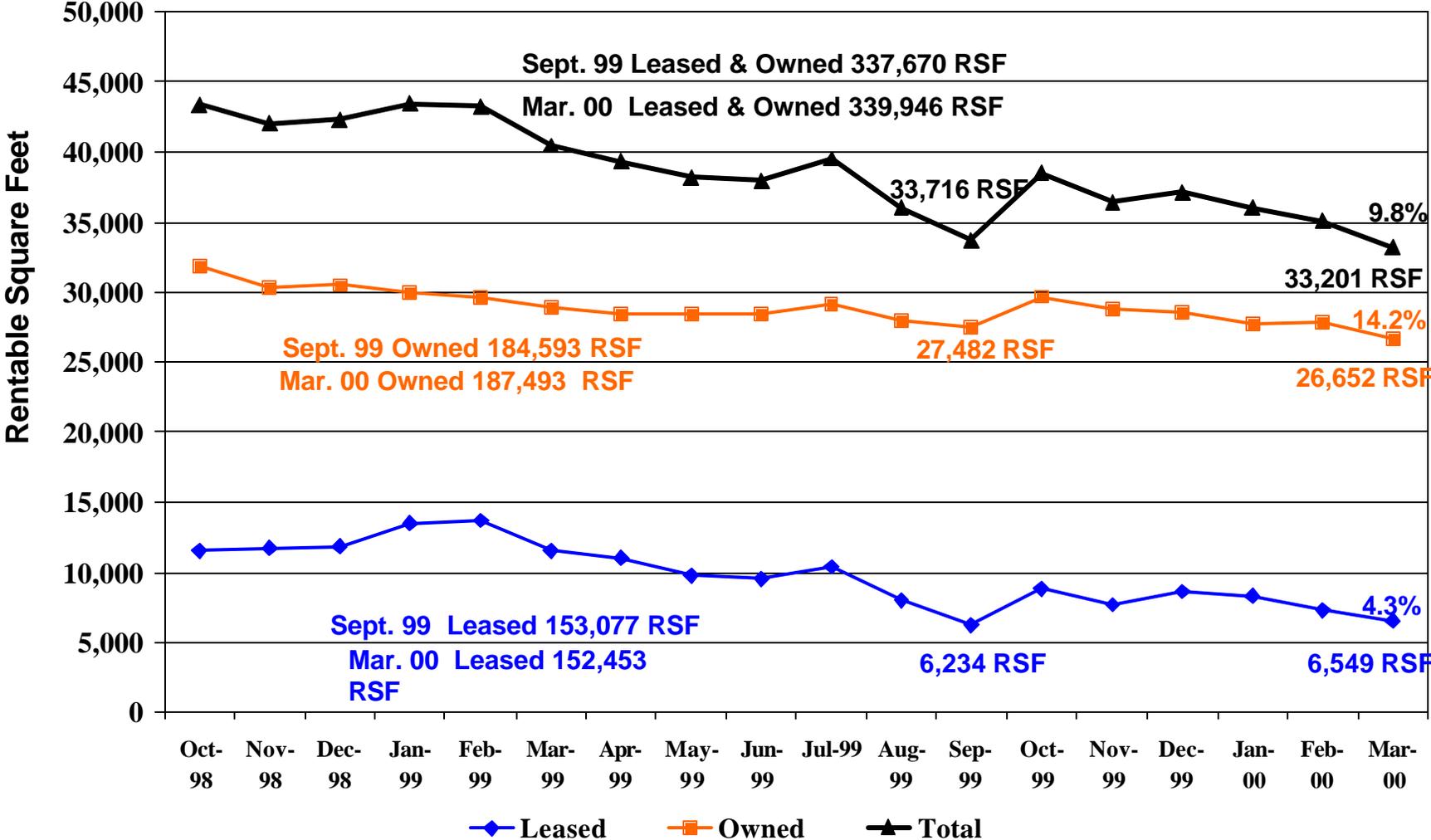


Maintenance Costs

3rd Quarter 1998 to 2nd Quarter 2000



Space in the PBS Inventory Producing No Revenue

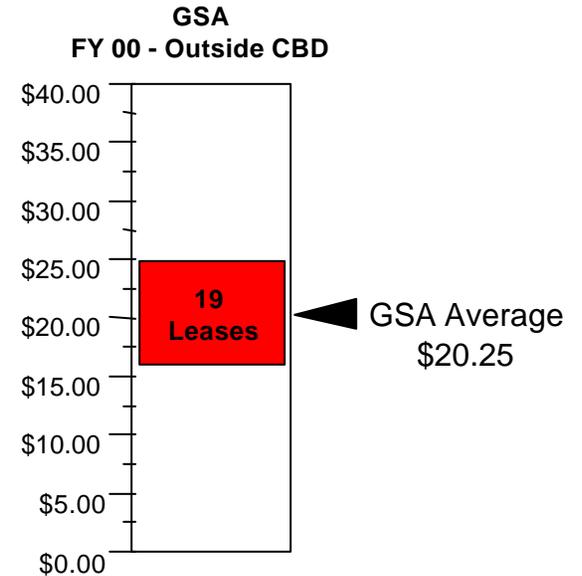
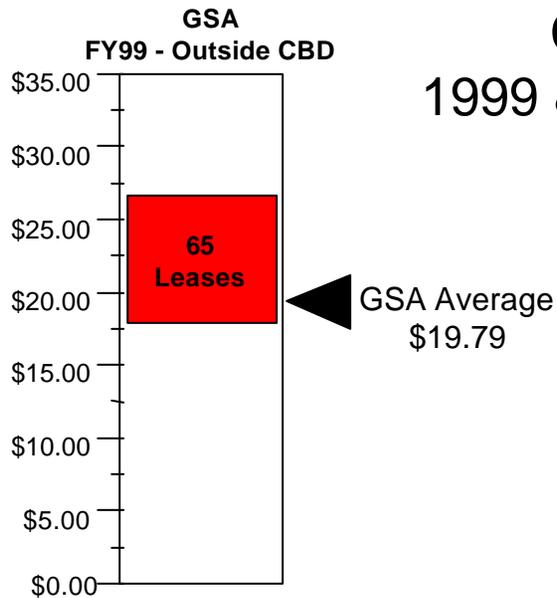


*FY 1999 normalized for Zero Rate/Free Rent Space

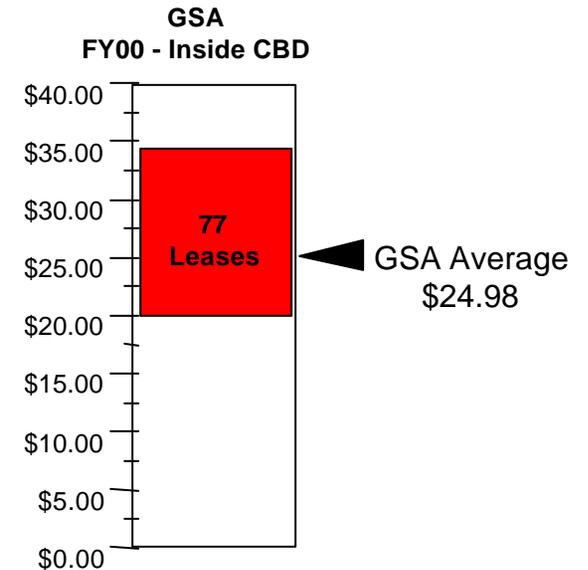
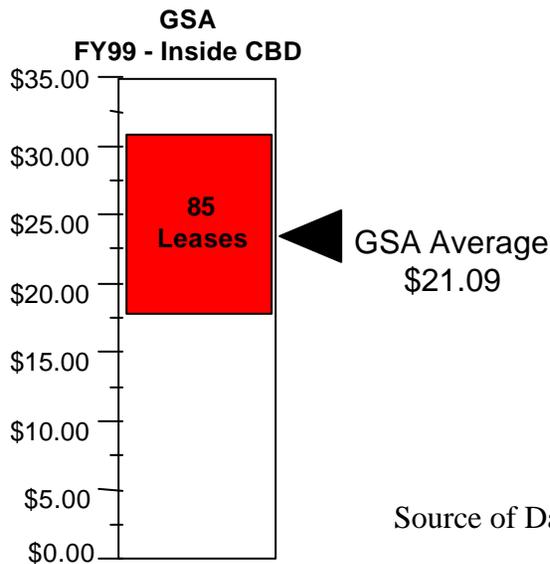
**Value of Non-Revenue Producing space was \$469.3 million in FY 1999 and \$229.9 through March FY 200

Average Fully Serviced Office Lease Cost/Sq.Ft. vs Industry Range

Class A Space 1999 & 2nd Quarter FY00



■ SIOR Range



Source of Data: STAR, SIOR, LMI

Cultural Change

Cecilia Serrano- Region 9

- ☞ Although we are already a successful field office, the time has never been better to really “shine” and contribute to the ongoing effort of improving GSA’s image and “branding”.
- ☞ Our way of approaching issues and service delivery has changed. We always consider the resulting effect of our action on performance measures. I have observed this in my employees, and it is really fun to see. Our language, in a sense, has changed to include measures as part of our “lingo”.
- ☞ And finally, we are aware that if our customers are not satisfied, we are simply not doing our jobs. In our office, performance measures have given us a tangible way of *measuring our success*.

Cultural Change

Sharon Jenkins - NCR

GSA changes:

- ☞ Re-negotiated cleaning contracts with NISH. Industry private sector costs were used to open the negotiations.
- ☞ Industry costs were shared with NISH to improve understanding between the parties.
- ☞ Performance based contracts that concentrated on results.

NISH changes:

- ☞ Stopped depending upon GSA to do their quality assurance
- ☞ Become more business like.

Cultural Change

GSA/NISH Partnership

- ☞ **National Industry for the Severely Handicapped (NISH):**
 - **mandatory source required by Law (Javits-Wagner-O'day)**

 - **outstanding program severely handicap employees to be productive members of USA work force.**

 - **clean approximately 60% (69 million sq.ft.) of our Office Buildings and Courthouses (\$97 million)**

 - **High Customer Satisfaction scores for cleaning**
 1. **NISH 82%**
 2. **Force Account 78%**
 3. **Other contracts 78%**

- ☞ **Cleaning costs for NISH were significantly higher then private sector when we began measuring.**
 - **Now costs are lower (\$1.40 to \$1.46)**
 - **Maintaining customer satisfaction scores**

Lessons Learned

- ➡ Only pick the important few, choose wisely
- ➡ Expect the unexpected
- ➡ Beware the law of unintended consequence
- ➡ Use the measured in developing the measures

Lessons Learned

- ☞ Tell a complete story - not just the glitzy stuff
- ☞ Continually review what your doing
- ☞ Integrate your efforts

Best Practices

Mediocre Practices

Good Practices

Pretty Good Practices

Superior Practices

Practices That Don't Completely Reek

Great Practices

Good Practices

A good practice is any practice, experience, or lesson learned that is valuable or effective in improving performance.

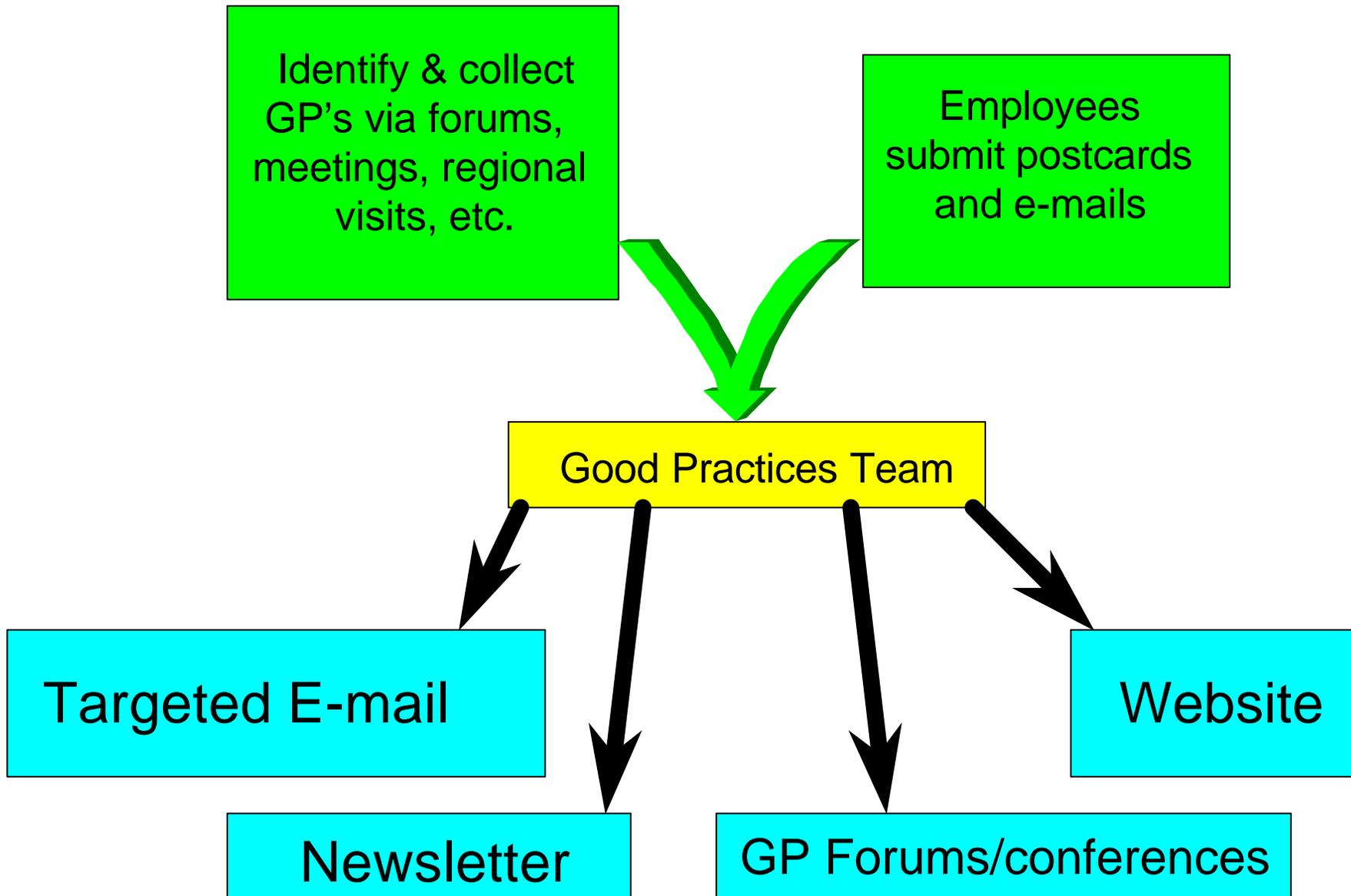
“Good practices are the flip side of performance measures”

- *Bob Peck, 10/6/99*

“If we only knew what we know”

- *Bob Peck, later that same day*

Measures suggest good practices



Market use of GPs & assist users

Strategy

