

Department of the Interior “Getting to Green” Federal Asset Management Initiative



Asset Management Workshop
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Goals of EO 13327 (Real Property Asset Management)

Ensure that resources entrusted to the Federal government are well managed, used wisely, and used to achieve the desired results.

Government to be results-driven.

Property inventories maintained to support agency missions objectives at the:

- Right Size,
- Right Cost, and
- Right Condition



EO 13327 Overview

- Promotes efficient and economical life-cycle management and use of Federal real property assets
 - With emphasis on disposal of unneeded assets
- Established Agency Senior Real Property Officer (SRPO)
- Created the Federal Real Property Council (FRPC)
- Directs agencies to development asset management plans and performance measures
- Established governmentwide real property inventory database



Agency Requirements for EO 13327 Implementation

- Required to have dedicated resources, effective coordination, and agency commitment to make tough decisions when needed.
- Charged with developing and implementing the necessary tools (e.g., planning documents, consistent recording of inventory and utilization of government-wide performance measures) to improve management decisionmaking, as outlined within the scorecard standards.
- Continually review and update AMP, 3-year Rolling Timelines, Performance Measures and metrics, and analyses and reporting to agency leadership
- Implement the following Federal Real Property Asset Management Initiative Framework



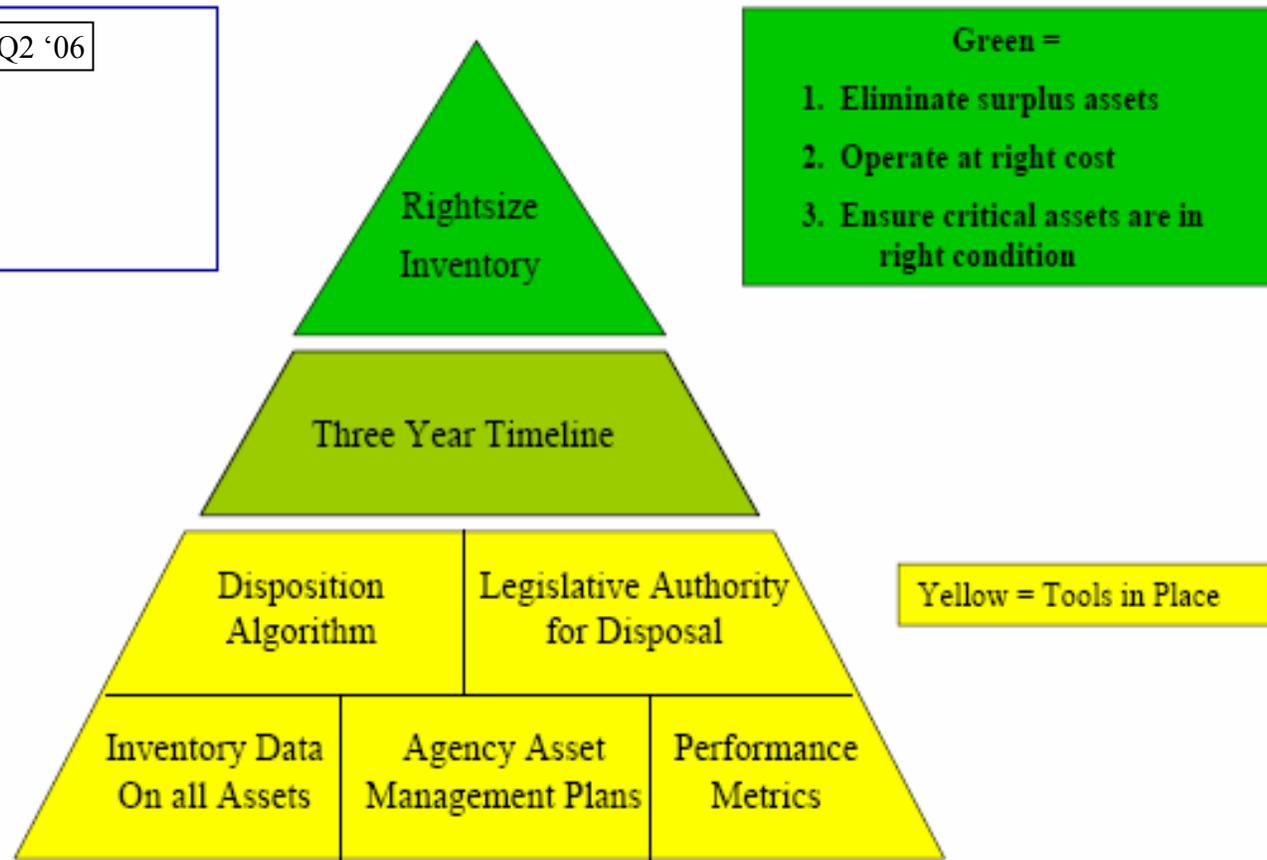
Implementing the Framework

Key to Success

DOI PMA Scorecard Q2 '06

Status: 

Progress: 



Department of the Interior Asset Overview

- Approximately 180,000 constructed assets
- 445,000,000 acres of surface land
- 700,000,000 acres of mineral estate
- 10,000 Government quarters
- 37,000 owned and/or leased fleet vehicles
- Most importantly – Approximately 60,000 permanent, 18,000 temporary & 200,000 volunteer personnel resources



DOI Spending on Construction Projects

FY 04 Enacted	FY 05 Enacted	FY 06 Enacted	FY 07 Request
\$1.1 billion	\$1.1 billion	\$950 million	\$890 million

Types of Projects

- Dams
- Visitor Centers
- Offices
- Schools
- Warehouses
- Housing
- Marinas



Key Deliverables

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- Designation of Senior Real Property Officer
- DOI Asset Management Plan (AMP) providing strategic vision and plan of action for strengthening the asset management -- OMB approved
- Bureau AMPs (bureau AMPs due June 2006)
- Bureau-by-Bureau Strategy for Reporting into the Federal Real Property Profile
 - 23 Data Elements including 4 Performance Metrics reported for each leased and owned constructed asset (DOI holds title)
 - Non-stewardship lands also reported.
 - All assets to be reported in FY 2006
 - Bureau's will report directly until FBMS is implemented
- DOI's Real Property President's Management Agenda Scorecard is "yellow" for status and "green" for progress



Elements of DOI's Asset Management Program

- Strengthened asset management through:
 - Establishing/updating policies;
 - Producing accurate and complete Inventory;
 - Implementing performance metrics;
 - Strengthening Project/Portfolio Governance (CPIC Items); and
 - Strengthening Planning
 - Cross-Cutting Initiatives (Maximo, Fleet and Space)



Expected Outcome of Interior's AMP

- Make wise investments that support to mission, goals and objectives;
- Manage assets to optimize use, improve effectiveness and efficiency.
- Right-size, as appropriate, the portfolio of owned and leased assets, including space and fleet; and
- Build on accomplishments and current actions.



Emphasizing Tools and Standard Approaches

- Common industry metrics -- Facility Condition Index (FCI) and Current Replacement Value (CRV), and the ability to prioritize investment decisions with standard scoring tools like Asset Priority Index (API).
- Standard policy, guidance, and templates.
- DOI AMP, Bureau AMP's, site-specific plans, internal scorecards, & processes.
- Comprehensive capital planning and investment control (CPIC) and governance of portfolio and individual projects and assets.
- Inventory and processes to be supported by the Financial and Business Management System (FBMS) and the "Single Platform" Facility Maintenance Management System (FMMS).



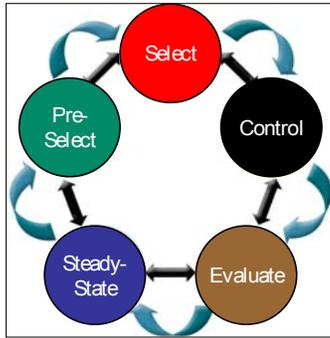
Working Together at Senior and Staff-Levels

- Coordination and collaboration shaping a DOI-wide approach
- Asset Management Team – Senior Real Property Officer and Bureau Senior Asset Management Officers
- Asset Management Partnership – Mid-Management Asset Management Professionals
- Active participation



Governing DOI's Assets

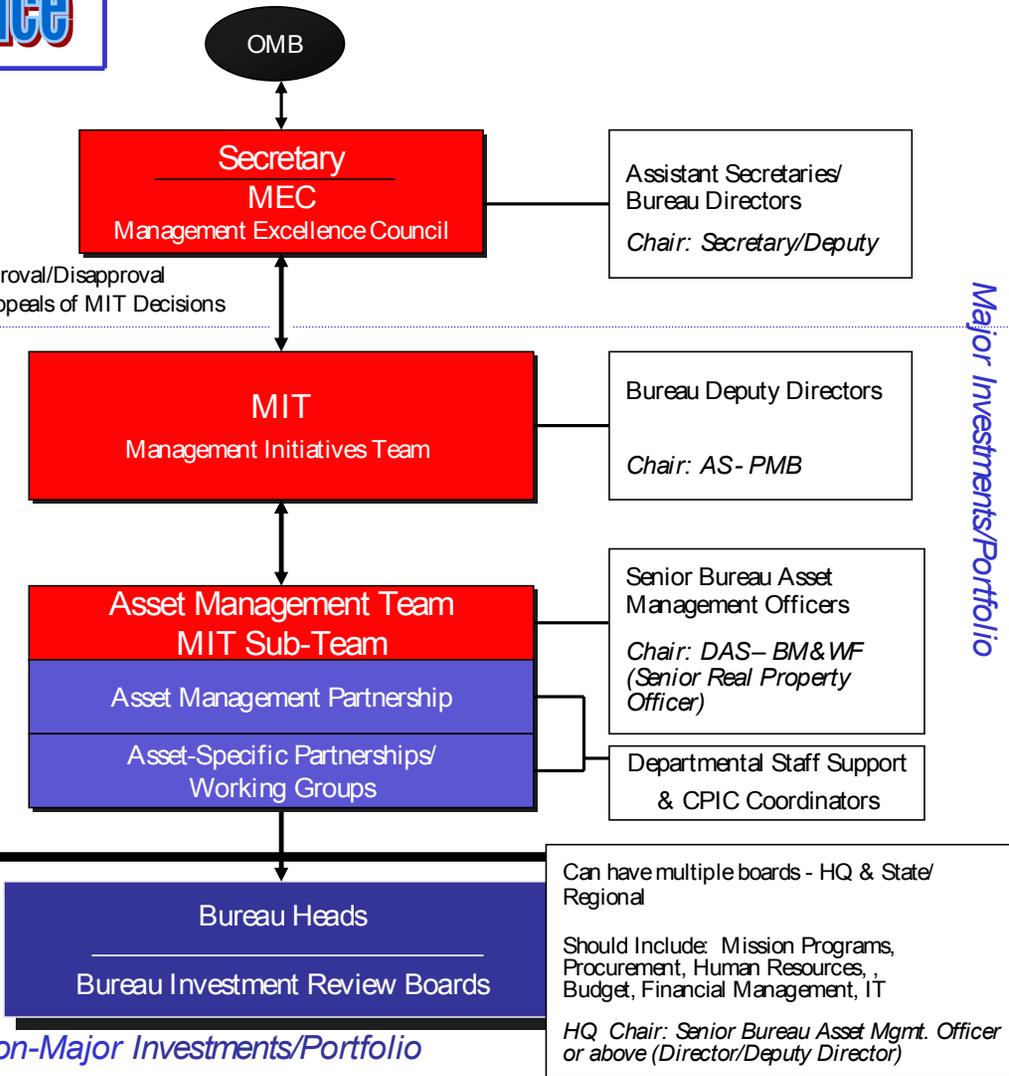
DOI CPIC Governance



- Decide Approval/Disapproval
- Consider Appeals of MIT Decisions

- Develop Investment Strategy
- Validate Major Project Scoring
- Certify Portfolio
- Resolve Duplication
- Project Integration Opportunities
- Recommend Approval/Disapproval
- Consider Appeal of AMT Decisions
- Review Exhibit 300
- Identify Duplication
- Score Projects
- Prioritize Portfolio
- Oversee CPIC Process

- Prepare and review Exhibit 300s
- Identify Project Integration Opportunities
- Scoring/Ranking/Multi-year Plan
- Oversee Individual Investments and Portfolio
- Oversee CPIC Process



Major & Non-Major Investments/Portfolio



Partnership Production

Results Thus Far

- OMB-approved AMP
- Asset Priority Index (API) guidance
- Draft three-year rolling AMP timeline with detailed milestones
- Sustainment information template -- total cost of ownership
- Strategy and status report on implementation of FRPP
- Tool for the quarterly status reporting of major projects
- Methodology for determining O & M costs;
- Bureau scorecard for real property
- Standard template for bureau Asset Management Plans
- Site Specific Asset Business Plan format
- Update of disposal policy to right-size DOI's inventory
- Departmental guidance on calculating utilization



Partnership Production

Ongoing and New Activities

- Prepare supplemental guidance to determine current baseline and next steps to implement DOI's space planning process.
- Submit plan to validate, monitor, and improve quality of FRPP data.
- Identify priority assets for investment based on FRPP data.
- Finalize and issue departmental guidance on cost estimates, FCI and CRV calculations, and steps to improve the condition of portfolio.
- Draft list of properties for disposition based on FRPP data.
- Each bureau submits Bureau Asset Management Plans
- Bureaus prepare Site Specific Asset Business Plans
- Updating Department's Rolling Three-Year Timeline that goes out through FY 08.



DOI AMP

- AMP presents DOI's strategic vision and plan of action for strengthening the asset management of:
 - Owned and leased buildings;
 - Structures;
 - Linear Assets; and
 - Motor Vehicle Fleet.
- Structured to meet the form, content, and other requirements of E.O. 13327 and FRPC guidance.
- Intended to be a “road map” and tool for management.
- Emphasizes use of a portfolio-centered approach for:
 - Strategic planning;
 - Budgeting; and
 - Informed decision-making.
- Transitioning from project-centric to portfolio-centric.
- AMP Website is <<http://www.doi.gov/pam/DOIAMP12.pdf>>



Bureau AMP

- Bureau AMP provides framework, strategic vision and plan of action for effective bureau facility management.
 - For use by field and management staff
- Supported by the Site Specific Asset Business Plans, serves as a building-block to update the DOI AMP on accomplishments.
- Bureau AMP supports and implements other foundational planning documents -- the departmental and bureau strategic or operating plans.
- The first bureau AMP is to be submitted to the Department's Senior Real Property Officer (SRPO) by June 1, 2006.



Bureau AMP

- Presents the bureau's management structure for asset management
- Summarizes the bureau's current asset inventory
- Documents the condition of the inventory
- Articulates the bureau's strategy and plan of action for improving the management and condition of the bureau's asset inventory
- Defines the bureau's strategy and process for managing the total cost of asset ownership (also referred to as life cycle costs)
- Serves as a framework to guide investment decisions (including operations, preventive maintenance, component renewal, repair, and construction)
- Highlights major successes and accomplishments in management of the asset portfolio.



Outline of the Bureau AMP

- The Mission and Organization Structure and Support
 - Bureau's mission, its specific goals, the human capital and organizational structure, decision-making framework, and objectives.
- Asset Inventory, Condition and Valuation
 - Overall inventory, condition and valuation of the bureau's assets.
- Asset Prioritization
 - Use of Asset Priority Index (API) to prioritize their assets.
 - Assets contribution to the bureau's mission and strategic/operating plan goals.
- Total Cost of Bureau Asset Management
 - Resources required for asset portfolio focusing on total cost for the life cycle of an asset (plan, design, construct, operate, maintain, recapitalize and dispose)
- Program Management
 - Programmatic and legislative authorities and needs critical to successfully supporting the bureau's AMP and meeting the requirements of the DOI AMP



Site-Specific Asset Business Plan (ABP)

Presents strategy at the field level to be employed by managers at the site to:

- Manage and oversee all bureau real property assets,
- Maximize the asset's contribution toward accomplishing missions
- Implement the bureau and Department's strategic goals, and maximize utilization, effectiveness, and efficiency.

ABP Has the following five components:

- Strategic Asset Planning – Strategic asset planning recognizes changes in mission priorities and the functional needs of assets over time.
- Asset Prioritization – The prioritization of assets helps managers focus funding to optimize portfolio performance.
- Operations & Maintenance – For owned and operated assets, the development, prioritization, and management of O&M requirements helps improve portfolio performance by identifying the true requirement for properly maintaining, operating, and sustaining assets
- Project Development – The planning, prioritization, scheduling, funding, and management of all real property projects are part of the project development process.
- Asset Disposition – Disposition of an asset results in a change in its status that is accomplished through sale, demolition, deconstruction or transfer or a retention option such as alteration for another use, doing nothing/hazard prevention or interim leasing.



Challenges Ahead – Current and Future

- Timeline for implementing change
- Availability of consistent technically qualified personnel
- Funding constraints
- Change management – more centralization/reducing stovepipes
- Developing and implementing required processes
 - IT Systems
 - Accurate asset inventories and O&M costs.



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