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# Office of Science Facilities and Infrastructure Workshop

## Update on Infrastructure Issues

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# Real Property Mandates

- Executive Order 13327 – Issued February 4, 2004 to promote the efficient and economical use of America’s real property assets and assure management accountability for implementing Federal real property management reforms.
  - Establishes the interagency Federal Real Property Council, chaired by OMB Deputy Director for Management
  - Requires Agencies to establish Senior Real Property Officer.
  - Requires Agencies to develop and implement agency-wide asset management plans.
  - Requires establishment of Agency level performance measures.
  - Requires collection of common inventory information.
- The President’s Management Agenda Program Initiative on Federal Real Property Asset Management added.



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## President's Management Agenda Real Property Initiative

Federal Real Property Council Guidelines issued December 22, 2004

- Established 10 Guiding Principles
- Established Agency Asset Management Plan Components
- Established 23 mandatory inventory data elements
- Established four first tier performance measures
  - Condition
  - Utilization
  - Mission dependency
  - Operating Costs



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- Federal Real Property Council Guiding Principles:
  - Support agency missions and strategic goals
  - Use public and commercial benchmarks and best practices
  - Employ life-cycle cost-benefit analysis
  - Promote full and appropriate utilization
  - Dispose of unneeded assets
  - Provide appropriate levels of investment
  - Accurately inventory and describe all assets
  - Employ balanced performance measures
  - Advance customer satisfaction
  - Provide for safe, secure and healthy workplaces



## Status

- **Asset Management Plan**
  - Built on existing DOE guidance and policy in compliance with Federal Real Property Council Guidance
  - Developed by OECEM working with Program Offices
  - Has been approved by OMB
  - Plan must be finalized and approved by the Deputy Secretary
  
- **Inventory data elements**
  - FIMS has 14 that match
  - Six can be mapped from existing data fields
  - Three are new data fields
  - Need to be developed and populated by FY 2005
  
- **Performance measures**
  - Three are in alignment with existing requirements
  - Operating costs will be a challenge since they want to capture service costs to the asset level



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# Facility Operating Costs

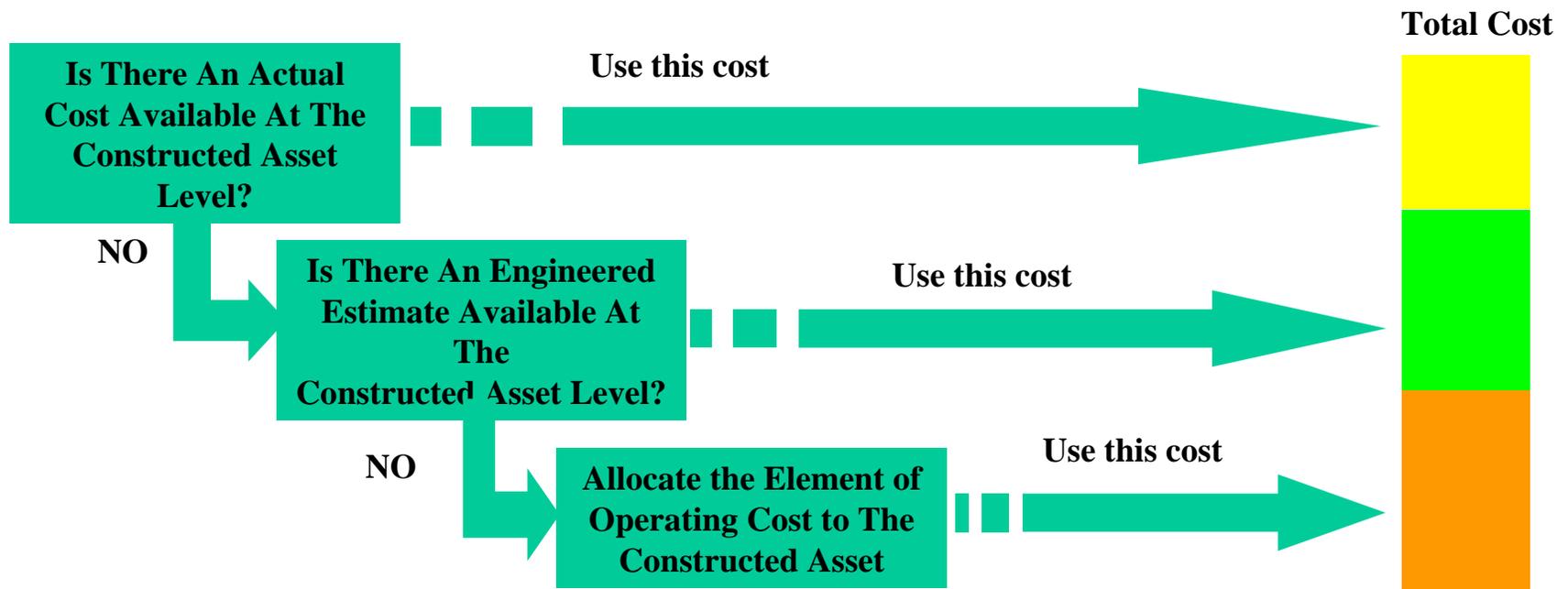
All Agencies must report at the “Constructed Asset” level by 1st Quarter FY06 (i.e. populated with end of year 05 data) Facility Operating Costs” Which includes:

- Recurring maintenance and repair
- Utilities (includes plant operation and purchase of energy)
- Cleaning and/or janitorial costs (includes pest control, refuse collection and disposal to include recycling operations)
- Roads/grounds expenses (includes grounds maintenance, landscaping and snow and ice removal from roads, piers and airfields)



# Operating Cost Allocation

The goal is to populate the best available operating cost data:





# Score Card Criteria Where We Are Today

## Criteria for Yellow

- Designated a Senior Real Property Officer
- Identified performance measures *through active participation in Federal Real Property Council*
- Completed and maintained comprehensive real property inventory *including meeting the Federal Real Property Council requirements*
- Provided timely and accurate info into government –wide real property inventory database
- Developed OMB approved comprehensive asset management plan that:
  - *Complies with FRPC guidance*
  - Includes policies and methodologies for maintaining property holdings in an amount and type to support budget and mission
  - Seeks to optimize level of real property operating, maintenance, and security costs



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# Federal Real Property Asset Management Score Card Criteria

## Criteria for Green

- Yellow criteria plus the following
- Established an OMB approved three-year rolling timeline with date certain deadlines by which agency will address opportunities and determine its priorities as identified in the asset management plan
- Demonstrated steps taken toward implementation of asset management plan as stated in yellow criteria
- Accurate and current asset inventory information and asset maximization performance measures are used in daily management decision-making (such as reducing the amount of unneeded and underutilized properties)
- The management of agency assets is consistent with the agency's overall strategic plan, the agency asset management plan, and the performance measures established by the FRPC



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## **PMA – Financial Management**

- ME-10 has Departmental lead
- OECCM has lead for the Facility Management sub-initiative
  - Maintenance cost and overhead cost allocation process
    - Understand linkage between site maintenance management systems and accounting systems
  - EVMS Certification
    - Complete review of 8 major contractors' EVMS in FY05
    - Complete review of remaining major contractors' EVMS in FY06



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## Key Sub-Initiatives of DOE Financial Improvement Initiative

- **Facility Maintenance Cost Management**
  - Understand the links between the M&O Contractor's maintenance management system, M&O's financial system and DOE financial system.
  - Understand how cost burdening differs between sites.
  - Normalization and benchmarking between sites/programs
  - Why does FIMS maintenance cost diverge from that in the quarterly report?

### **Planned Outcome:**

- Understanding and mapping of a process.
- Identify potential system changes to automate data collection.
- Establish a baseline of facility maintenance cost burdens.



- **Facility Maintenance Cost Management**
  - Map maintenance management and accounting processes at two pilot sites
    - First Site: Argonne National Laboratories
    - Second Site: Sandia National Laboratories
  - Use data from pilot sites to generate a meaningful data call from other sites
  - Consolidate findings, develop a plan forward
  - Establish a corporate-wide commitment to follow the plan



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## **National Academies of Sciences Report of Real Property Management**

DOE contracted with the National Academies of Science to evaluate efforts to improve facility and infrastructure management. The report, issued September 29, 2004:

- Recommendations aligned with the President's Management Agenda and Federal Real Property Council direction.
- Confirms DOE direction.
- Provides recommendations to strengthen facilities management.



## Major Findings

- Positive
  - Policies and procedures that characterize high performance organizations in place
  
- Negative
  - Inconsistent implementation
  - Fragmented management responsibilities
  - Inadequate performance measures
  
- 25 Specific recommendations focus on
  - Consistency
  - Performance Measurement
  - Benchmarking
  - Human capital
  - Leadership



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# Alignment

NAS Recommendation	President's Management Agenda	
	Real Property	Financial Mgt
<b>Performance Measures</b>	X	
<b>Best Practices / Benchmarking</b>	X	
<b>Consistent Implementation</b>	X	X
<b>Data Management (FIMS/CAIS)</b>	X	
<b>Training / Certification</b>	X	
<b>Excess Elimination</b>	X	



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- **We, as a Department, are on the right track**
- **Successful implementation dependent upon:**
  - Clear definition of requirements and expectations.
  - Effective communication at all levels.
  - Valid data.



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- **Our Mission**
  - **Our People**
    - **Our Facilities**
      - **Our Success**



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## **Backup Slides**



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# FRPC 23 Data Elements

1. Real Property Type	9. Utilization (Performance Measure 1)	17. State
<b>2. Real Property Use</b>	10. Value	18. Country
3. Legal Interest	11. Condition Index (Performance Measure 2)	19. County
<b>4. Status</b>	<b>12. Mission Dependency (Performance Measure 3)</b>	20. Congressional District
<b>5. Historical Status</b>	<b>13. Annual O&amp;M Cost (Performance Measure 4)</b>	21. Zip Code
6. Reporting Agency	<b>14. Main Location</b>	22. Installation Identifier
7. Using Organization		<b>23. Restrictions</b>
8. Size	16. City	



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# Operating Cost – Latest Thinking

	<b>BUILDINGS</b>	<b>TRAILERS</b>	<b>OSFS</b>
<b>MAINTENANCE AND REPAIR</b>	Use data currently captured in FIMS at the constructed asset level.	Use data currently captured in FIMS at the constructed asset level.	Use data currently captured in FIMS at the constructed asset level.
<b>ELECTRIC</b>	Meter – if available; remainder allocated by SF.	Meter – if available; remainder allocated by SF	Cost recorded if metered else no allocation
<b>WATER / SEWER</b>	Meter – if available; remainder allocated by SF	Meter – if available; remainder allocated by SF	Cost recorded if metered else no allocation
<b>GAS</b>	Meter – if available; remainder allocated by SF	No allocation	Cost recorded if metered else no allocation
<b>CENTRAL HEAT</b>	Meter – if available; remainder allocated by SF	No allocation	Cost recorded if metered else no allocation
<b>CENTRAL COOL</b>	Meter – if available; remainder allocated by SF	No allocation	Cost recorded if metered else no allocation
<b>JANITORIAL</b>	SF allocation to all assets	SF allocation to all assets	No allocation
<b>PEST CONTROL</b>	SF allocation to all assets	SF allocation to all assets	No allocation
<b>REFUSE</b>	SF allocation to all assets	SF allocation to all assets	No allocation
<b>RECYCLING</b>	SF allocation to all assets	SF allocation to all assets	No allocation
<b>GROUNDS</b>	SF allocation to all assets	SF allocation to all assets	No allocation
<b>SNOW REMOVAL</b>	SF allocation to all assets	SF allocation to all assets	No allocation