



Asset Management Plan FY2008

Appendix A: Agricultural Research Service Building Block Plan



Revision Information

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Section 1 Introduction

This is the United States Department of Agriculture (USDA) Agricultural Research Service (ARS) Building Block Plan (BBP) supporting the USDA Asset Management Plan (AMP), as required by Executive Order (E.O.) 13327, “Federal Real Property Asset Management.” This plan is guided by the principles of the Federal Real Property Council (FRPC) established by E.O. 13327. The BBP documents the “as-is” state of Asset Management within ARS, as well as current initiatives. This ARS BBP is organized into eight sections described in Table 1 below.

SECTION	CONTENTS
Section 1	An introduction and description of the approach, content of this plan, and focus areas for initiatives.
Section 2	ARS mission and its real property support in implementing its missions and strategic goals, its human capital and organizational structure, decision-making framework, owner’s objectives, appropriations and authorities, and “to be” areas for process initiatives.
Section 3	ARS acquisition planning for real property assets, development of the capital plan, identification of its prioritized acquisition list each fiscal year, measurement of the effectiveness of its acquisition results, key initiatives to improve financial management and acquisition performance, and “to be” areas for a 5-year Capital Planning and Repairs Plan.
Section 4	ARS operation of its real property assets, its inventory system, its Operations and Maintenance Plans, its Asset Business Plans (Facility Master Plans, etc.) and its periodic evaluation of assets.
Section 5	ARS disposal practices of unneeded real property assets, measures of the effectiveness of its redeployment actions and identified key initiatives to improve the pace of disposition as well as its ability to dispose of difficult, environmentally challenged properties. Lists of ARS recent disposals are provided as a frame of reference. Plans for disposals of assets in current and future years are attached.
Section 6	ARS performance measures and continuous monitoring.
Section 7	Acronym List
Section 8	This section contains documents that influence or better define ARS real property management, but are not policy. Examples are strategic plans, the most current 3-year rolling timeline, or mission statements and goals.

Table 1: Agricultural Research Service BBP Organization

Background

ARS is USDA's principal in-house research agency. It is one of the four component agencies of the Research, Education, and Economics (REE) Mission Area. Congress first authorized federally supported agricultural research in the Organic Act of 1862, which established the USDA.

In addition to ARS, REE has three other Agencies:

- Cooperative State Research, Education and Extension Service (CSREES)
- Economic Research Service (ERS)
- National Agricultural Statistics Service (NASS)

In fulfilling the REE Mission, ARS has primary responsibility to:

- Provide initiative and leadership in agricultural research
- Conduct research on broad regional and national agricultural and related problems
- Conduct research in support of Federal action and regulatory agencies
- Provide technical expertise to meet national food, food safety, and environmental emergencies
- Serve as an agricultural science resource to the executive and legislative branches

ARS research activities are carried out at more than 105 domestic and 3 foreign research locations so that problems of regional, national, and international nature can be addressed under the most favorable research environment. Many ARS activities or programs are located on university campuses of land-grant colleges and State agricultural experiment stations to assure cooperation and interaction with State and university scientists.

To accomplish its mission, the ARS organization includes approximately:

- 1,000 research projects within 23 national programs
- 2,100 scientists
- 6,000 other employees
- 108 total research locations
- \$1.06 billion fiscal year 2007 budget

ARS research is organized into 23 National Programs. These programs serve to bring coordination, communication, and empowerment to the more than 1200 research projects

carried out by ARS. The National Programs focus on the relevance, impact, and quality of ARS research. The four major categories and 23 programs are listed below.

Nutrition, Food Safety/Quality

- Human Nutrition
- Food Safety (animal and plant products)
- Quality and Utilization of Agricultural Products

Animal Production and Protection

- Food Animal Production
- Animal Health
- Veterinary, Medical, and Urban Entomology
- Aquaculture

Natural Resources and Sustainable Agricultural Systems

- Water Resource Management
- Soil Resource Management
- Air Quality
- Global Change
- Rangeland, Pasture, and Forages
- Manure and Byproduct Utilization
- Integrated Agricultural Systems
- Water Availability and Watershed Management
- Agricultural System Competitiveness and Sustainment
- Bioenergy and Energy Alternatives

Crop Production and Protection

- Plant Genetic Resources, Genomics and Genetic Improvement
- Plant Biological and Molecular Processes
- Plant Diseases
- Crop Protection and Quarantine

- Crop Production
- Methyl Bromide Alternatives

1.1 ARS Organization

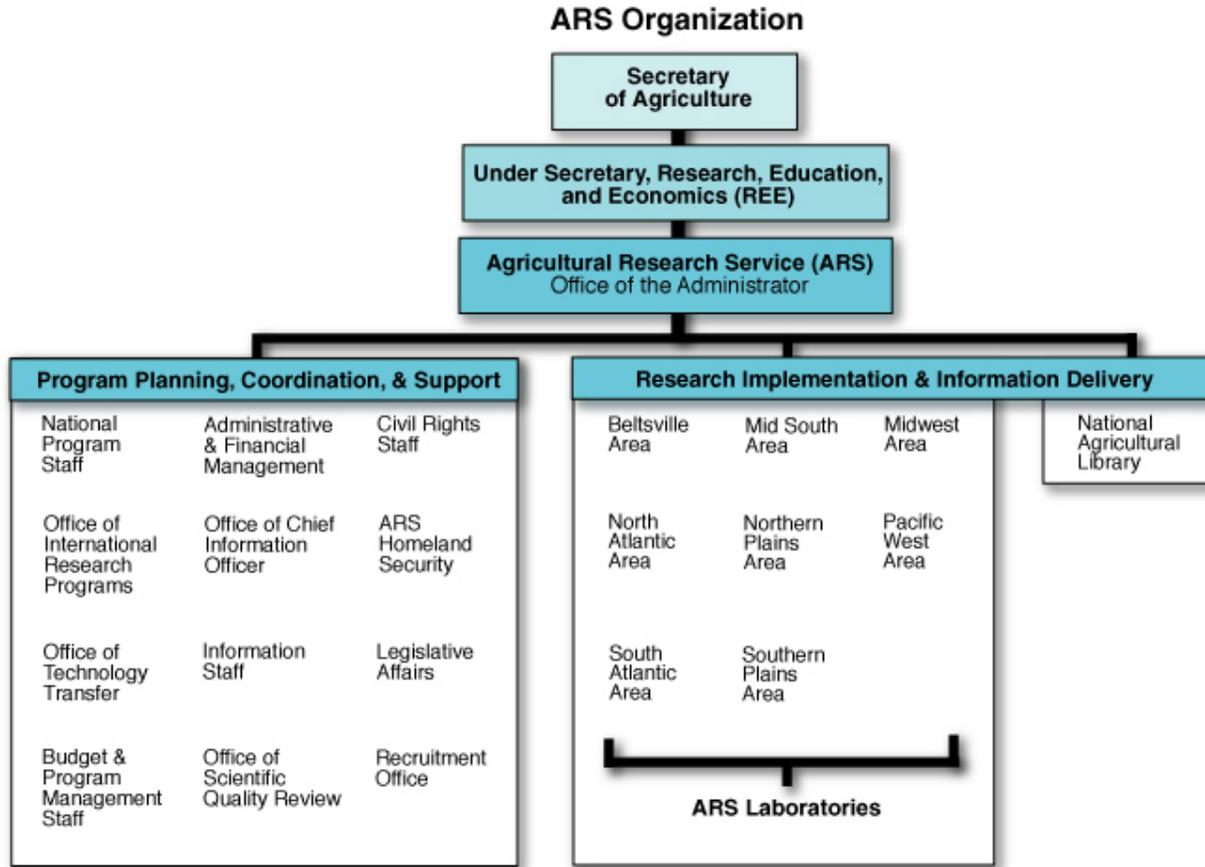


Figure 1: ARS Organization

1.1.1 Administrator

The ARS Administrator manages ARS. The ARS Administrator is responsible for all ARS activities including planning, executing and balancing programs, and deploying resources to achieve Agency objectives. The ARS Administrator is responsible for formulating ARS policy, advising the Department on policy relating to national agricultural research matters, and for coordinating ARS planned activities with cooperators in the public and private sectors as well as with other Federal agencies that are served by ARS. The Administrator is also responsible for assessing general program progress, evaluating broad program areas for performance, and for representing ARS to the Under Secretary, REE, the Secretary of Agriculture, and other such Cabinet- and sub-Cabinet-level Administrators with whom ARS interacts.

The general performance of research is managed on a national basis through Area Directors (AD) at the eight Area Offices and the Director at the National Agricultural Library (NAL). In planning, budgeting, and managing the overall ARS program, the Administrator is assisted by the:

- National Program Staff (NPS)
- Budget and Program Management Staff (BPMS)
- Administrative and Financial Management (AFM)

1.1.2 Area Directors (AD); Director, NAL

Area Directors are responsible for laboratory and field implementation of ARS programs in their respective Areas, which are consistent with the Administrator's policies and ARS Strategic Plan. The AD line management includes the following responsibilities to:

Direct and execute approved programs

- Recruit, employ, evaluate, and make the best utilization of ARS scientists in keeping with national program needs and requirements
- Participate with NPS in planning and conducting program reviews and in executing recommendations resulting from them
- Approve annual reports, and plan as well as position resource management plans
- Participate with NPS, through the ARS Budget Board, in developing the ARS budget
- Maintain coordination with State experiment station directors, regional councils, and other individuals and groups that have an interest in agriculture

1.1.3 National Program Staff (NPS)

NPS is the Administrator's chief technical advisers for the national research programs. NPS has direct responsibility for leading budget development, coordination, review, and evaluation of ARS national programs to ensure proper interaction, balance, and distribution of research efforts focused upon national and major regional issues. NPS establishes long-range goals, strategic and operational plans, and program priorities. NPS also plans and conducts program reviews; coordinates, monitors, and evaluates national and regional programs; maintains coordination with scientists, administrators, the public and private cooperators on research and budget needs; and provides liaison services for Agency programs between ARS and Federal, State, private, and public interactions.

1.1.4 Budget and Program Management Staff (BPMS)

BPMS is responsible for the administration of ARS budgetary activities and funding policies. BPMS provides functional leadership in all aspects of the Agency's annual budget submission,

providing justification to the Secretary of Agriculture, Office of Management and Budget (OMB), and to the Congressional Appropriations Committees. This responsibility includes the efficient stewardship of appropriated and contributed funds utilized at more than 107 locations and 62 work sites, including maintenance of its laboratories, buildings and facilities that are located across the United States and abroad. BPMS is the recognized authority on budget formulation, presentation, execution and implementation.

1.1.5 Administrative and Financial Management (AFM)

AFM assists the ARS Administrator in establishing policies for the overall planning and administration of various programs. AFM conducts key assignments for all of ARS and serves as an extension of the Office of Administrator to many outside parties engaged in programs of mutual interest to ARS. AFM consists of the following Divisions: Human Resources; Financial Management; Acquisition and Property; Extramural Agreements; Outreach, Diversity, and Equal Opportunity; and Facilities. Two divisions that work real property issues are Acquisition and Property, and Facilities.

Acquisition and Property Division

The Acquisition and Property Division provides supply and services contracting including facility support contracts, purchasing and personal property support to ARS.

Facilities Division (FD)

Facilities Division is responsible for all asset management issues of real property. The Facilities Division delivers support and technical guidance for the ARS major building program and provides expertise in engineering project management, architect-engineering (A-E)/construction contract management, real property, space management, and safety, health, and environmental management. End products include the construction of new and renovated ARS research facilities, ARS land/building acquisition and disposal, space layout and office relocations, and a safe working environment. FD is responsible for the management of over 3,000 buildings and 1500 structures and 400,000 acres of land, and in FY 2007 FD managed approximately \$1.35 Billion in planning, design, and construction activity.

1.2 Real Property Organization

Real property policy and operations are handled by AFM Staff in FD as noted below. Section 8.2 and 8.3 provides more details and an organization chart, Figure 11.

1.2.1 Facilities Division (FD)

FD provides a variety of building-related services to the REE Mission Area. FD performs facility engineering and contracting functions for ARS research facilities located throughout the U.S. and overseas. FD implements the major design and construction program for ARS projects, with each project's design cost typically exceeding \$100,000 and construction exceeding \$1,000,000. Smaller projects are typically executed at the Area level by the Area Office Engineer (AOE). FD consists of engineering, contracting, real property (including space management),

and safety, health, and environmental functional areas. Specific roles and responsibilities of each FD Branch are defined below. The FD organizational chart is in Section 8.1, Figure 10.

1.2.2 Facilities Contracts Branch (FCB)

FCB provides nationwide operational contracting support for large design and construction projects. This support includes: planning, bidding, cost and price analysis, contracts award, administration, and closeout actions for construction and A-E requirements. FCB provides coordination, technical advice, and support to Agency Program Managers on policy formulation, monitoring of construction programs and authorities, budgetary requirements, reporting, and management accountability for Agency-wide facilities and construction programs.

1.2.3 Facilities Engineering Branch (FEB)

FEB provides nationwide operational technical support for major design and construction projects from development of the Program of Requirements to beneficial occupancy of a facility. This includes policy formulation, project budget and schedule forecasting, design criteria development, and execution of facilities project planning, design, and construction. FEB provides technical support and consultation to Headquarters and field organizational management and operating personnel in order to fulfill facility requirements. This Branch coordinates project implementation with A-E firms, contractors, program officials, and other ARS entities. In addition, FEB ensures that Federal facilities meet satisfactory standards via the modernization program. FEB also provides leadership and oversight for the ARS Energy Management Program.

1.2.4 Ames Modernization Branch (AMB)

AMB provides engineering project management and contracting support for facilities design and construction requirements related to the \$461 million Ames Modernization effort. Engineering support includes project budget and schedule forecasting, design criteria development, and the execution of facilities project planning, design, and construction from project inception to completion. Contracting support activities include planning, bidding, cost and price analysis, contract award, administration, and closeout actions for construction and A-E requirements.

1.2.5 Safety, Health, and Environmental Management Branch (SHEMB)

SHEMB is responsible for planning, organizing, monitoring and evaluating the occupational safety, health, and environmental management programs to ensure that they respond to the mission and program needs of the REE Agencies, comply with Federal, State, and local statutory and regulatory mandates, guidelines, and standards, and are implemented with the intent to help reduce the potential for human, economic, and environmental losses associated with injury, illness, and property damage.

1.2.6 Real Property Management Branch (RPMB)

RPMB is responsible for the acquisition, utilization, and disposal of federally owned and leased real property in the custody and control of REE agencies. ARS-owned real property assets include more than 14,000,000 square feet in more than 3,000 buildings on approximately 400,000 acres of land at 107 locations and 62 work sites. REE agencies occupy over 700,000 square feet of office/laboratory space at 35 General Services Administration (GSA)-leased sites nationwide. RPMB has operational responsibility for all land and facility acquisition by purchase, lease, transfer, donation, and exchange, as well as all disposal actions.

It is the policy of ARS to efficiently and effectively manage ARS-occupied space in order to achieve the most customer friendly facilities, while ensuring effective and efficient coordination of effort and sharing of resources with non-federal partners. In order to accomplish this, ARS is committed to greater management control and accountability at all levels for real property assets. When planning a space action, first consideration will be given to ARS-owned facilities and/or leased space under the control of USDA agencies in the area that meets program requirements. Next consideration will be given to other federally-controlled space that meets program requirements. It is ARS policy to house operations in facilities that fully comply with all applicable rules and regulations pertaining to accessibility for the disabled, and is to be implemented whenever entering into a new or expanded GSA assignment, new or superseding ARS lease, space reduction action, or other space action.

1.3 Six Areas of Focus

Effective management of real property assets is of immense importance to a Department like USDA with such large and diversified real property holdings. The research and drafting of this Building Block Plans (BBPs) has led to the identification of six areas of focus for augmenting ARS's real property management goals, policies, tools, and processes that are critical to the future of real property management within the Agency. Section 2.7 details specific objectives in support of each focus area. These six critical focus areas are:

1.3.1 Real Property Management Organization.

ARS has and will continue to engage the stakeholders at the strategic and tactical levels throughout the Agency to allow for a responsive real property management organization. Through the strengthened leadership of the Office of the Director, Facilities Division and the involvement of the AFM leadership and ADs, ARS will facilitate effective communication and management oversight of real property activities and performance.

1.3.2 Real Property Planning and Budgeting Activities.

Effective planning processes are the foundation for effective asset management and form the basis for accountability and justifiable budget requests. ARS is working to improve integration of budget and planning procedures specifically related to real property.

1.3.3 Utilization of Inventory Data in Decision Making.

Once ARS has fully implemented the system and data collection requirements for the FRPC mandatory inventory data elements, the Agency will possess an even greater wealth of information on its real property assets. To effectively leverage this information in decision making, ARS will continue to update the Corporate Property Automated Information System (CPAIS) to provide accurate information to support decision making by USDA asset managers.

1.3.4 Performance Measures and Continuous Monitoring.

Performance measure data supports informed decision making regarding real property assets. ARS continues to update the FRPC First Tier Performance Measures for each asset and will include any new performance measures as they are introduced. ARS will utilize performance measure data in asset decisions at the Agency level with monitoring and oversight.

1.3.5 Asset Inspection and Condition Index (CI).

Routine asset inspection and knowing the condition of assets is a key component to effective planning and budgeting for real property assets and mitigates health and safety risks. In addition to the existing requirement for a five-year physical inventory, ARS has contracted out the inspection process for facility condition, and to-date approximately 40 percent of the building inventory is complete. These inspections are detailed for building components and estimate deferred maintenance, which is key in calculating CI. The remaining inventory has been estimated with models built from the inspections.

1.3.6 Divestment of Unneeded Assets.

In an era of shrinking budgets, it is more important than ever to ensure that the Agency is only investing in and supporting assets that are necessary to supporting its mission. ARS continuously reviews the performance of its assets to identify opportunities to rightsize the real property asset portfolio.

Section 2 Support of Agency Missions and Strategic Goals

Investment, operational, and disposal decisions need to be integrated with and supportive of core mission activities to effectively manage and optimize real property assets. To facilitate integrating real property asset management decisions with Agency missions, two elements are needed – a clear understanding of the Agency’s mission that drives the allocation and use of all available resources (human capital, physical capital, financial capital and technology/information capital) and an effective decision-making framework. This section discusses ARS’ mission, human capital, and decision-making framework.

2.1 Agency Mission

The mission of ARS is to develop new knowledge and technology needed to solve technical agricultural problems of broad scope and high national priority. Through its research, ARS aims to ensure adequate availability of high-quality, safe food and other agricultural products, to sustain a viable and competitive food and agricultural economy, to enhance quality of life and economic opportunity for rural citizens and society as a whole, to maintain a quality environment and natural resource base, and to provide access to agricultural information

ARS works toward solutions by pursuing scientific solutions to agricultural problems. Often this research is unlikely to have the commercial interest necessary for private industry to do the research. Therefore, ARS scientists frequently collaborate with research partners from universities, companies, other organizations and other countries.

ARS provides the scientific and information services needed to support much of USDA’s work in addition to other Federal agencies such as the Department of State, the Department of Energy, the Department of Health and Human Services, the National Institute of Health, Food and Drug Administration, the Office of the U.S. Trade Representative, the Department of Homeland Security, the Environmental Protection Agency (EPA), and some parts the Department of Defense (DOD) and the Department of the Interior (DOI).

E.O. 13327, Federal Real Property Asset Management establishes the framework for improved use and management of real property owned, leased, or managed by the Federal Government. It is the policy of the USDA, ARS to promote the efficient and economical use of the Agency’s real property assets and to assure management accountability for implementing Federal real property management reforms.

Based on this policy, ARS recognizes the importance of real property resources through increased management attention, the establishment of clear goals and objectives, improved policies and levels of accountability, and other appropriate action. As the foundation of the

Agency's real property asset management program, the following strategic objectives will be used for real property management improvement:

- Objective 1: Agency's holdings support agency missions and strategic goals and objectives.
- Objective 2: Maximize facility utilization and collocate Area operations when possible.
- Objective 3: Accurately inventory and describe real property assets using CPAIS.
- Objective 4: Use performance measures as part of the asset management decision process.
- Objective 5: Employ life-cycle cost-benefit analysis in the real property decision making process.
- Objective 6: Provide appropriate levels of investment.
- Objective 7: Dispose of unneeded assets.
- Objective 8: Use appropriate public and commercial benchmarks and best practices to improve asset management.
- Objective 9: Advance customer satisfaction.
- Objective 10: Provide for safe, secure, and healthy workplaces.

ARS operations and real estate activities are governed by the ARS Strategic Plan (FY 2003 – FY 2007), developed in accordance with the Government Performance and Results Act requirements. In structuring the Strategic Plan, ARS carefully crafted its objectives, performance measures (PM), and actionable strategies to address all of the applicable statutory provisions in the "Purposes of Agricultural Research, Extension, and Education" as amended by Pub. L. 104-127, Title VIII, Sec. 801, Apr. 4, 1996, 110 Stat. 1156. The FY 2008 – FY 2009 AFM Strategic

2.1.1 Real Property Organization Mission

The ARS mission is supported by the real property mission since land, facilities and services are fundamental components of ARS. ARS supports and researches a wide variety of plants, animals and environmental factors that co-exist in the agricultural system, many requiring highly specialized conditions and facilities in order to properly conduct experiments.

ARS-owned real property assets include over 14 million square feet in more than 3,000 buildings on approximately 400,000 acres of land at 108 locations of which there are three international locations and one territory location. REE agencies occupy over 1.2 million square feet of federally leased space nationwide. In the Washington Metropolitan Area alone, RPMB manages over 500,000 square feet of federally owned and leased office space at seven separate locations. Onsite staff provides recommendations for space assignment and utilization; office design and layout; system furniture acquisition; office relocation coordination; space alteration, repair, and maintenance; and physical security.

The ARS Strategic Plan (2003-2007)ⁱ has twenty-three performance goals. Goal 6 contains the following Management Initiative that captures the relationship between ARS' core mission and the real property mission.

Provide adequate federal facilities required to support the research mission of ARS. ARS research needs are the driving force behind the construction and renovation of ARS facilities. To maintain and enhance ARS capability to meet the needs of American agriculture—for both foreign and domestic consumption—requires a large and diverse inventory of laboratories and support facilities. Most ARS research facilities have been designed for a lifespan of approximately 30 years. Once the facility has reached this milestone, the infrastructure—electrical, heating, and ventilation systems—is generally inadequate to meet current safety standards and equipment demands of modern scientific programs. Significant investment is needed to either replace or modernize the facility to meet the needs of the research.

There are several specific real property goals that are integral to the ARS-AFM Strategic Plan including the following.

AFM Strategic Outcome 4: Stewardship (acquisition, maintenance, and disposal) of REE Real Property assets effectively supports and enhances the REE Mission Area.

Goal 4.1: Enhance the protection and well being of the work force and REE assets.

Goal 4.2: Develop and implement a Real Property Asset Management program.

Goal 4.3: Exercise proper stewardship of environment, natural, and energy resources as defined by E.O. 13148 – Greening the Government through Leadership in Environmental Management.

Goal 4.4: REE Real Property assets are modernized and replaced to meet mission requirements.

Goal 4.5: Integrate asset management principles into agency decision-making.

2.2 Human Capital and Organization Infrastructure

The ARS field organization is comprised of eight Areas and the NAL. The Human Capital (HC) Plan is critical to ensuring that the REE workforce is capable of providing effective leadership on food, agriculture, research, resources and related issues. The purpose of the ARS HC Plan (FY 2003 – FY 2007)ⁱⁱ is to help managers make smart investments in the current and future ARS workforce. This plan establishes a framework of policies and practices that will guide efforts in meeting workforce needs. It is the single source for performance expectations, time lines and measures. The ARS HC Plan Development Team was established in February 2003. Team members included human resources professionals and one representative from each of the ARS agencies.

ARS agencies have been very active in striving to hire and retain quality employees. Each of the agencies has a professional recruitment plan which best serves its needs. ARS takes into account

the results of skills gap analyses to help identify future recruitment needs and the type of skill sets needed for mission-critical as well as for technical, administrative, and clerical positions. Hiring benefits and programs, such as superior qualification appointments, recruitment incentives, relocation bonuses, student loan repayments, career intern programs and other initiatives, have been used to help recruit and retain talent. ARS also plans to continue to push for changes in government hiring regulations to foster more streamlined hiring and job classification processes. The Farm Security and Rural Investment Act of 2002 established within USDA a special category for distinguished world-class scientists called the Senior Scientific Research Service (SSRS). This program benefits ARS and ERS, allowing USDA's Secretary to recruit, appoint and pay world-class research scientists. The SSRS is aimed at boosting ARS competitive ability to attract and retain high-caliber research scientists.

2.2.1 Real Property Human Capital and Organization Infrastructure

FD provides a variety of Asset Management services to the USDA's REE Mission Area; see section 8.1, 8.2, and 8.3 for more details and organizational charts, Figure 10 and 11. The organization delivers operational support and technical guidance services in the areas of real property acquisition, design, construction, operation and disposal to help create efficient, safe, and effective environments.

Agency training and development programs strengthen real property core competencies and raise awareness of the importance of applicable industry trends and best practices. Training may be obtained on-line or through traditional instruction with various trade schools, colleges, associations and vendors, such as Management Concepts, Inc., Building Owners and Managers Association, the University of Wisconsin, the American Institute of Real Estate Appraisers and the International Right-of-Way Association. These courses/conferences must be in the approved areas of specialized training to perform certain tasks, such as appraisals, market surveys, lease management and negotiations, construction management, building and facility management and historic preservation.

RPMB is responsible for all federally owned and leased real property in the custody and control of ARS agencies on a nationwide basis. RPMB has operational responsibility for all land and facility acquisitions by purchase, lease, transfer, donation, and exchange, as well as all disposal actions. The oversight responsibilities of RPMB include inventory data tracking and reporting using the CPAIS. RPMB is also responsible for issuing out-grants (i.e. easements, rights-of-ways, mineral leases, and revocable permits), utilizing real property assets, and complying with Federal, State, and local laws that govern the management of Federal land and facilities, such as National Environmental Policy Act of 1969 (NEPA), the National Historic Preservation Act, the Endangered Species Act, and E.O. 13327.

RPMB Headquarters Realty Specialists typically administer the acquisition of real property, long-term leasing (ten years or greater), disposals/location closures, as well as assure compliance with Federal programs and policies. At the Area Office level, real property responsibilities include administering short-term leases (e.g. under 10 years), easements, revocable permits, assignment and use of quarters, and CPAIS data entry and information management.

RPMB has on-site Space Management Specialists in the National Capital Region (NCR) to provide recommendations for space assignment and utilization; office design and layout; system furniture acquisition; office relocation coordination; space alteration, repair, and maintenance; and physical security.

A Real Estate Warrant Officer (REWO) has been appointed in seven of the eight Area Offices with responsibility for real property management for their respective Areas. Five of the Areas have Realty Specialists serving as REWO's. One Area has a Supervisory Procurement Analyst who serves as the REWO with a Realty Assistant providing support. In another Area, a Supervisory Procurement Analyst serves as the REWO. The Beltsville Area has a total of three Realty Property Specialist positions and one Real Property Assistant position. Of the three Real Property Officers (RPOs), two have REWO delegation.

Real Property personnel within the Area and Headquarters Offices possess a broad background of skills and abilities related to their knowledge of real estate acquisition, real estate finance, facilities design and construction, building and facilities operations and maintenance, and dispositions. Realty Specialists must be familiar with appraisal principles, theories and practices, as well as types and conditions of ownership/leases. They must have the ability to analyze and resolve problems in very complex or controversial real estate transactions. In addition, RPWO's must have knowledge of laws, regulations, Executive Orders, decisions of the General Council of the Department, GSA, and the Comptroller General relative to the acquisition, exchange, utilization, management, and disposal of real property assets.

2.2.2 Training for Real Property Human Capital

A Individual Development Plan (IDP)ⁱⁱⁱ leads ARS personnel down the road to success to meet their immediate and long-term goals. The IDP is a training and development tool to help organize plans to learn new skills, acquire additional knowledge or sharpen current expertise. At a minimum, once a year, the employee and his/her supervisor meet to discuss proposed goals and accomplishments and to develop an IDP. This meeting gives both the opportunity to set objectives and plan learning experiences that will support the employee's development.

A goal is something pertinent to the employee's work or career that is worthwhile to pursue to improve or master some skill that will help the employee in their current job, give them the ability to perform a new responsibility in their present position, or prepare them for a future

assignment. The goal is to be realistic, challenging and achievable. The ARS FD is committed to providing ongoing education to its personnel.

2.3 Real Property Lease Authorities

The process to acquire or dispose of real property is delegated to the field with the exception of Level II Authority. Level II Authority typically requires personnel with higher warrants to execute the transaction. REWO personnel with a warrant designation level described below have the following authorities:

Level I Authority:

- Year-to-year leasing with a net annual rental less than or equal to \$50,000
- Ten-year firm term space leasing with a net annual rental less than or equal to \$50,000
- Revocable permits with a fair market value or fair market rental value less than or equal to \$50,000
- Building disposal with a fair market value less than or equal to \$50,000.

Level II Authority:

- Year-to-year leasing with a net annual rental less than or equal to \$500,000
- Ten-year firm term space leasing with a net annual rental less than or equal to \$500,000
- Revocable permits with a fair market value or fair market rental value less than or equal to \$50,000

Each REWO or RPO is responsible within their respective Area for:

- Obtaining, executing and administering the above real estate agreements and making the necessary determinations and findings in a manner which safeguards the overall interests of the U. S.
- Obtaining all necessary approvals for these agreements and complying with applicable laws, regulations, and Policies and Procedures.
- Assuring that funds for payment of real estate obligations are available.
- Exercising care, skill and judgment for REWO actions.
- Personally signing all agreements and associated modifications or amendments.
- Monitoring and reviewing any performance required on the part of lessors, grantees, etc.
- Initiating any appropriate action necessary to properly assure satisfactory lessor performance.

Table 2 highlights the Real Property Delegation Authority from GSA. The table represents who has the ultimate responsibility and whether or not the Delegation can be re-delegated.

Reference	Activity	ARS Delegation	ERS Delegation	CSREES Delegation	NASS Delegation	Re-Delegate?
P&P 245.1 Annual Appropriations (land purchase) P&P 241.2 P&P 244.0	2.Real Property					
	a. Purchase of Land	Administrator	n/a	n/a	n/a	No
	b. Long Term Lease for Land and/or Buildings (10 yeas or less)	RPMB, FD	n/a	n/a	n/a	No
	c. Short Term Lease for Land and/or Buildings (10 years or less)	RPMB, FD	n/a	n/a	n/a	Yes, REWO
	d. Building Disposal (Fair Market Value (FMV) – over \$50,000)	GSA	n/a	n/a	n/a	No
	e. Building Disposal (FMV) - \$50,000 or less	RPMB, FD	n/a	n/a	n/a	Yes, up to \$50,000 re-delegated to REWO
	f. Easements and Rights-of-Ways	RPMB, FD	n/a	n/a	n/a	Yes, REWO
	g. Revocable Permits	RPMB, FD	n/a	n/a	n/a	Yes, REWO

Table 2: Delegation of Authority for Real Property Chart

2.4 Owner's Objectives

The ARS ownership objective, with respect to federally owned real property in the custody and control of ARS, is to help guide the Agency towards fulfilling its core mission of research. The objectives are captured in the AFM Strategic Outcome 4 for real property goals:

- Provide and enhance the protection and well being of the work force and ARS assets.
- Exercise proper stewardship of real property assets.
- Exercise proper stewardship of environmental, natural resources, and energy resources.

A major part of this stewardship is inventory data tracking and reporting using CPAIS, enabling managers to access information on real property resources that are in use and/or available to further ARS mission goals. RPMB is committed to providing high-quality real estate management support services to its customers. RPMB Realty Specialists provide advice, guidance and support, as well as administer real estate activities for ARS nationwide. Activities include acquisition by purchase or lease, and disposal of real property; development of ARS-wide policy and procedures for real property, and other management activities, such as inventory data tracking in CPAIS.

2.5 Appropriations and Authorizations

For managing construction, major and minor repair/renovation, and maintenance of ARS facilities, the Agency has three funding sources. The Buildings and Facilities (B&F) appropriations are line item appropriations made by Congress each year for the construction of new facilities or major repair and renovation of existing facilities. In addition, ARS receives an annual appropriation for the Repair and Maintenance (R&M) of existing facilities. The third source is from research program funding and is used for the operation and maintenance, and construction of limited, small research facilities to support the individual programs.

The Appropriations Act provides ARS its annual B&F, R&M, and program appropriations and updates ARS authorizations when necessary.

There is also Hazardous Waste Cleanup (HWC) funds used for Resource Conservation and Recovery Act (RCRA) (42 United States Code (U.S.C.) 6901) and Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) (42 U.S.C. 9601) actions. The Areas submit RCRA and CERCLA projects, ARS determines the most critical HWC projects to support, and the Department provides ARS a HWC budget for these projects after reviewing all USDA Agency needs.

The R&M, program funds, and HWC funds are allocated via the ARS Annual Resource Management Plan (ARMP)/High Priority Requirements List (HPRL) process. To assure national leadership and direction of ARS research, the Agency enhances program accountability through the management of such resources assets as salary lapse, minor construction, repair and maintenance and energy retrofit funds, full-time equivalency (FTE), etc. The ARMP/HPRL process is a structured, disciplined approach to establish the framework for integrated resource planning. ARMP/HPRL submissions from the Areas are due the first quarter of the fiscal year, then both the Administrator and his staff, and some of the AFM Divisions (including FD) each conduct reviews on the submissions. The reviews are typically completed during the first quarter of the fiscal year, and after Congress has passed budget for USDA, ARS.

2.5.1 Funding Sources

B&F Funding:

These funds are appropriated by Congress for use on specific projects. Language in the ARS request or in the appropriation will limit the use of the funding. As an example, if ARS requests funding for construction, the appropriation in response to that request cannot be used for design. The B&F funding does not expire at the end of the fiscal year and remains available for the project until obligated or re-directed to another project by Congress. B&F funds cannot be supplemented from another fund source. For example, R&M funds cannot be mixed with B&F funds or program funds to make up a project funding shortfall.

R&M Funding:

R&M funds are received by ARS in annual appropriations from Congress. These are annual funds which expire on September 30th of the appropriations year and, therefore, must be obligated by contract prior to that date. The intent of these funds is to keep fixed assets in an acceptable condition to provide acceptable service and to achieves its expected life; and includes work needed to meet laws, regulations, codes and other legal direction as long as the original intent or purpose of the fixed asset is not changed. Generally, ARS receives about \$14 million annually under this appropriation. \$7 million is distributed to the Areas through the ARMP process for the Areas to execute smaller maintenance and repair efforts. The remaining \$7 million is retained by Headquarters and distributed by the Administrator for use on larger renovation, modernization, projects. In general, the R&M funding cannot be used to add usable square footage to a facility. In some instances, it can be used for additional mechanical space which is required as a result of bringing heating, ventilation, and air conditioning (HVAC) systems up to current standards.

Program (Base) Funding:

These are funds appropriated to the research programs throughout ARS. The locations are required to set aside four percent (4%) of these funds annually for the sustainment of their facilities. If excess program funds are available to a research unit as a result of salary lapse or other means, the program funding can be used to construct new facilities under the Unlimited Small Building (USB), Ten Small Building (TSB), Headhouse/Greenhouse (HH/GH) authorities, and for miscellaneous non-building type construction i.e. fencing, etc. In addition, Areas and locations use program funds to pay for operation and maintenance costs of real property assets.

HWC Funding:

These funds must be used for RCRA and CERCLA actions. These requirements entail removal, remedial, or pre remedial activities consistent with the intent of the funds. To qualify for HWC funding, a project must require a minimum of \$25,000. Examples of requirements which qualify for the funds are underground storage tank removals, site investigations, remedial investigation/feasibility studies, monitoring well installation and sampling, soil sampling, and removal actions. Examples of requirements that are not eligible for HWC funds include environmental audits, facility permitting, asbestos removal, routine disposal of wastes, and payment of fines and penalties.

Areas request HWC funding during the annual HWC budget request process. The process normally takes place in March/April. In addition to the Departmental budget request, Areas must utilize the ARMP process for requesting HWC funding. Only projects meeting eligibility requirements defined by Departmental guidance will be considered for funding. Approvals are based on the availability of funds, priorities in relation to other competing projects, notice of violations from State or Federal agencies, consent agreements with State or Federal agencies, and statutory dates for compliance. It is imperative that funds are obligated in the fiscal year they are received. Funding must be planned and managed to prevent a carryover into the next fiscal year.

2.5.2 ARS Appropriations Act

Under 7 U.S.C. 2250, USDA is authorized to construct, alter, and repair such buildings and other public improvements as may be necessary to carry out its authorized work provided that no building or improvement is constructed or altered in excess of limitations prescribed in the applicable appropriation.

The appropriation statutes, specifically 41 U.S.C. 11, require that no contract or purchase shall be made unless it is under an appropriation adequate to its fulfillment. This mandates that the expenditure of an appropriation will result in an end product (facility) which can be used for the intended purpose. Congress has been specific in its intent that any construction project provide for the completion of a fully functional facility that can be turned over to researchers to begin work immediately. Roads and major equipment items that form an essential part of the laboratory should be included in the budget and considered an integral part of a usable facility.

Through the budget process, Congress passes an appropriation bill which is enacted by the President. Appropriations may be annual or no-year. An annual appropriation is valid and available for one fiscal year and must be obligated in the same fiscal year in which the appropriation is made available. A “no-year” appropriation remains available for obligation and expenditure from the fiscal year of the appropriation until the spending purpose has been achieved. “No-year” appropriations cannot be commingled with annual appropriations or other funds without a specific Congressional authorization.

The annual ARS appropriation provisions concerning construction authorizations and limitations may vary with the passage of each annual ARS Appropriation Act. Accordingly, the applicable appropriation language must be checked on a case-by-case basis before obligating any funds.

The annual ARS Appropriation Act is typically similar to the following paragraph. The dollar limitations contained in this paragraph reflect FY 2006 levels and may change each year.

“Appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building shall not exceed \$375,000, except for head houses or greenhouses, which shall be limited to \$1,200,000, and except for ten small buildings to be constructed or improved at a cost not to exceed \$750,000, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building, or \$375,000, whichever is greater...”

This language in the annual Appropriations Act constitutes Congressional authority to obtain construction within these specified categories; but, Congress does not provide additional funding with these construction authorizations.

Currently, the annual Appropriation Act specifies that the limitations on alterations contained in the Act do not apply to modernization and replacement of facilities at Beltsville, Maryland. The current Act also provides funding for the R&M program.

2.5.3 ARS Construction Authorizations^{iv}

This section discusses the various ARS construction programs or construction projects authorized in the annual ARS appropriation, and the specific requirements for those programs/projects. In order to align with the Departments 3-Year Rolling Timeline, the programs are divided into three categories Capital Improvements, R&M, and Purchase Land.

Capital Improvements

Capital improvements are the construction, installation, or assembly of a new fixed asset, or the significant alteration, expansion, or extension on an existing fixed asset that is \$25,000 or more and accommodates a change in purpose, or an increase in capacity, or extends the useful life. The erection of a building, structure or facility, including the installation of equipment, site preparation, landscaping, associated roads, parking, environmental mitigation and utilities, which provides space or capacity not previously available. It includes freestanding structures, additional wings or floors, enclosed courtyards or entryways, and any other means to provide usable program space that did not previously exist (excluding temporary facilities). It also includes complete replacement of an existing asset with the same size, capacity and function as the previous asset. Other examples of capital improvements are work on a spillway for the purpose of increasing the size of the reservoir, adding bike lanes on a road/bridge or widening or paving shoulders on a road. Projects that fall under this authority are USB, TSB, HH/GH, Ten Percent Alteration (TPA), Modernization, Miscellaneous Construction, and Major Construction.

For USB, TSB, HH/GH, and TPA Area offices must obtain approval from headquarters to use the construction authorities for new small buildings or alterations to existing facilities expected to exceed \$25,000. use of these authorities must be based on sound program need, and existing facilities should be the first option investigated when the need is validated. Only when existing

facilities are inadequate to accommodate the program will construction authorities be requested. The details of using construction authorities is outlined in ARS Bulletin 08-200, Facilities Construction Authorities that was last updated in December 2007.

USB Authority: This is a construction authority to design and construct an unlimited number of small buildings at a cost not to exceed the authorized limitation identified in the applicable annual Appropriation Act language. Each building must serve to further enhance, pursue, and conduct immediate research program needs.

Example: This includes chemical storage buildings, animal shelters, and other storage buildings.

Funding: Annual base funding is used for this construction program. The Area must provide the funds. The ADs reserve or locate appropriation increases. The funds are identified and approved during the ARMP)/HPRL process.

The appropriation limitation for USB may change (increase or decrease) with each annual Appropriation Act. The funding limitation includes the combined costs of both design and construction.

TSB Authority: This is a construction authority to design and construct or improve not more than TSB at an individual cost not to exceed the authorized limitation identified in the applicable annual Appropriation Act language. Each building or addition to an existing building must serve to further enhance, pursue, and conduct ARS immediate research program needs.

Example: This includes larger-scale chemical or feed storage buildings or animal spaces.

Funding: Annual base funding is used for this construction program. The Area must provide the funds for each Agency-approved TSB slot. The funds are identified and approved during the ARMP/HPRL process.

The appropriation limitation for each TSB slot may change (increase or decrease) with each annual Appropriation Act. The funding limitation includes the combined costs of both design and construction.

HH/GH Authority: This is a construction authority to design and construct an unlimited number of head houses and/or greenhouses at a cost not to exceed the authorized limitation identified in the applicable annual Appropriation Act language.

Example: A head house is a building constructed at the end of a greenhouse to support the research conducted in the greenhouse.

Funding: Annual base funding is normally used for this construction program. The Area must provide the funds. The funds are identified and approved during the ARMP/HPRL process.

The appropriation limitation for HH/GH may change (increase or decrease) with each annual Appropriation Act. The funding limitation includes the combined costs of both design and construction.

TPA Authority: This is a construction authority to design and construct an alteration to any one ARS building at a cost not to exceed 10-percent of the building replacement value or the dollar limitation specified in the applicable Annual Appropriation act language, whichever is larger.

Example: An alteration is a change or substitution within the superficial limits of an existing structure, including remodeling or renovation of existing space, and converting vacant or abandoned interior building space to usable space. An alteration does not add usable square footage to an existing facility.

Funding: Annual base funding is used for this construction program. The Area must provide the funds. The funds are identified and approved during the ARMP/HPRL process.

The appropriation limitation for TPA may change (increase or decrease) with each annual Appropriation Act. The funding limitation includes the combined costs of both design and construction. The Area must obtain approval of the proposed project from Headquarters if the project cost is expected to exceed \$25,000.

Modernization: This program is an amalgamation of the TPA and R&M construction programs intended to enhance deteriorating facilities or utility systems on a large-scale, priority basis (i.e., million dollar packages). Facility modernization planning enables ARS to prioritize major facility renovation locations. Priority research locations are identified by NPS and approved by the Administrator. The objective of the plan is not to expand or build new ARS facilities; but instead to correct, improve, or upgrade existing facilities to current standards on a priority basis.

Because such projects may involve the use of R&M funds, which are not subject to a statutory limitation, and TPA funds, which are subject to a statutory limitation, each element of the work must be classified appropriately, and the costs must be charged properly, to ensure that there is no violation of the statutory limitation under the TPA authorization.

Funding: A specific level of R&M (annual appropriations) funding is set aside for this construction program in the annual Appropriations Act and is used to fund the R&M portion of modernization programs. The TPA portions of modernization programs are funded with base funds rather than R&M funds.

Example: Large scale modernization of an entire wing of a laboratory facility or large scale replacement of a power plant.

Miscellaneous Construction: This is a construction category to design and construct new non-building type facilities. This category is not used for replacement, repair or maintenance of non-building type facilities.

Funding: Annual base funding is used for this construction program. The Area must provide the funds. The funds are identified and approved during the ARMP/HPRL process.

There is no cost limitation specified for this construction category, other than the amount of funding available.

Obligations are made using base funds.

Example: Miscellaneous construction includes projects which do not fall into any of the other construction authorization categories. Miscellaneous construction includes the building of structures such as roads, dams, bridges, wells, fences, feedlots, irrigation systems, and windmills.

Major Construction: This is a construction program for the design and construction of new major facilities or renovation (modernization) of existing major facilities. The value of these projects generally exceeds \$1 million.

Since the costs of such projects usually exceed the limitations of the other construction authorizations above, each major project must be funded from an appropriation that is made available specifically for such purposes.

Generally, these appropriations are specified under the Buildings and Facilities heading of the annual Appropriation Act.

The specific annual Appropriation Act language will specify whether the appropriation (limitation) is for planning, design, construction, or a combination thereof. All costs incurred for major projects are chargeable to this appropriation. These appropriations may not be supplemented (augmented) from other funding sources, unless specifically authorized by Congress.

R&M

R&M is the act of keeping fixed assets in an acceptable condition. It includes preventative maintenance, normal repairs, replacement of parts and structural components, and other activities to preserve a fixed asset so that it continues to provide acceptable service and achieves its expected life. Repair and maintenance excludes activities aimed at expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than those originally intended (From the Federal Accounting Standards Advisory Board #6 1998). Maintenance includes work needed to meet laws, regulations, codes and other legal direction as long as the original intent or purpose of the fixed asset is not changed. Also includes work performed to bring an asset up to present environmental standards or correction of safety problems.

Funding: Annual funding is usually used for this program. The R&M program is a budget line item which is submitted annually to Congress as part of the annual ARS budget request. This is a national program managed for ARS by AFM and implemented by each Area and FD. The Area submits R&M projects to AFM, FMD and FD for funding consideration via ARMP/HPRL. The Area may also fund these projects. There are no limitations other than available funding.

Examples:

- HVAC/Electrical/Plumbing System Replacement
- Roof Replacement
- Building Envelope Repair and/or Maintenance
- Site Utility System Replacement/Repair/Maintenance
- Fire Protection Installation/Replacement
- Fume Hood Replacement/Correction of Air Flow Deficiency
- Road Paving (Site Pedestrian and Vehicular Circulation)
- Correction of Site Drainage
- Other Life Safety Systems Installation/Replacement

Purchase Land

Congress has to approve all land acquisitions over \$100. Once ARS receives authority, the Area Office, in coordination with the Location, identifies the funding source and forwards a request to initiate the acquisition process to the RPMB. Funding may be received by appropriation or through program or discretionary funds

2.6 “To Be” Decision-Making Process

USDA has recognized the need to adopt a more consistent, structured, performance-based, integrated planning process across all of its agencies to better enable the Agency to oversee management of the ARS asset portfolio. In order to meet this goal, ARS will implement the Department’s policy which is currently being written as the USDA Real Property Capital Planning and Investment Control (CPIC) Instructions.

ARS has several initiatives on-going, and has been aggressive in implementing Asset Management in the last few years. Accomplishments were published in GSA’s “Best Practices Special Edition 2007.”

2.6.1 Real Property Asset Management Review Boards

A critical process requirement for asset management will be the eight Area Real Property Asset Management Review Boards(AMRBs), the NAL AMRB, and the ARS Real Property AMRB,

These boards will decide which capital investments should be recommended for funding consideration.

ARS will establish AMRBs at the Agency level to review the investment portfolio and make decisions using multi-year plans and investment business case documents. Table 3 below depicts the boards' authorities.

Investment Type	Project Value	Required Documentation	Review Authority (levels of review as noted)	Approval Authority
Major	≥\$10 million or High Risk	<u>Facilities Division will prepare:</u> Capital Asset Plan (Office of Management and Budget (OMB) Exhibit 300)	(1) Area AMRB (<u>initial</u>) (2) ARS AMRB (<u>intermediate</u>) (3) Departmental AMRB (<u>Pre final</u>) (4) Budget and Performance Integration Board (BPIB)(<u>Final</u>)	Secretary
Significant	≥General Services Administration (GSA) prospectus level to <\$10 million	<u>Areas will prepare:</u> Project Data Sheet (PDS) <u>Facilities Division (FD) will prepare:</u> Real Property Investment Report (RPIR) once project has received funding.	(1) Area AMRB (<u>Initial</u>) (2) ARS AMRB (<u>Final</u>) (3) Departmental AMRB (as part of 3-year timeline review)	Agency Head
	≥\$1 million to <GSA prospectus level (currently \$2.41 million)	<u>Areas will prepare:</u> PDS or Equivalent	(1) Area AMRB (<u>Initial</u>) (2) ARS AMRB (<u>Final</u>)	
Non-Major	<\$1 million	<u>Areas will prepare:</u> PDS or Equivalent	(1) Area AMRB (<u>Final</u>)	Area Director

Table 3. AMRBs and Levels of Authority

The membership of the review boards include representation from throughout the Agency that can include mission areas, program areas, finance, budget, planning, construction, human resources and any other area that will ensure a balanced and enterprise approach to investment decisions. The use of the broad-based group ensures full engagement at the management level and decision making that considers mission support needs and strategic goals of the organization.

The ARS ARMB will report to the Administrator or Deputy that approves projects and plans. The ARS ARMB is chaired at a level no lower than ARS' Deputy Administrator, Administrative

and Financial Management. The ARS ARMB makes funding recommendations on proposed projects and current space investments. ARS will ensure that the Department's criteria and performance goals are considered and implemented.

ARS ARMB approves those investments that best meet ARS mission needs. Individual project proposals are assessed and prioritized. On at least an annual basis, and according to Department guidance, proposed projects must be:

- Reviewed by the ARS ARMB and submitted for the consideration of the Administrator.
- Approved or disapproved by the Administrator, and as appropriate, the multi-year plan is revised.
- Submitted to the Department review board when deemed major, with a cost of over \$10 million, or when deemed high risk (e.g. may exceed budget, schedule or scope), and projects that are of unique interest to the Secretary, OMB and/or the Congress.

The ARS ARMB will need to perform the following when preparing the ARS 3-Year Rolling Timeline for the Department's board.

- Identify project integration activities such as collocation and resource sharing.
- Rank and prioritize projects in a multi-year plan.
- Oversee and monitor the process for managing the portfolio of individual assets.
- Establish portfolio investment strategy, performance measures, and goals.

2.6.2 Approval Authority and Oversight

Agency oversight by the Administrator, NPS, and AFM in the planning and budgeting phase will generally focus on:

- Convening of asset management review board meetings to review and recommend portfolio priorities
- Identifying and overseeing major ongoing projects relative to cost and schedule, investment decisions on acquisitions and portfolio strategies, performance measure monitoring, strategies, goals and results.
- Providing feedback for individual major project asset acquisitions (OMB Exhibit 300s) and overall multi-year plans with major and non-major projects
- Approving the portfolio of investments that will be submitted to OMB as part of the annual budget request, and to report milestone changes.

2.6.3 Capital Project and Repair Plan (CPRP)

Since the late 1980's, ARS has been and continue to implement a nationwide ARS facilities management planning/modernization initiative for the repair, alteration, and maintenance of

ARS facilities at high priority research locations identified by the NPS. Modernization sites were selected and prioritized by NPS using the criteria below:

- a. High Priority Programs
- b. Safety and Health of Employees
- c. Critical Mass of Scientists
- d. Establish Centers of Excellence for High Priority Research Programs
- e. Facility is federally owned or leased long term.

A significant number of these high priority research locations were surveyed for deficiencies, obsolete conditions, and needed alterations. Specific projects were identified and captured in the ARS 5-Year Facility Plan as facility condition surveys were completed. The goal was to correct, improve, or upgrade existing facilities to minimally acceptable standards at that time. At present time, the current ARS 5-Year Facility Plan includes individual construction projects or requirements expected to exceed \$25,000 in cost involving repair and maintenance/modernization, major new construction, energy retrofit, accessibility, hazardous waste cleanup or building disposal/demolition action. These projects are consistent with the contracted architect-engineer's facility deficiency survey recommendations, if available, or based on general knowledge of facility deficiencies or Area engineer site visit and inspections. The Plan is reviewed, validated, updated by the HQ, Areas, and Locations and published each year.

In addressing the goals of the EO 13327, this ARS 5-Year Facility Plan will be transformed to a ARS Capital Projects and Repair Plan (CPRP) document (Bulletin FY-151) that will also capture performance measures data residing in CPAIS. The CPRP document will be the bases for the three-year rolling timeline that is submitted to the Department.

2.7 Asset Management Objectives

Effective management of real property assets is important to ARS. The research and drafting ARS BBPs has led to the identification of six areas of focus for augmenting ARS real property management goals, policies, tools, and processes that are critical to the future of real property management. These six critical focus areas are:

2.7.1 Real Property Management Organization.

ARS has and will continue to engage the stakeholders at all levels throughout the Agency to allow for an effective real property management organization. Through FD, the ARS Asset Management Executive Steering Committee and the involvement of the Areas, ARS will facilitate effective communication and management oversight of real property activities and performance.

2.7.2 Real Property Planning and Budgeting Activities.

Effective planning processes are the foundation for effective asset management and form the basis for accountability and justifiable budget requests. ARS is working to improve integration of budget and planning procedures specifically related to real property.

2.7.3 Utilization of Inventory Data in Decision Making.

ARS has implemented CPAIS and data collection requirements for the FRPC mandatory inventory data elements. ARS now has a greater wealth of information on its real property assets. To effectively leverage this information in decision making, ARS will continue to update CPAIS to provide data to support decision making by ARS asset managers.

2.7.4 Performance Measures and Continuous Monitoring.

Real property performance measure data supports informed decision making. ARS has implemented the FRPC First Tier Performance Measures and will add any new performance measures as they are introduced. ARS will utilize performance measure data in asset decisions.

2.7.5 Asset Inspection and Condition Index.

Routine asset inspection and knowing the condition of assets is a key component to effective planning and budgeting for real property assets. ARS will continue to contract out the inspection and determination of deferred maintenance requirements. ARS has a well established in-house process for five-year physical inventories, and seeks opportunities to make it better and aligned with E.O. 13327 requirements. In FY 2007, ARS began reviewing and updating Performance Measures as part of the physical inventory process.

2.7.6 Divestment of Excess Assets.

In an era of shrinking budgets, it is more important than ever to ensure that the Agency is only investing in and supporting assets that are necessary to supporting its mission. ARS will continuously review the performance of its assets to identify opportunities to right-size ARS's asset portfolio.

2.8 Agency Mission and Strategic Goal Initiatives

2.8.1 FY 2008-2009 Administrative and Financial Management (AFM) Strategic Plans:

ARS continues to identify asset management initiatives in its AFM Strategic Plan. As part of the most recent AFM Strategic Plan, FD worked with the Areas to establish an Asset Management Executive Steering Committee to over see the implementation of the AMP; a Sub Team to identify Asset Management Roles and Responsibilities; Agency-wide Performance Measures Goals and Targets; Issued Bulletins and Instructions to Areas and location; and developed ARS-wide training programs. As a result of the initiatives in the Strategic Plan, Asset Management is frequently a topic for the senior leadership of ARS. Senior Leadership is becoming more

involved and looking at data to make capital improvement decisions, and organizational decisions. See section 8.4 for the draft FY 2008-2009 AFM Strategic Plan.

2.8.2 Asset Management Executive Steering Committee:

ARS established an Asset Management Executive Steering Committee. This team is to study how best to implement an Asset Management Program within ARS. As the Department issues policy and guidelines on Department wide processes and standards this committee will define how ARS organizes to implement and meet the processes and standards developed.

The steering committee is comprised of the Assistant Deputy Administrator of AFM, the Director, FD and two Deputy Area Directors. The committee is charged with determining what steps are needed within ARS to implement asset management as well as identifying and overseeing any sub teams established.

One of the first charges the steering committee did was to create and task a sub team to address to what extent existing roles and responsibilities need be changed to align with the various roles and responsibilities required of an Asset Management Program. As a result of the sub team to define the current roles and responsibilities of real property, engineering, and facility management staff at the Headquarters, Area, and location level; a draft roles and responsibilities document has been created and currently under review. In addition, ARS has established an Area Asset Manager position and a position description to coordinate asset management efforts Area wide. This position will oversee the Area engineer, real property, and safety and health functions. Pacific West Area hired a full time Area Asset Manager responsible for facility, real property, and safety and health issues.

Section 3 Planning and Acquisition of Real Property

During the acquisition phase, ARS translates mission needs into discrete requirements, marshals the necessary resources and sees that the necessary real property assets are delivered.

ARS acquisitions are guided by mission-driven requirements. When a requirement is received or developed, ARS looks to use existing Government-owned assets first before seeking to add square footage to the Federal inventory. If no existing or suitable solutions are available, ARS has three main alternatives: 1) to build a new Federal asset; 2) to use a GSA Assignment; or 3) to execute an Agency lease. To determine the appropriate acquisition method, ARS considers the following:

- How many assets are needed?
- How quickly the specified assets are needed?
- How long the assets are needed?
- How specialized the assets are?

Each of these factors has a significant impact on the cost of alternatives and thus the feasibility of the acquisition by construction, purchase, or leasing.

3.1 ARS Capital Planning Process

ARS has the second largest owned portfolio in USDA. In ARS, there is a formalized, highly structured planning process centered on the ARMP. The ARMP integrates financial planning with acquisition and assistance planning and enables Agency managers to make knowledgeable program and resource decisions and track those decisions through implementation. The ARMP is comprised several components and include a Facilities Plan, an Annual Operating Plan, and a HPRL developed by the management unit and Area. The HPRL is a list of projects over \$30,000 that is submitted to Agency leadership for review and approval.

From input obtained from the field regional locations and their respective staffs, regional directors develop an Area HPRL which represents a total prioritized listing of all funding requests of the region \$30,000 and above. ARS regional directors include their HPRL in the total ARMP package, which they submit to the Agency budget office FMD. FMD then screens submissions for completeness and distributes copies to the Headquarters Divisions and Staffs concerned for their review and analysis. The results of the staff review and analysis are discussed with the ARS Administrator in special meetings, with each staff official covering the functional topic of his/her assigned responsibilities. The ARS Administrator reviews the staff analysis with staff officials representing each functional area and then reviews the regional submissions with the regional leadership.

Following the location-by-location discussions, decisions are made relative to the funding requests of the regional HPRL to approve, put on hold, or disapprove. The Agency budget office translates the decisions and the approved regional HPRL items to the Agency's budget submission to the Department. The final budget package is reviewed by Office of Budget and Program Analysis (OBPA), approved by the Secretary, and submitted to OMB.

In addition, ARS has a CPRP (see section 2.6.3) that captures and records future planned projects based on completed facility condition studies/assessments, if available, or based on general knowledge of facility needs from prior year Annual Resource Management Plan (ARMP) cycle, including Area engineer site visits and inspections. The plan reflects the and funding needed to do the work at all ARS locations and worksites. This plan is updated each year; and appropriate AMRBs at Headquarters and Area Offices review, validate, and prioritize the CPRP to meet Agency mission and business goals (see section 2.6.1).

3.2 Capital Plan for Major Construction and Modernization

Management of major projects includes the planning, acquisition, design and construction of a new facility or a major renovation (modernization) of a facility. Since many ARS projects involve the design and construction of Federally-owned buildings or other structures and features, the process below most closely describes design and construction projects, with similarities noted for leases or purchase of existing facilities of similar size. Most often, newly-constructed ARS facilities are built on existing Government-owned land or university land leased at a nominal fee. Figure 2, ARS Land Acquisition Process, reflects the steps to purchase land during the facility construction process.

The planning and funding process for a capital construction program is a time sensitive scenario requiring the careful coordination of many skilled personnel working together to plan, design and construct facilities to house research, office, or storage functions. Included in this description is the general or typical process for major facilities, which may consist of property acquisition, new construction, and/or repair and alterations. The objective of a capital construction program is to effectively develop, coordinate, design and construct fully functional and usable facilities to fulfill ARS mission. This section describes that process; the roles, responsibilities and authority of the key participants; and management accountability regarding major facility acquisitions, leases and construction projects.

There are three distinct areas of project management that include Program Management ensures that program requirements are articulated and incorporated into the project; Contract Management is responsible for enforcing all terms and conditions of the contract; and Engineering, or Design Project Management, ensures that all technical and program management issues are addressed and incorporated into the project

LAND ACQUISITION PROCESS

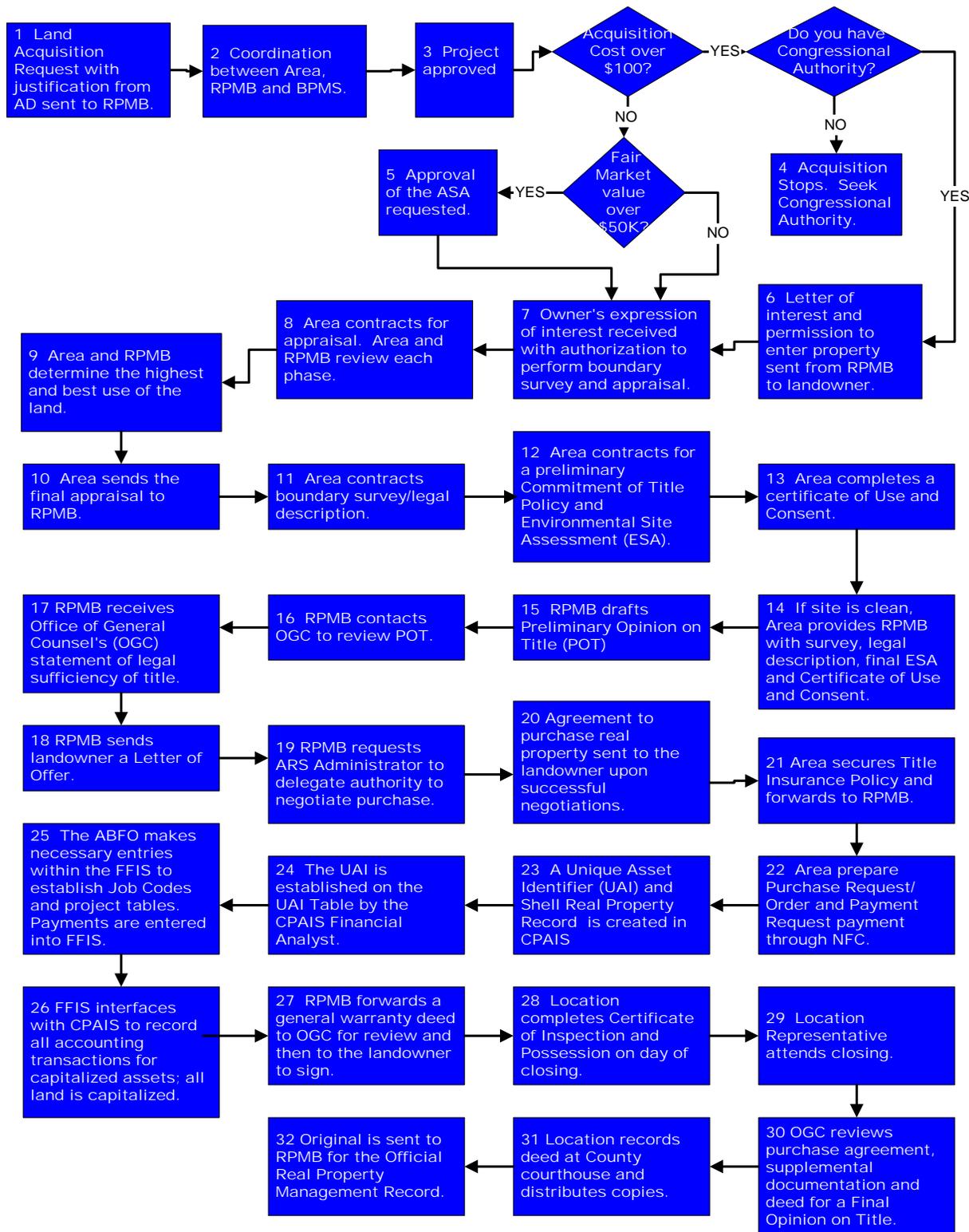


Figure 2: ARS Land Acquisition Process

3.3 Project Team for Major Construction and Modernization Projects

The Project Team (PT) is responsible for project management, and is accountable for the successful planning and completion of major facility projects. The PT is a diverse group of professionals who plan, design, and construct research facilities within a specified budget and schedule in support of the ARS research mission.

The members of the PT include the Research Program Representative (RPR), an Engineering Project Manager (EPM), and/or a Contracting Officer (CO). Generally, the EPM assists the RPR to outline the location and/or the future facility needs, timing, and funding for the project. The roles and responsibilities of the PT are captured in an Action Plan (AP). To further define the facility needs, an architect and/or engineer is hired or brought on to the PT to develop a Program of Requirements (POR) describing the size, location, functional design, operating characteristics, and special requirements of the property or facilities that will be used by the ARS research project or other ARS program. The POR, the timing of procurement, occupancy, and budget, as well as other solicitation or project requirements are often referred to as the project "scope."

Figure 3 below provides an overview of the ARS construction process. Once appropriations are received, ARS selects an A-E firm(s) to provide planning, design, and construction project management services to the Government using the Brooks Act to select the firm deemed to be most highly qualified. During the planning phase, ARS RPMB will purchase or lease land if needed for the project. Once the project is designed, ARS will use Fed Biz Ops for the solicitations of bids from construction contractors. Overall, leases follow the Federal Management Regulations (FMR), while planning, design, and constructions contracts follow the Federal Acquisition Regulations (FAR).

3.3.1 Research Program Manager (RPM)

The RPM is usually the AD, and is responsible for establishing the research POR and retaining the final authority for decisions on program issues, budget or the schedule of the project.

On Federal Design and Construction projects, the RPM reports to the Administrator, keeping him/her informed on project developments, such as program-related problems or decisions, including budget concerns, political issues, Congressional contacts, and cooperator interface problems. The RPM is responsible for compliance with the National Environmental Policy Act (NEPA) as it relates to the project (Ref. 7 –FR 520 - USDA-ARS and 40 C–R 1508 - Council of Environmental Quality). The RPM maintains the funds for the project and is responsible for AD-700 requisition approval and issuance. The RPM may delegate authority to approve and issue AD-700's.

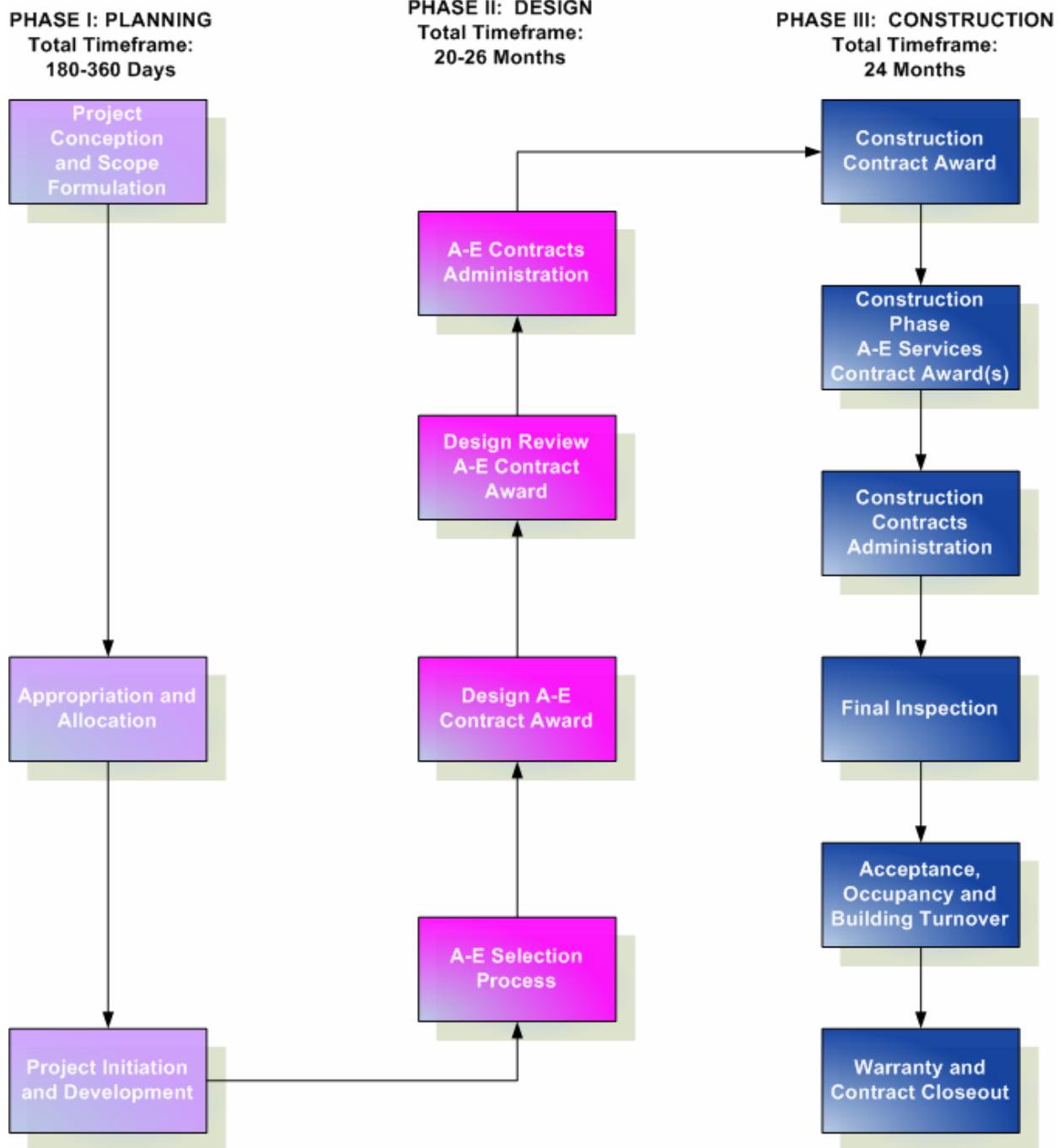


Figure 3: Phased Construction Process

The general roles and responsibilities of each PT member are as follows:

3.3.2 Real Estate Warrant Officer (REWO)

The REWO is an FD staff member responsible for ensuring that all realty interest associated with a project has been completed, including federal ownership of the property or lease agreement sufficient to cover the Federal Government's investment in the property. The REWO

has operational responsibility for all land and facility acquisitions by purchase, lease, transfer, donation, and exchange, as well as all disposal actions. The REWO job is to ensure those easements, right-of-ways, or other land-use agreements for roads and utilities have been executed. He/she will review each project to assure compliance with approved Master Plans, the National Historic Preservation Act, and the Threatened and Endangered Species Act.

3.3.3 Research Program Representative (RPR)

The RPR represents and is selected by the RPM, and is typically the day-to-day representative of the future facility occupant. A majority of the daily duties and responsibilities for the project are delegated from the RPM to the RPR. The RPR often prepares and coordinates the project's program requirements with the Architect-Engineer to formulate the preliminary POR's. The RPR serves as the primary source of program information and works closely with the FD in their preparation of the AP and the Fact Sheet (FS). The RPR recommends POR approval to the RPM. The RPM and RPR, with the concurrence of the Deputy Administrator for the appropriate National Program, approve the final POR and the final design, ensuring that they are consistent with the approved AP and FS.

3.3.4 Engineering Project Manager (EPM)

The EPM is an ARS architect or engineer whose primary responsibility, similar to that of other PT members is to ensure that ARS Federal design and construction project needs are met within the approved scope, budget, and schedule. The EPM provides technical oversight and direction and is assigned to the project early in its conception. The EPM may also assist in a similar capacity for major leases or facility acquisitions.

For Federal design and construction projects, the EPM role will continue throughout the planning, design, and construction phases. The EPM serves as the lead point of contact and disseminates information to the appropriate PT members.

During the planning phase, the EPM is the lead in coordination of the AP and FS development and review, which summarizes the general scope, budget, and schedule for the project. During the pre-design and design phases, the EPM is designated as the Contracting Officer's Representative (COR) and acts as the principal liaison with the A-E firm. During construction, the EPM is the lead point-of-contact between the PT and the Contractor for daily operations.

3.3.5 Area Office Engineer (AOE)

The AOE serves as a technical advisor and information resource to the PT during the planning, design, and construction phases of all projects within his/her Area. The AOE assists the PT by addressing location-specific technical questions. It is the responsibility of the AOE to coordinate with Area and location personnel, such as the Area Safety and Health Manager (ASHM), Location Monitor (LM), Location Administrative Officer (LAO), and others as appropriate, to see that they are notified of the status of projects during all phases.

During the planning phase, the AOE may serve as a member of the Architect Engineer Evaluation Board. The AOE is usually involved in the development and review of the POR, Investigative Report and the Statement of Work (SOW) for A-E services. During the design phase, the AOE reviews the design submittal with particular emphasis on location-specific issues, such as utility requirements or unique location requirements. During the construction phase, the AOE provides assistance to the PT and is invited to participate in progress meetings, equipment testing, and final inspections. He/she assists the RPR in arranging maintenance contracts for facility systems and equipment and establishing contracts to install telephone systems, moveable equipment, etc. The AOE may serve as the COR during the construction of some projects.

3.3.6 Contracting Officer (CO)

The CO is an ARS Contract Specialist and the legal Government representative to contractors. The CO is authorized to enter, administer, and terminate contracts on behalf of the Government and is the only member of the PT with the authority to obligate Government funds or change the contract. The CO may also delegate certain contractual authority that does not affect the contract scope, performance time, or cost.

The CO is assigned to the project early on, following it through the planning, design, construction, and close-out processes, assisting other members of the PT to fulfill project goals and to develop the AP and FS. The CO officially appoints the A-E Evaluation Board, provides regulatory and procedural guidance to ensure appropriate selection activities and reports, and makes the final selection approval recommendations, serving as the liaison between the A-E Evaluation Board and the selection official.

3.3.7 Contracting Officer's Representative (COR)

The COR has a separate and distinct role and is usually the EPM. The COR assignment is determined at the beginning of the contract by an official designation letter from the CO, outlining the responsibilities, authority, and limitations of the COR. A copy of this designation letter is provided to both the contractors and the PT members.

The COR is responsible for construction, interpreting technical data in A-E, reviewing progress and pay requests, and making acceptance/rejection recommendations to the CO. The COR may approve minor changes to the project that do not affect the program requirements, price, scope, or performance time of the contracts. Such changes are documented and communicated to the PT.

3.3.8 Safety, Health and Environmental Management Branch (SHEMB)

The SHEMB representative is a FD staff member and a consultant to the PT on safety, health and environmental issues throughout the entire planning, design, and construction phases. Throughout the project, the SHEMB representative may be consulted to provide safety, health,

and environmental project requirements during the development of the SOW, and may also be consulted during construction stage to address safety, health, and environmental matters. As requested, the SHEMB representative participates in project meetings, serving as the primary decision maker concerning waiver requests.

3.3.9 Area Safety and Health Manager (ASHM)

The ASHM serves as the safety, health, and environmental advisor and information resource to the PT during the planning, design, and construction phases on projects within their Area. During the planning phase, the ASHM may be consulted to provide input on developing the POR and the SOW for design, also assisting with the preparation of the variances on safety, health, and environmental issues during the planning and site investigation phases. During the design phase, as assigned, the ASHM may review the design submittal and develop priorities for safety, health, and environmental items to be incorporated into the contract documents. During the construction phase, the ASHM ensures that all relevant safety, health, and environmental management-related regulations are in place. The ASHM may participate in final inspection and acceptance of the project.

3.3.10 Location Monitor (LM)

The LM is an ARS representative at the construction site (or a nearby location) that is formally appointed by the CO to serve as a point of contact for the A-E, Construction Inspection Contractor (CIC), or the construction contractor, and to provide information regarding location rules and regulations. The LM designation, which is approved by the Deputy Area Director, is normally made to the location Facilities Manager (FM)/Maintenance Engineer, LAO, or Location Coordinator. While the LM neither has responsibility for construction inspection or supervision, nor is expected to evaluate contractor performance, the LM does, however, act as an observer and is expected to notify the COR or the CO if he/she becomes aware of unusual or important circumstances pertinent to the contract. Some instances in which the LM may get involved in the planning, design, and construction processes include the following: 1) designating parking areas for contractor's employees; 2) coordinating use of Government facilities, restrooms, and utilities; 3) coordinating utility shutdowns and connections; and 4) coordinating authorization for a contractor to work beyond normal working hours. The LM may participate in design review and construction progress meetings to provide familiarity with the scope of the project and to keep abreast of any changes.

3.3.11 Cooperator

A Cooperator is a State or Federal agency or private organization that has a mutual interest in agricultural research that has entered into a valid and legal Memorandum of Understanding (MOU), Research Support Agreement, Cooperative Agreement, long-term lease, or any such document demonstrating that a proposed cooperative effort would benefit the U.S. A Cooperator is not always involved in major construction projects.

3.3.12 Architect Engineer (A-E)

The Architect Engineer is a private contractor who provides A-E services that primarily emphasize the design of research, laboratory, and administrative facilities. The design is performed under the supervision of a registered or licensed professional architect or engineer, as required by the State where the project is located. The A-E also provides investigative studies, provides quality assurance, assists with project management, reviews submittals during construction, and provides consultative services where needed. Working within the terms of the contract, which remain under the authority of the CO, the A-E will contact the EPM regarding day-to-day operations.

3.3.13 Design Reviewer (DR)

The DR is an independent contractor who reviews the design submittals prepared by the design A-. The DR is required to perform services under the supervision of a registered or licensed professional architect or engineer. The DR ensures that the design A-E meets Government project requirements. The DR reviews the major design submittals including cost estimates, referencing project requirements cited in the design A-E contract (i.e. final POR), geo-technical study, applicable Codes and Industry Standards, and good practices of design. The DR utilizes the ARS Design Review Check List as part of their review, but is responsible for making sure that all project requirements are met. When required, the DR performs Value Engineering (V-E) studies for major construction projects and may be tasked to perform the services of a CIC for major construction contracts.

3.3.14 Construction Inspection Contractor (CIC)

The CIC is an independent contractor, generally an A-E firm, whose primary role is to provide quality assurance as well as oversight on the construction contractor's Quality Control Plan, to ensure that special test results, material certifications, etc., are obtained, as required. The CIC consists of a CIC manager that has access to a technical staff that can report to the project site in a timely manner on an as-needed basis. For major construction projects, the responsibilities of the CIC may be assigned as a task order to a construction management firm or an A-E firm separate from the design A-E.

The CIC reports all findings, observations, and communications with the construction contractor to the COR. The CIC maintains a daily construction log and submits daily Quality Assurance reports to the CO and COR. If the CIC notes that the construction contractor has made deviations from the plans, he/she will immediately notify the construction contractor's Superintendent, the CO, and the COR.

3.3.15 Construction Contractor (CC)

The CC is an independent firm, hired under Government contract, to provide those professional construction services defined by Federal Acquisition Regulations, Part 36. The specific work to be performed by the CC is set forth in writing in the specific contract document. The CC contacts the CO or the COR directly on all matters regarding changes to the contract provisions,

contract scope performance time or cost. The CO is the legal Government representative authorized to enter, administer, and terminate contracts, and is the only member of the PT with the authority to obligate Government funds or change the contract. In order to most effectively accomplish the construction contract, the Government may partner with the CC. The objective of partnering is to draw on strengths of all parties in an effort to achieve a quality project completed within budget and schedule requirements. Partnering is not a contractual agreement, nor does it create any legally enforceable rights or duties to either party – it is a bilateral agreement and participation is completely voluntary.

The CC prepares and maintains a suitable Quality Control Plan. The CC develops a progress schedule for approval by the CO and must adhere to this schedule throughout the contract. The CC is responsible for maintaining as-built documents on the job site, submits shop drawings, as required by the contract documents, attends all scheduled progress meetings, and provides status reports, as required.

3.4 Economic Analysis for Major Projects

The ARS research facilities are aging and in need of major repairs and improvements in order to effectively support current Agency mission activities. Functional, safety and health, and code-related deficiencies are prevalent. Building components (especially mechanical and electrical systems) are rapidly deteriorating due to normal wear and tear and lack of an aggressive preventative or R&M program.

To correct these condition deficiencies, ARS implemented an agency-wide facility modernization program involving major facility upgrades (i.e., million dollar packages) at high priority research locations selected by the Administrator and the NPS. These modernization sites are selected and prioritized based on criteria which include high priority programs; safety and health of employees; critical mass of scientists; and established centers of excellence for high priority research programs.

In the FY-90 Senate Appropriation Committee Report, the committee acknowledged the important facility modernization efforts being undertaken by ARS but expects those efforts to be supported by economic analyses. The Committee expects that consideration will be given to complete internal rebuilding of existing facilities (*Gutting and Rebuilding*), and to the demolishing or abandoning of existing structures and building new facilities (*New Replacement Facility*)--whichever is most feasible.

In implementing modernization of ARS facilities, whenever the total modernization cost is over \$1 million, an analysis of alternative methods of modernization shall be performed to determine the best method of correcting building deficiencies. Considering economic and other factors, the

analysis shall compare the feasibilities of *Selective Renovation*, *Gutting and Rebuilding*, and *New Replacement Facility*.

This analysis shall be accomplished in conjunction with the planning process for major facilities construction projects outlined in Phase I/Step 1 of the ARS Manual 242.4, Major Facilities Construction.

This policy does not apply to projects involving historic property for which construction activities must comply with national historic preservation laws and regulations.

3.4.1 Selective Renovation

This traditional method of correcting building deficiencies is through the implementation of individual repair and alteration projects. The work may include gutting and rebuilding of the interior spaces of the building on a small-scale basis (i.e., designated laboratories or sections of the building).

3.4.2 Gutting and Rebuilding

This method of modernization is accomplished through complete gutting of the interior space of the existing structure and replacing all interior components (walls, ceilings, etc.), utilities, systems, fixed equipment, and laboratory furniture with new state-of-the-art components. The term gutting refers to a demolition approach in which only the structural framework of the building is kept in tact. This modernization approach requires relocation of tenant research operation, personnel, and equipment to a temporary facility.

3.4.3 New Replacement Facility

This method of modernization is accomplished through demolishing or abandoning existing structures and building a replacement facility (at existing or other site). This modernization approach may be considered if the repair and renovation of existing facilities would be impractical. This approach must be supported by the Administrator. Construction of a new replacement facility at an existing building site will require relocation of the tenant research operation, personnel, and equipment to a temporary facility.

3.5 Determining Best Modernization Approach

To ensure that data and cost estimates for *Gutting and Rebuilding* and *New Replacement Facility* are developed and evaluated on the same basis, the following assumptions and conditions must be made.

- The existing facility can be put out of service. The tenant research operation, personnel, and equipment can be relocated and accommodated in a temporary facility.

- The existing functional uses of a facility will not change. The existing net-usable square feet area of a facility will not increase. To determine the equivalent gross square feet size of a new replacement facility, use the net-usable square feet area of the existing facility and apply a 60 percent building efficiency. Building efficiency is the ratio of net-usable-to-gross area of a building, expressed in percent.
- Both options will utilize nearly identical systems for building operations such that the difference in lifetime operating and maintenance (O&M) costs between options may be considered insignificant.

3.5.1 Analysis and Decision Process

Step 1 - Identify/Evaluate Existing Building Deficiencies^{vi}. Through the use of a facility condition study performed by an A-E firm, an inventory is taken of existing functional, safety and health, and code-related building deficiencies. Condition deficiencies are identified and evaluated in terms of:

- The quality and condition of basic building components and remaining service life.
- The adequacy, suitability, reliability, maintainability, and efficiency of pertinent systems and equipment.
- The adequacy of source equipment capacity and physical plant facilities as they relate to user needs and goals.
- Compliance with the Agency's safety/health regulations.
- Compliance with building and fire code requirements to include the fire resistance rating of building components, horizontal/vertical fire separations, and fire exits.
- The integrity of existing structural members, considering seismic requirements for locations subject to a high probability of earthquake occurrences.
- The suitability and adaptability of existing structure for current and proposed occupancy and functional use. Existing floor design loads, support spaces, ceiling heights, maintainability, and external/internal and horizontal/vertical circulation, including barrier-free access for physically disabled individuals, are taken into account.
- The adequacy of the building support services (i.e. elevators, loading docks, and storage areas).

Step 2 - Determine Building Deficiencies Cost. The total cost of design and construction to repair/correct all existing building deficiencies is estimated. If the total cost is less than \$1 million, it is deemed practical to correct building deficiencies through Selective Renovation. If this condition is not met, Steps 3 through 7 are followed.

Step 3 - Determine Gutting and Rebuilding Cost. The cost of gutting and rebuilding the existing facility is estimated. In addition to the design and construction costs, the cost of a temporary facility to house the tenant research operation that would be displaced by the modernization effort is also included in that estimate, as are moving costs, the cost of lease space, and the installation of temporary utilities.

Step 4 - Determine New Replacement Facility Cost. The cost of building a replacement facility at a new or existing building site is estimated. In addition to design and construction costs, the appropriate cost of land (if acquisition of new land is required), geotechnical surveys, additional site work and new site utilities, demolition of the old building structure, moving costs, the cost of lease space and the installation of temporary utilities are included in this estimate.

Step 5 - Compare Costs and Determine Preferred Method of Modernization. The costs incurred by building deficiencies are compared with the costs associated with gutting and rebuilding. Gutting and rebuilding costs are also placed against the cost of building a new replacement facility as a means for comparison. The preferred method of modernization is determined in accordance with the conditions in Table 4 below:

If	And	Then
Building deficiencies cost is LESS THAN 1/2 of gutting and rebuilding cost	Gutting and rebuilding cost is LESS THAN 3/4 of new replacement facility cost	The preferred modernization method is Selective Renovation.
Building deficiencies cost is MORE THAN 1/2 of gutting and rebuilding cost	Gutting and rebuilding cost is LESS THAN 3/4 of new replacement facility cost	Consider Selective Renovation or Gutting and Rebuilding, whichever is most feasible. Perform a tradeoff analysis between alternatives and/or obtain Administrator's approval as appropriate.
	Gutting and rebuilding cost is MORE THAN 3/4 of new replacement facility cost	Consider Gutting and Rebuilding or New Replacement Facility, whichever is most feasible and supported by the Administrator. Perform a tradeoff analysis between alternatives and/or obtain Administrator's approval as appropriate.

Table 4: Alternative Tradeoff Analysis

Step 6 - Analyze the tradeoff between alternatives. The constraints and other relevant factors which would cause certain alternatives to be infeasible (such as technical, physical, functional, budgetary, and building code requirements) are identified. Listed below are some of the most important factors that are considered in assessing the various alternatives:

- The probable availability of funding to provide for the complete modernization or replacement of a facility.
- The time schedule constraints to complete the modernization work, including the additional time and cost of sequencing the construction work under phased modernization implementation.

- The availability of a temporary facility to accommodate the research personnel and equipment that would be displaced by the modernization effort.
- The physical limitation and adaptability of the interior area of the existing building to accommodate the current research program space and volume requirements.
- The effectiveness of probable functional space arrangements and relationships for efficient research operation and added opportunities for research program consolidation.
- The flexibility of the existing structure and configuration for future changes or expanded growth.
- The adequacy of the existing equipment capacity and facilities to support needs.
- The architectural appearance and condition of the existing building compared to others in the area.
- The environmental impact of a new building project relative to the site and surrounding area, as described by the NEPA. The environmental impact is typically more significant when building new structures versus reusing/modernizing existing structures.
- The added opportunities and the ability to reduce Operations and Maintenance (O&M) costs through improvements in building efficiency while providing adequate space and clearances for equipment, service utility runs, and maintenance.
- The integrity of the existing structure, particularly in locations subject to a high probability of seismic activity and snow loads.
- The ability to comply with building code and safety and health requirements, including barrier-free access to physically disabled individuals.
- The existing facility's accessibility, traffic patterns, and parking adequacy.

Step 7 - Recommendation and Administrator Approval. The necessary approval and direction from the Administrator is obtained, whether the decision is to gut and rebuild the existing facility or to build a new replacement facility. Recommendations and a rationale supporting the preferred method of modernization are developed. The analysis results are communicated to the Administrator through the AD and NPS.

3.6 Acquisition of Major Leases

Lease acquisition requirements are based on the program request and established need. If there is a need for major construction, a feasibility study is performed to determine if there is available Federally-owned land prior to leasing land. Many ARS land and space leases are obtained from universities with a collaborative research program. These leases are typically obtained for nominal rent. ARS leases are typically for university-owned land or space classified as laboratory or greenhouse. ARS personnel must be cognizant of and have the ability to negotiate major leases, when necessary.

Solicitation for offers, market surveys, etc. are used to identify potential lease sources, when a lease is to be obtained and is not for a nominal amount. Market survey forms for space leases and market surveys for land for each lease action are completed to ensure uniform documentation of the survey results. Specific information on each property surveyed is recorded. Any supporting documentation (photos, maps, or floor plans) is attached to the form for future reference. ARS scoring analysis process is done in accordance with the criteria outlined in OMB Circular No. A-11, Appendix B, as required. A physical inspection of the property is an ARS requirement; this may be done by the REWO or a location representative.

3.6.1 Acquisition of Long-Term Land Leases

USDA's long-term land lease acquisition authority is provided under Public Law (P.L.) 89-106; 7 U.S.C. 2250a. The authority has been delegated to the Administrator, ARS by Agriculture Property Management Regulations (AGPMR) 110-73.45-5000 (1).

New construction for ARS programs and the acquisition of long-term leases are only awarded if it can be shown that requirements cannot be met from real property under the control of the Government. This is accomplished by conducting feasibility studies to determine the best options for the Government. Once it is determined new construction is necessary and a long-term lease will be required, the Area will request FD to acquire a long-term lease in support of the construction project.

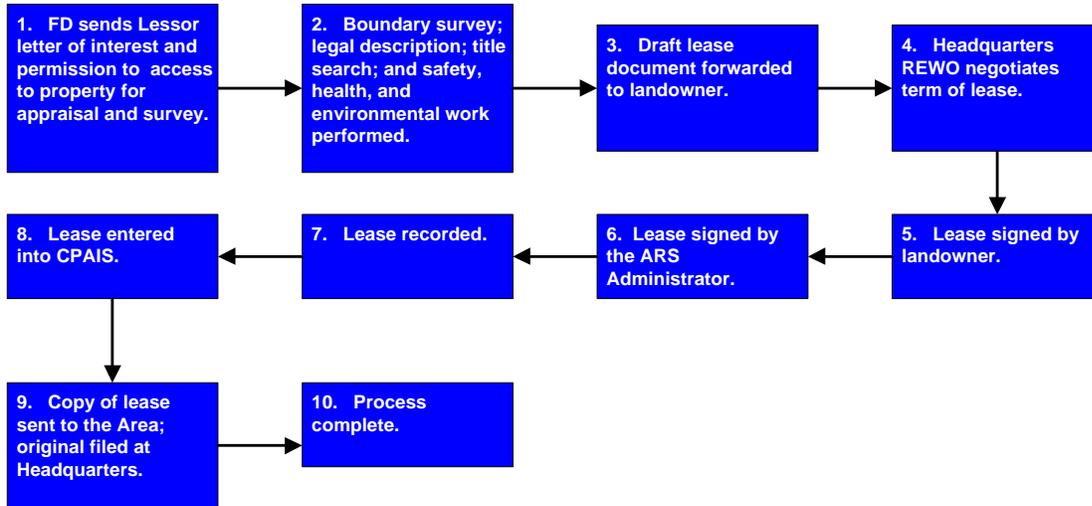
Prior to the acquisition of land under a long-term lease agreement, ARS ensures that: 1) an Environmental Site Assessment is conducted on the property; 2) a boundary survey and property description is conducted and included in the lease; 3) title services are contracted to ascertain the name/address of the legal owner and to identify any encumbrances. Once the lease is executed, a title insurance policy will be obtained; and 4) ensure the long-term acquisition is in compliance with E.O. 11988, Floodplain Management; E.O. 11990, Protection of Wetlands; the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470h-2(a)); E.O. 11593, Protection and Enhancement of the Cultural Environment; and the Endangered Species Act of 1973, as amended (16 U.S.C. 1531); etc.

3.6.2 Acquisition of Space

The acquisition of leasehold interests in real property is unique. Because no two properties are the same, the recommended method of contracting is through procedures that are different from those for supplies and services. An overview of the leasing process begins with the determination of the Agency's space requirement which is provided in Figure 4, ARS Lease Acquisition Process.

LEASING PROCESS

Long Term Lease Requirement (over 10 years)



Short Term Lease Requirement (less than 10 years)

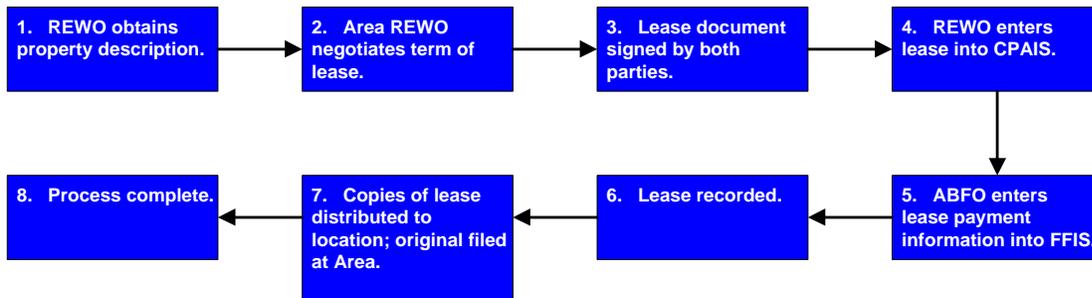


Figure 4: Lease Acquisition Process

The process detailed above is the typical lease acquisition process for ARS for leases requiring fair market rental payments. However, special cooperative agreements, extramural agreements, memorandum of understandings (MOUs), and leases with nominal rent, for example, tend to follow a slightly different sequence and pattern from the process highlighted above. For instance, these tend to be nominal arrangements that do not have capital lease requirements. It is important to note that while these types of agreements (“exceptions to the rule”) may not necessarily comply with each of the steps discussed above in their entirety (e.g. they may not follow the negotiation or evaluation steps that occur for a typical lease acquisition), they do, however, comply with the intent of the overall process.

Federal policy on space requirements is established by the FMR, which sets forth the methodology and criteria to determine the amount of space required to develop the basic build-out requirements for new or expansion space. Establishing the need involves identifying and describing the delineated area, the number personnel to be accommodated, furniture and equipment needs, the number of square feet required per person and in total and all technical requirements. Agency space requirements must be thoroughly reviewed before proceeding with a lease acquisition. The review includes the following considerations:

3.6.3 Lease Scoring

ARS lease scoring analysis process^{vii} is done in accordance with the criteria outlined in OMB Circular No. A-11, Appendix B. This Circular provides instructions on the budgetary treatment of lease-purchases and leases of capital assets consistent with the scorekeeping rule developed by the executive and legislative branches in connection with the Budget Enforcement Act of 1990, as revised pursuant to the Balanced Budget Act of 1997. As stated previously, ARS does not have any Capital Leases or Capital Leasing Authority.

3.7 Long-term Leases of Sites for Permanent Structures

Permanent structures are not to be located on land other than that which is Government-owned, except as prescribed by 7 U.S.C. 2250a or other applicable laws. ARS may enter into long-term leases for building sites with State, County, or Municipal entities or nonprofit institutions, where the Estimated Fair Market Value (EFMV) of the land is less than \$250,000. The approval of the Assistant Secretary for Administration is required when leases are executed with private corporations or individuals, if the EFMV of the land is \$250,000 or more, or if conditions of a rental rate of more than \$100 per annum, as stated in § 110-73.45.5000, cannot be met.

Long-term leases for building sites are normally obtained at less than \$100 per annum. Leases at rental rates more than \$100 per annum are not executed unless the following conditions are met: 1) the land is determined to be the only suitable site; 2) funds are not available for purchase; and 3) the lease contains an option for land purchase by the Government, at any time during the lease term, at an agreed-upon price, which is computed by crediting annual payments on principal, which had been made before the option to purchase was exercised. In the event that approval of such lease provisions cannot be obtained, the approval of the Assistant Secretary for Administration is obtained prior to concluding negotiations for leasing building sites involving rental rates over \$100 per annum.

The following procedures apply when a long-term lease is proposed for acquisition: The

- Deputy Area Director (DAD) will consult with the Director, FD, to determine if a proposed construction project will require the acquisition of a long-term lease.

- After ARMP reviews are completed and budgets have been approved, the DAD will advise FD which of the construction projects [identified under Section 10(a)] have been approved.
- The REWO ensures that the following information is provided to FD as part of the Area request for acquisition of a long-term lease: 1) Certificate of Use and Consent (Exhibit 1) executed by the AD, 2) an Environmental Site Assessment, if conducted by the Area, 3) A list of existing ARS facilities at the site, a complete inventory shall be provided for each building and the REWO shall indicate the party currently responsible for the payment of utilities and for the payment of building maintenance, 4) identification of available utilities, at unimproved sites, 5) how parking will be addressed or is currently handled at existing facilities, 6) how ingress/egress will be addressed or is currently handled at existing facilities, and 7) an ARS RPR and a university contact who will be able to speak on behalf of the university and be able to negotiate terms of a long-term lease

If ARS has already constructed facilities at the site, a complete inventory is provided for each asset: asset identification; predominate use; gross square footage; year of construction; capitalized value, acquisition cost, etc.

For ARS existing buildings, the party currently responsible for the payment of utilities and for the payment of building maintenance is listed. For unimproved sites, an indication of available utilities is provided, so that a determination can be made whether or not no-cost easements will need to be acquired by ARS for the installation of utility systems. An explanation of how parking is currently handled (i.e. at ARS existing facilities) and/or a description of how it will be handled in the future is included (i.e. new construction) (e.g. through the use university parking lots on a reimbursable basis). How the site is, or will be, accessed is identified (e.g. through university-owned roads, public thoroughfares, etc.

Points of contact must be established for both ARS and the university. An ARS Program contact is the individual who can negotiate the agreement, while the university contact is someone who can speak on behalf of the university relative to a long-term lease conveyance.

Upon receipt of the request for long-term lease acquisition, FD will initiate a letter to the prospective lessor to request use of property for construction of a facility. The Chief, RPMB, will sign the letter.

3.8 To-Be Capital Planning Process

ARS has recognized a need to standardize and enhance the ARS capital planning process to ensure consistent prioritization of capital projects and the use of performance measure data in Agency-wide investment decision making.

ARS will implement the CPIC process that the Department has published. The process will provide a framework through which ARS can create the Agency's CPRP by performing the following activities.

- Standardize the process across all Areas for preparing proposed capital projects.
- Rank and prioritize projects in a multi-year plan in a consistent manner.
- Use performance measures in ranking projects.
- Standardize investment review and the ranking processes.

ARS, FD oversees the completion and update of the CPRP, which serves as the central capital planning document within the Agency. The CPRP will be the bases for the Three-year Rolling Timeline that is submitted to the Department. New construction, repair, major leases, and land acquisitions will be articulated in a business case according to the CPIC guide.

3.9 Planning Initiatives

3.9.1 Capital Planning

ARS converted its 5-year facility plan into the 3-Year CPRP by incorporating performance measures and other requirements supporting the goals and objectives of the Executive Order (E.O.) 13327, USDA Asset Management Plan (AMP), ARS BBP, and the ARS Strategic Plan. The old ARS 5-year facility plan process captured and recorded future planned projects based on completed facility condition studies/assessments, or general knowledge of facility needs. The plan described needed work and associated funding at all ARS locations and worksites. This plan was reviewed and updated each year. The old 5-year plan did not include performance measures or disposal plans. ARS Bulletin 07-151 for the new ARS CPRP was finalized on March 27, 2007. The ARS CPRP provides a complete list of requirements for real property capital improvements over \$25,000. It is submitted by location and rolled up into an Area CPRP where it is reviewed and validated by the Area Asset Management Review Board and approved by the Area Director. Each Area CPRP is submitted to the FD for review and inclusion in the ARS CPRP. Finally, the ARS CPRP is reviewed and approved by the ARS AMRB. Performance Measures are used throughout the CPRP review and approval process. Locations submitting projects for inclusion on the Area CPRP are asked to identify the current Performance Measure(s) the project is designed to address as well as documenting how the project will improve the Performance Measure(s) identified. Area AMRB are asked to use these Performance Measures to review, approve and prioritize these projects. This new process will provide a valid, prioritized list of ARS real property capital projects, and will ensure that both the Department and ARS criteria and performance goals are considered and implemented when making capital investment decisions. All approved projects must be listed on the ARS 3-Year CPRP in order to be considered for funding opportunities, and then compete for funding through the Agency's annual budget process.

ARS headquarters has evaluated the projects considered for the Agency's FY 2008 Modernization Candidates by both confirming that the project is a priority and on an Area's CPRP, and by reviewing the performance measure data in the Corporate Property Automated Information System (CPAIS) for each asset that has a proposed project. This not only confirms that the project is an Area priority, but that Performance Measures show the proposed project is required. This process provides a means for a more consistent, structured, performance-based, evaluation of projects to receive Modernization funds.

The real property Capital Programming and Investment Process (CPIP) was incorporated into the Agency's Annual Bulletin for the CRCP. This Bulletin update issued in December 2007, and the CRCP's from the Areas was received in FD in March of 2008 for the FY 2009, FY 2010, and FY 2011 budget considerations.

3.9.2 Review Boards

ARS has recognized the need to adopt a more consistent, structured, performance-based, integrated planning process to better enable the Agency to oversee management of its extensive real property portfolio to meet current and future program requirements. To meet this goal, the AMRBs have been established to "promote the efficient and economical use of Federal real property resources in accordance with their value as national assets and in the best interests of the Nation . . ." AMRBs are established at the Agency and Area levels as an integral component of ARS' ongoing effort to implement E.O. 13327. Area AMRBs are held during the months of February to March each year, with all Area CPRPs due to headquarters in March each year. Once the submissions are reviewed and consolidated by FD and the draft ARS 3-Year Timeline is created, the consolidated ARS CPRP and 3-Year Timeline are reviewed and approved in June. The 3-Year Timeline is forwarded to the Department in June.

As described above ARS has re-created its capital planning process based on E.O. 13327, FRPP Guidance, and the Department's AMP to create the first ARS CPRP. In FY08 the new ARS bulletin for capital planning will also incorporate the CPIP. The AMRBs at the Areas and Headquarters will again review the capital plans for the next three budget years in March of each year.

Section 4 Operations of Real Property

The operations phase of ARS Real Property assets involves making decisions regarding maintenance and reinvestment as well as monitoring administration of leases (*as applicable*) and servicing agency needs. Critical information is needed on all assets to support operational decision-making.

4.1 Real Property Inventory

ARS Real Property inventory information is maintained by CPAIS. The majority of information maintained by CPAIS was created by data conversion, which occurred in 2004, from a legacy system called the Real Property Management Information System. In June 2005 a data clean-up exercise was conducted to update the system. In FY 2007 an Agency wide physical inventory was conducted. Collection and maintenance of data, including key systems that may supply data to the inventory system for CPAIS, is currently performed by REWOs. Quarterly review/update of leases is being implemented to meet the AGPMR requirements. Real Property staff both at Headquarters and at the Areas and Locations frequently monitors the data and gaps to keep it accurate.

The CPAIS system maintains ARS owned and leased assets, other/trust properties and GSA-assignments. Land acquisition, land units, buildings and other structures and facilities are all entered and tracked through this system. Financial information for capitalized assets is also stored in CPAIS through its linkage with the Foundation Financial Information System (FFIS).

In order to keep CPAIS current, there are two real property inventory requirements. A physical inventory is required every five years, and an annual certification of the real property inventory within the CPAIS for the Federal Real Property Profile (FRPP) reporting.

4.1.1 5-Year Physical Real Property Inventory

The USDA, Agricultural Property Management Regulations requires each USDA agency assigned custody and control of real property to conduct a physical inventory of its real property holdings every five (5) years. The ARS Real Property Physical Inventory (RPPI) process includes owned and leased real property under the custody and control of ARS as well as state-owned real property occupied by ARS in other than leasehold arrangements. ARS real property is assigned to 146 inventories at its 108 locations. Most ARS locations have only one inventory which is assigned to a single Accountable Property Officer (APO). However, at ARS' larger locations, the real property assets are further divided along program lines or geographic locations and assigned to separate APOs. The Facilities Division, RPMB and the Area Property Management Offices, ensure that all physical inventories are completed in accordance with Federal regulations.

In FY 2007, ARS conducted a RPPI for all real property assets. The RPPI process began with RPMB exporting real property data from the CPAIS for each of the 146 inventories. Each inventory contains general information for land, building or structure records including: Installation ID; Site No.; City; State; Asset ID; Asset Name; Ownership; Year Constructed; Acquisition Date; Acquisition Cost; Construction Date; Square Footage; Acres; Structure Amount and Unit of Measure; Predominant Use Code and Category, and Status. In FY 2007, ARS included performance measure data as part of the RPPI process. All inventories listed the Deferred Maintenance, Plant Replacement Value, Condition Index and Mission Dependency for each building on the inventory. In addition, each APO was asked to provide current utilization information for buildings with a Predominant Use Category of Laboratory, Office, Warehouse, or Housing.

The 146 inventories prepared by FD were distributed to the appropriate Area REWO in each of the Area Property Management Offices. The REWO then forwarded the inventories to the appropriate APO(s) at the location level. The APOs or their designee conducted the onsite review by cross-referencing the printed inventory with the assets under their custody and control. Inventories were "red-lined" to reflect necessary updates (additions, modification or deletions) and signed by the APO. Where changes to the inventory were identified, copies of the supporting documents (AD 107, AD 112, SF-118, Statement of Findings, etc.) were prepared by the location.

If the location's AO had access to CPAIS, the AO updated the Real Property Management records, if not, adjustments were made by the Area REWO. The original signed RPPI with all supporting documentation were returned to the Area REWO. The REWOs reviewed all completed RPPIs to make sure the inventory was signed and that all red-lined changes were supported with appropriate documentation.. The REWO verified all changes and documentation, signing where appropriate. Upon completion of the Area review and required adjustments to CPAIS, copies of the "red-lined" inventories and supporting documents were forwarded to RPMB.

The RPMB staff reviews all "red-lined" RPPI adjustments and supporting documents and verifies that the appropriate changes have been made to the Real Property Management records in CPAIS. Each completed RPPI is signed by the reviewing Realty Specialist, RPMB. (Attached is a copy of a completed RPPI.)

If adjustments are required to the Real Property Accounting records in CPAIS, such as placing a new asset into service or writing off an asset that has been disposed of, RPMB will forward the necessary supporting documentation to the ARS Financial Management Division (FMD). Once FMD has made the requested change to the Real Property Accounting records, FMD signs the

supporting documentation, (AD 107 or AD 112) and returns the document(s) to RPMB for filing and distribution.

After all adjustments have been made to the Real Property Management records in CPAIS, a final RPPI is prepared by RPMB and forwarded through the Area REWO to the APO for signature. The “final” RPPI serves as the APO’s certification of the inventory. Copies of the signed final RPPI are sent to the Area REWO and RPMB for filing. Figure 5 below is the flow chart of the ARS 5-Year Inventory Process.

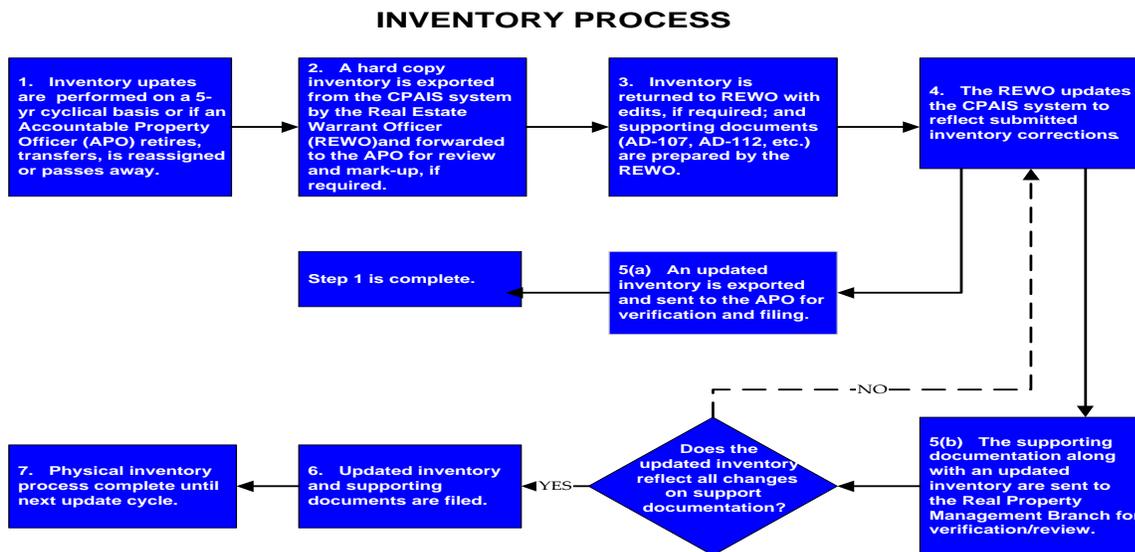


Figure 5: ARS 5-Year Inventory Process

4.1.2 Annual Real Property Inventory Review

An annual inventory review of CPAIS data, is performed by the REWO in coordination with the Locations for the FRPP; lease information (i.e., renewal dates) is updated and any adjustments are supported by documentation from the Location (i.e, asset disposal) is updated, verified, and supporting documentation submitted to RPMB. Certification by Deputy Area Director serves as confirmation that the Area’s annual FRPP inventory review is complete; this is sent to the Chief, RPMB before the ARS Certification within CPAIS is initiated/submitted to the Department. Updates to asset records are vetted from the Location contact to the Area REWO. These updates may be a completed form to add a building with all 24-data elements, a revised floor plan with an email request to make a record adjustment or a red-line inventory from the APMO. Supporting documentation is reviewed and approved/disapproved by the Area REWO for such

adjustments; however, for acquisitions or disposals (including transfer), supporting documentation is forwarded to RPMB. Table 5 below is a list of FRPC data elements and corresponding CPAIS fields.

FRPC Data Elements	Corresponding CPAIS Field
Real Property Type	Land Unit, Building or other Structures or Facilities
Real Property Use	Predominate Usage
Legal Interest	Property Type: Owned, Leased, Other-Trust, GSA-Assigned and Ownership
Status	Status
Historical Status	Historic District (indicator box) and Historic Status (for buildings and other structures or facilities)
Reporting Agency	Agency
Using Organization	Org
Size	Urban/Rural Acres (Land); Gross Square Foot (Buildings) and/or Total Square Foot (Leased Buildings); Units of Measure (Structures)
Utilization	Occupancy fields correspond to Office and Laboratory
Value	Current Value or Fair Market Value
Condition Index	Condition Rating – available for buildings and other structures or facilities
Mission Dependency	Mission Dependency
Annual Operating Costs	Annual Operating Costs
Main Location	Installation
Real Property Unique Identifier	Asset ID, Feature ID or Land Unit ID
City	City
State	State
Country	Country
County	County
Congressional District	Congressional District
Zip Code	Zip Code

Installation/sub-installation Identifier	Installation ID/Site
Restrictions	Restrictions
Disposition Data	Disposition Method, Disposition Date, Disposition Value, Net Proceeds, and Recipient

Table 5: FRPC Data Elements and Corresponding CPAIS Fields

ARS is working to improve data for the data elements that are also the performance measures (PMs) per FRPC Guidance of June 8, 2007. ARS has approximately 1,084 buildings that meet the capitalization threshold of \$25,000. ARS owned buildings account for 97 percent of buildings on the ARS inventory.

Figure 6 below is a screen capture from CPAIS to reflect a snap shot of the ARS Federal Real Property Profile (FRPP) Data Summary in CPAIS in February 2008.

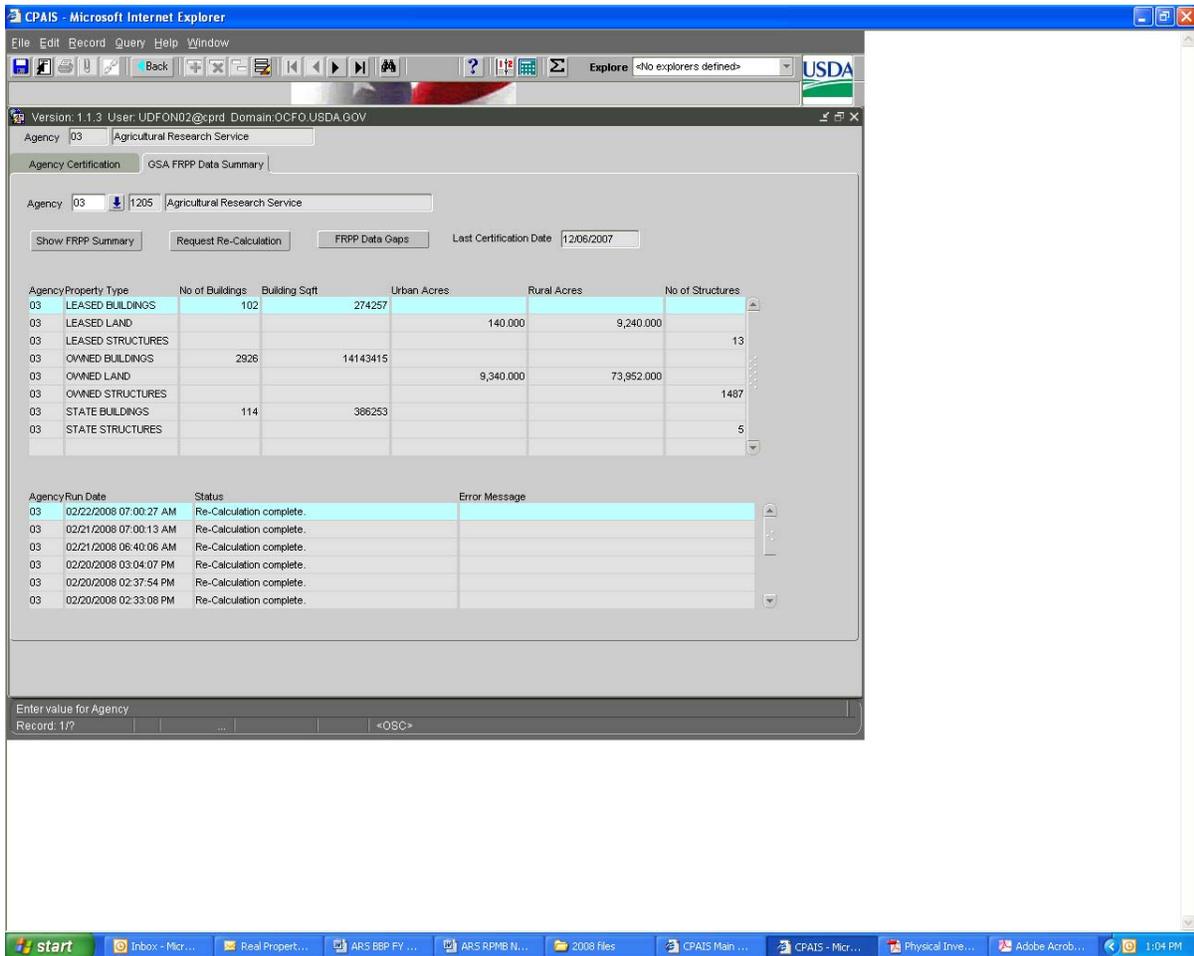


Figure 6: CPAIS Data Input Summary

4.2 Historic Preservation Requirements

The National Historic Preservation Act is an act to “Establish a Program for the Preservation of Historic Properties throughout the Nation, and for Other Purposes.” Approved October 15, 1966 (P.L. 89-665; 80 STAT.915; 16 U.S.C. 470) as amended by P.L. 91-243, P.L. 93-54, P.L. 94-422, P.L. 94-458, P.L. 96-199, P.L. 96-244, P.L. 96-515, P.L. 98-483, P.L. 99-514, P.L. 100-127, and P.L. 102-575) the act is the back bone for preservation of the Nation’s artifacts and history.

Each Area REWO is responsible for reviewing Section 106 requirements to determine if any projects within their respective areas can be classified as an “Undertaking” prior to the expenditure of funds. After initially evaluating the proposed project’s potential effect on surrounding districts, sites, buildings, structures or other objects that are listed in or eligible for inclusion in the National Register, REWO consult with their State Historic Preservation Officer (SHPO) and other stakeholders to obtain input and concurrence. Typically, a cover memo with background information is provided. If a Historic Resource Management Plan or Cultural Resource Study has been performed, any related information is incorporated into the letter. In addition, information regarding significant changes that might impact the character of the asset and its historical properties is included along with a site plan and design drawings. If there is a question or concern regarding the SHPO feedback, the REWO will often seek clarification from the USDA Advisory Council on Historic Preservation, which is afforded a reasonable opportunity to comment on the undertaking.

To “flag” assets, Area REWOs review individual asset records within their respective Areas to determine if the historical indicator block should be “checked” in the CPAIS system. The Agency Preservation Officer is located within RPMB. The Agency Preservation Officer reviews historical compliance requests and participates and represents ARS in the Preserve American Initiative. The Agency Preservation Officer further oversees Section 110 and 111 Compliance and is responsible for preparing and submitting Section 3 reports to comply with NHPA.

4.3 Asset Documentation

It is ARS policy that only such real property as is needed for effective program operations should be acquired, and then only after obtaining legislative authorization and such other clearance from the appropriate committees of Congress as circumstances warrant. Private property should be improved or acquired only if suitable Government-owned facilities are not available.

The Center Director/Location Coordinator is responsible for the accountability and control of all real property at his/her location. The Center Director/Location Coordinator designates an Accountable Property Officer at his/her Location for the purpose of maintaining accountability control over all property assigned to the Location. APOs are designated, as necessary to provide

complete control over all property in the custody of the Agency. Under the general direction of the REWO, APOs are responsible for the following:

- Maintaining real property records to reflect custodial responsibility for the real property assigned to the location.
- Performing physical inventories and recommending adjustments to the official real property records.
- Ensuring the prevention of encroachments on ARS lands.
- Keeping construction projects within proper authorities as outlined in section 2.5.3 of this document.
- Completing Form AD-107, Report of Transfer or Other Disposition or Construction of Property.

Capitalization. All land, buildings, and structures having acquisition cost or estimated value of \$25,000 or more and a life expectancy of 2 or more years are capitalized and recorded in the official real property record. **property files.** Documents supporting real property transactions (i.e. deeds, leases, purchase agreements, boundary surveys, easements, revocable permits, etc.) and copies of obligating documents and accounting detail transaction listings, which show payments or acquisition costs for real property, are retained by the RPMB or the REWO as part of the official real property record.

Land Transfers. Land transfers are written documents that describe the land and provide for acceptance of custody by the receiving agency, as required by the ARS Real Property Manual Chapters II or IV. If improvements are also involved, they are documented on an attached Form AD-107, Report of Transfer or Other Disposition or Construction of Property, or in the land transfer document. Where available, abstracts of title, conveyance documents, and other related papers are a part of the transfer. Otherwise, the location of such instruments is included in the transfer document,

Transactions. Form AD-107, Report of Transfer or Other Disposition or Construction of Property, is used to record the transfer, other disposition, or construction of real property as follows:

- Transfer between Accountable Property Officers within an agency;
- Transfer between agencies within the Department;
- Transfer to the Departmental excess property custodian;
- Disposition by sale or trade-in; abandonment or destruction;
- Transfer of property to other Federal agencies
- Construction of real property; and
- Construction, installation, or removal of improvements, additions, alterations, or betterments damaged or destroyed.

Accountable Property Officers “submit all disposal actions” on Standard Form 118, "Report of Excess Real Property," and other appropriate forms (SF-118a, SF-118c) to the REWO for necessary processing.

Property Records. Information on Federally-owned and leased real property in the custody of ARS is stored electronically. Facilities improvements information maintained in CPAIS is considered official. Copies of support documentation of Government-owned and leased real property under ARS control are retained in the property files and separate official real property records are maintained by the REWO for the following categories:

- Land, regardless of acquisition cost or estimated current value.
- Buildings, regardless of acquisition cost or estimated current value and an estimated life expectancy of at least 2 years.
- Structures, regardless of acquisition cost or estimated current value and an estimated life expectancy of at least 2 years.
- Lease improvements, regardless of acquisition cost or estimated current value.

Required Information. Each official real property record contains, at a minimum, the following information:

- Location of the property, inciting mailing address and Congressional District
- Property description (i.e., land, building, or structure). For all buildings or structures, the building or improvement number is provided and the appropriate property type is indicated (i.e. chemical storage building, greenhouse, underground storage tank, etc.)
- Historical indicator
- Date of the last physical inventory report of the property
- Dates and costs of acquisition and/or disposition
- Gross square feet, number of acres
- Capital improvements having an acquisition cost or estimated current value of \$25,000 or more and an estimated life expectancy of 2 or more years
- Basic lease information (lease start and end dates, lessor name and address, renewal data, rental amount, etc.)
- Annual depreciation rate or amount, when applicable

Personal Property Incorporated into Real Property. The cost of personal property structurally attached to and incorporated into real property is recorded and capitalized. If repairs are due to a major renovation and are extensive, they are reclassified.

Transportation Expenses. Incidental transportation costs relative to acquisition are included in the recorded cost of completed or prefabricated buildings. Transportation charges on property acquired by transfer or donation will not be included in its recorded value. However, the

transportation or moving costs of buildings acquired under excess property procedures are included. The cost of moving buildings under ARS control or any repairs made to buildings resulting from moving operations are not be recorded.

Real Property Combined. When two or more items of real property are combined, only one record, incorporating the total and descriptions, is maintained. To comply with appropriation limitations, separate costs of the individual Real Property improvements may be maintained.

Recording Personal Property Combined with Real Property. Non-expendable personal property that structurally becomes a part of real property will be dropped from personal property records. The cost of such personal property and installation charges are added to the cost of the real property. Items, which are part of a research project that meet specialized research needs and that do not become a permanent part of the structure, are not be recorded. An example would be a trailer that is normally personal property until you take the wheels off of it and the trailer becomes attached permanently to the ground.

Reporting and Requesting Property Combined. When personal property that is not intended for repair or replacement is combined with real property, the Accountable Property Officer will forward three copies of Form AD-107 to the REWO. The total cost of the equipment, material, labor, etc. that is necessary for installation will be displayed. Requests for acquisition of personal property will show up whether the items are for repairs, replacements, or if they will cause a reportable capital increase to Real Property.

Donations from Non-Federal Sources. The estimated cost that ARS would have been willing to pay at the date of donation is recorded, taking into account its utility and estimated market value.

Property controlled by another Agency of the United States. Unless otherwise authorized by the Director, OO, the agency making expenditures for the acquisition of real property maintains the records. Where additions, improvements, or betterments resulting in accountable real property are constructed or placed on or in real property controlled by another agency of the Government costs are recorded by the agency making the expenditure, until the completion of construction or installation and transfer of the property

Resource Improvements. Cost of resource improvements are not included in the land value, but are identified separately. real property, where wetlands have been created, would be one example of a resource improvement.

Disposition. Property identified as unneeded or excessive is carried on the property records and removed only after the final authorized disposal action is complete. Disposal actions mean transfer, sale, donation, demolition or abandonment.

4.4 Periodic Evaluation of Assets

Location and Area Offices perform a review on real property assets, and provide input via the CPRP and the ARMP submissions and reviews. Real property assets are discussed during AMRB, ARMP reviews, and sometimes during Program Reviews. Program reviews include line administrators and NPS .

During these reviews, discussion include alternatives, and constraints or other relevant factors which may cause certain alternatives to be infeasible (such as technical, physical, functional, budgetary, and building code requirements), then a preferred method of re-capitalization is determined.

In addition, ARS will continue to contract for support in completing facility condition assessments. ARS plans to fund 10 percent of the inventory to be assessed each year. Once the entire inventory is assessed, ARS plans to fund the critical locations on a 5 year assessment cycle, and all remaining locations on a 10 year assessment cycle.

4.5 Operations and Maintenance Plan

Most of ARS' O&M funds are from the program (research) funds. ARS policy is for each research program (CRIS) to dedicate 4 percent of research funds to basic sustainment of the real property assets. These funds are used to "open the doors" of the location and include but are not limited to utilities, facility operations, janitorial, communications, administrative support, facility R&M, etc. In ARS' accounting system, costs are assigned to an Indirect Research Costs (IRC) account (910, 920 and 930, where applicable). The costs spread across CRIS on a formula, weighted factor, actual cost basis, or other acceptable distribution methodology.

In addition to the 4 percent of research funds, ARS receives R&M funds each year. As described in Section 2.5.3 these funds are distributed to the Areas and spent based on their prioritized needs. The remaining R&M funds are distributed by the Administrator based on the priorities of the agency. Statements are included in the plan addressing the commitment to 4 percent R&M, any facility project with a planned cost of \$10,000+, and planned R&M HPRL requests. Emerging program issues that may have an impact on the facility plan are addressed in bullet statements in the ARMP, reflecting actual operating costs or identified deficiencies that will justify or backup future facility plans. Critical facility issues are discussed during the review that will have an impact on the research program. Facility issues, where research is not impacted, are addressed in the IRC account. The ARMP facility plans are continually updated and referred up the chain of command. These 4 percent R&M (budgeted in an IRC account) costs and other actual costs are tracked in CRIS Allocation Tracking System, an agency tracking software, in order to provide a required report to BPMS during the fiscal year. All other operating costs are included in this report, i.e., utilities. In an effort to ensure authorities are consistently applied throughout the Agency and to provide an accurate accounting of funds spent, approval from Headquarters is now required for any building authority in excess of \$25,000. All building and facility projects must be identified on a Procurement Plan (550C). Each facility project must be tracked in a separate accounting code, assigned by the ABFO when funded.

4.6 Plan for Basic Repair and Alterations Needs

Building R&M requirements and other deficiencies are identified by the Area Engineers and location personnel. In addition to the ARMP process, requirements for each location will be captured and consolidated in the ARS CPRP. The plan provides scheduled design and construction implementation sequencing (subject to funding availability) dictated by research program priority and condition of the facility. This plan is reviewed and validated annually with the AMRBs and updating process scheduled to coincide with the Locations' development of their ARMP.

ARS receives R&M funds in annual appropriations from Congress. These funds are intended for the R&M of existing facilities, or to achieve certain enhancements to meet current life safety codes, or for the protection of existing real property. In addition, research locations throughout ARS annually set aside four percent of their research program funds for annual routine and/or breakdown maintenance needs such as periodic painting and minor repair of building systems.

ARS is constantly improving its R&M processes through innovative and creative initiatives.

4.7 Capital Operating and Resource Requirements

Capital projects and funding are discussed in Sections 2.5 and 2.6. In addition, the contractor who completed facility assessments for ARS complete re-capitalization parametric estimates for budget and planning purposes.

The same contractor provided parametric estimates for operations costs, sustainment, and deferred maintenance for all of ARS buildings. With the CPRP, AMRP and recent contract work, ARS has good estimates for capital, operating, and sustainment costs for buildings.

4.8 Operations Initiatives

ARS has several operational initiatives on-going to both know the current condition and costs of facility operations, and energy initiatives so there are more funds available for research or facility repairs.

4.8.1 Performance Measures and Assessments:

ARS has contracted Whitestone Research to perform logic tests and review CPAIS building and structure data. Where necessary, the contractor has supplemented CPAIS to ensure that reasonable values are in the database; data they target is Plant Replacement Value (PRV), location, acquisition date, size, and quantity. Whitestone will also provide estimates for recapitalization of structures, and sustainment and recapitalization of buildings. In addition, ARS continues to fund building assessments to build the database for actual assessments and improve the model for the remaining inventory. ARS has already funded assessments at 16 of

ARS' largest locations, and has requested funds for additional assessments in FY 2008. As a result of these assessments deferred maintenance, sustainment, and recapitalization will be known for 41 percent of the inventory, and the remaining inventory is modeled and estimated.

As a result of the ARS contract with Whitestone, we continue to increase the actual data for deferred maintenance, sustainment and recapitalization and improve the model for the remaining inventory. In addition, ARS has role-out the software Maintenance and Repair Costs Forecast System (MARS) for facility cost forecasting. This software has the actual buildings assessed in the ARS building inventory and includes building components with the size, age, condition, and quantity of each component. MARS uses this data to compute current and forecast future DM, sustainment, and operation costs. In addition, projects can be created from this database.

4.8.2 Energy

ARS has several energy and greening initiatives that are aligned with EPACT 2006, EO 13423 Strengthening Federal Environmental, Energy, and Transportation Management, Energy Independence and Security Act of 2007, and E.O. 13148 Greening the Government through Leadership in Environmental Management. ARS initiatives include developing and implementing a metering plan, updating Section C of ARS A-E contracts to reflect new construction requirements for both energy and greening, updating Manual 242.1 ARS Facilities Design Standards with new energy and greening requirements, performing facility energy and water surveys and recommission buildings every four years, designating energy managers both at headquarters and at locations, and developing and implementing a 10 year environmental compliance audit for the locations. See section 6.1.2 Greening ARS for more details.

4.8.3 Enhanced-Use Leasing (EUL) Authority

The Agricultural Research Service (ARS) does not have outleasing authority. Outleasing authority would increase both ARS utilization rate and cooperative research, and maintain sustainment of a property when ARS available properties could be lease to non-Federal entities.

ARS authority to allow non-Federal entities to use federally-owned land under our custody and control is limited to Revocable Permits and Easements. Revocable Permits cannot exceed 5 years and can be terminated at any time with notice to the Permittee. Easement authority is limited to utility easement, such as road construction projects, gas, electric, water, and sewer lines. Without specific Congressional legislation, ARS cannot lease land to a non-federal entity on a long-term basis (over 5 years). This has prevented us from making ARS-controlled land available for the construction of non-federal buildings on joint-use projects.

The FD has worked with OGC to develop draft EUL language similar to EUL authorities granted to other Federal agencies including the Corps of Engineers, the Department of Veterans

Affairs, and the National Aeronautics and Space Administration. The purpose of this authority is to allow the Administrator to lease any real property and improvements under ARS jurisdiction under such terms and conditions as the Administrator deems in the public interest for a lease-hold term not to exceed 50 years. The draft EUL language contains authority for ARS to retain and use any proceeds received without further appropriation for the operation, upkeep, maintenance, and improvement of ARS-controlled property. Receipts received shall not be reported as revenues to ARS for the purpose of the President's budget. Implementation of the authority would be managed by FD. It would not be re-delegated to the Area level.

Section 5 Disposal of Unneeded Real Property

5.1 Tools to Support Decision Making

Congress requests information annually during the budget hearings (February-March) on Agency research facilities that have been eliminated from the real property inventory and ARS policy and procedures for tracking the disposal of Agency-owned buildings. The disposal of buildings is accomplished by the Areas through demolition; transfer to State, county, municipal, or private ownership; donation; sale; or other means. It is the policy of ARS that buildings will be disposed of when they have reached the end of their lifespan and/or are no longer effective or efficient in providing space to carry out the Agency mission. As a practical matter, it is difficult to receive Congressional concurrence to close a location. ARS recommendations in the past to close locations have not always been approved by Congress.

In FY 2009, ARS is proposing the reduction and relocation of significant program funds in support of the President's budget recommendations to Congress. Performance measures were used in this decision and include estimates for cost avoidance of needed capital projects, deferred maintenance, and operation and maintenance costs. See Section 5.3.

ARS will project its building modernization requirements at the location level through the CPRP. The CPRP will also include out-year disposal actions at each location. Using the CPRP document, the Area Offices can identify specific buildings to be removed from the inventory, including associated costs and disposal timetables. The CPRP will be updated on an annual basis.

The mechanism for tracking actual disposal actions as they occur is CPAIS. It is important that the CPAIS information on building disposals is as current as possible in January in order for the Agency to report accurately to Congress. When a building has been disposed of, it must be promptly removed from the active inventory by the person in the Area Office responsible for maintaining the real property inventory. However, the building record is not deleted from CPAIS. Once the appropriate screens for all disposed properties at a particular location are completed, a Disposal Report is run.

5.2 Disposal Process

5.2.1 The Authority

The basic authority to dispose of real and related personal property is derived from provisions of Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) as amended. Under Part 102-75.1075 of Federal Management Regulations (41 CFR Chapter 102-75.5-102-75.5005), the Secretary of Agriculture has the delegated authority, granted by the Administrator of GSA, to determine and dispose of that excess real property and related personal property

under the control of USDA having a total EFMV, including all the component units of the property, of less than \$50,000 by means deemed most advantageous to the U.S. The authority under Section 5b herein is delegated to the Assistant Secretary for Administration under 7 CFR 2.25 (c) (l) (iv). The authority under Section 5c herein is delegated to ARS under AGPMR 110-73.45.5000.

Authority for transfer of land by the Secretary of Agriculture to the Secretary of Transportation for a Federal-aid highway is provided for in the Federal-Aid Highways (23 U.S.C. 317) Act. This authority has not been re-delegated to ARS. Under the authority of 23 U.S.C. 317, the Secretary of Transportation may transfer to a State, fee simple title or lesser interest or Government lands for use as a right-of-way for a Federal-aid highway or as a source of materials for the construction or maintenance of such a highway or road that is adjacent to Federally controlled lands.

Authority for relinquishment of land to the Secretary of Interior, which was previously withdrawn from the public domain for use by ARS, is provided for under Section 204(i) of the Federal Land Management and Policy Act of 1976 (P.L. 94-579). Authority for transfer of land by the Secretary of Agriculture to the Secretary of Transportation for public airport purposes is provided for in Section 516 of the Airport and Airway Improvement Act of 1982 (P.L. 97-248), as amended. This authority has not been re-delegated to ARS. Authority delegated to ARS under Section 5d has been delegated to ARS REWOs.

5.2.2 The Decision Disposal Process

One of the main goals in the President's Management Initiative, as outlined in Executive Order (E.O.) 13327, Federal Real Property Asset Management, is to ensure that property inventories are maintained at the right size, cost, and condition to support agency missions and objectives. ARS must develop and implement the necessary tools (planning documents, consistent recording of inventory, and utilization of government-wide performance measures) to improve management decision-making for rightsizing its portfolio. There are three targets for rightsizing:

- Eliminate non-mission dependent inventory;
- Improve condition of its mission critical and mission dependent inventory; and
- Manage their inventory at the right cost.

With these targets in mind, agencies will make sound asset management decisions leading to a rightsized Federal inventory.

5.2.3 Disposition -Process Overview

Figure 7 below illustrates the steps of the disposition process that USDA and its agencies will use.

DISPOSITION DECISION TREE

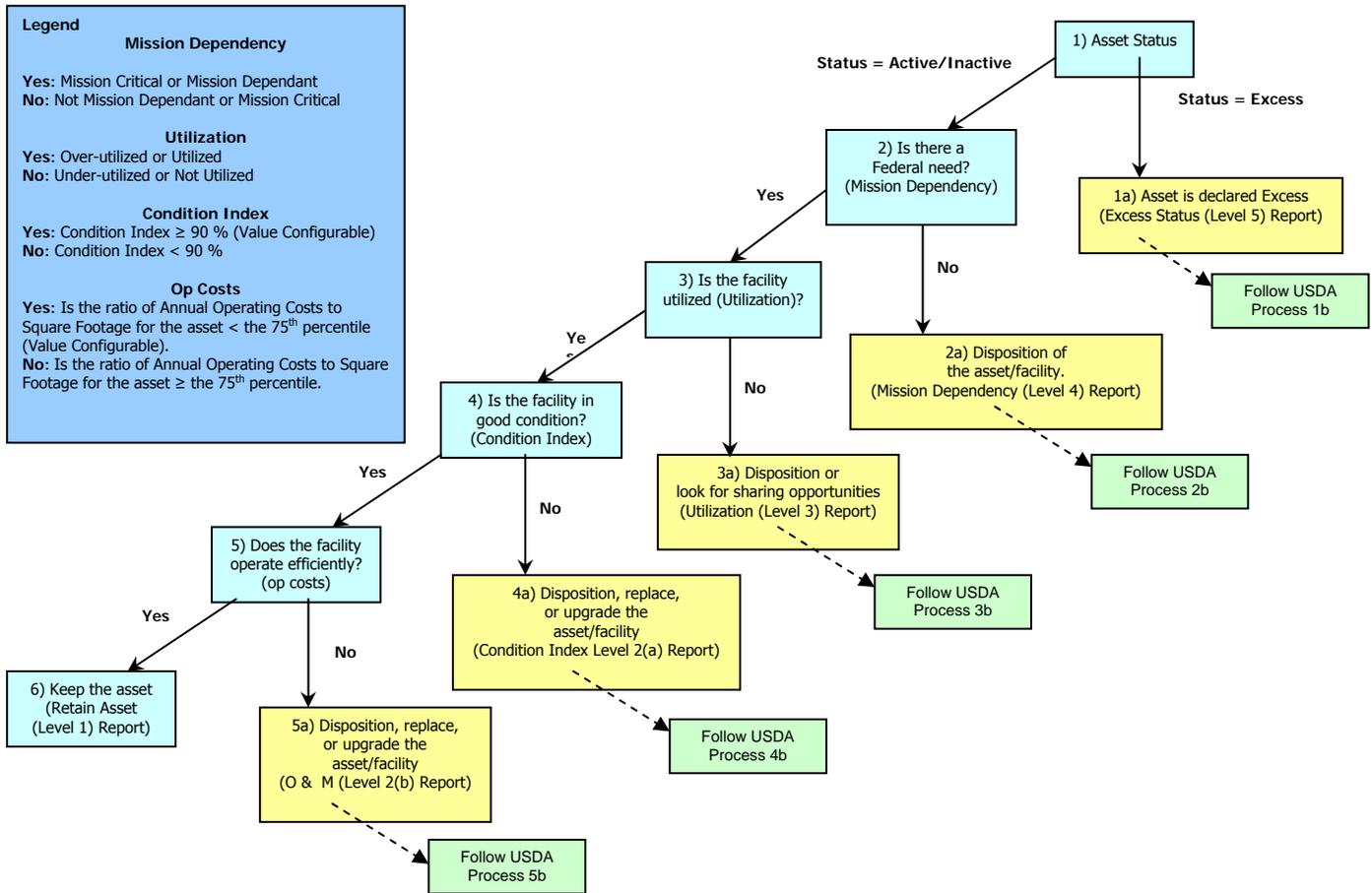


Figure 7. Disposition Decision Tree

In addition to using the performance measures outlined in this disposition process, ARS will also consider real property assets that fall in the following circumstances:

- Program consolidation.
- Real Property assets recently replaced with new construction.
- Leases due for renewal.
- Property used by non-ARS Federal agencies.

Department and ARS guidance is that properties are to be disposed if any of the performance measures indicate such action using the decision tree process above, or for the circumstances listed above. Process for waivers is as follows.

- If the property is determined to be “Not Mission Dependent” and ARS or an Area determine that a property needs to be retained in its inventory for a future need, provide justification as to the retention of the property and indicate the intended future plans. This property will require an approved waiver as part of the Department’s five-year certification process. Waivers are due to OPPM each July.
- Agencies with assets that do not meet the USDA performance measure targets for utilization, condition index and annual operating costs, but that the agency proposes to retain in an active or inactive status, must submit to OPPM by the fourth quarter of the fiscal year a list that includes which performance measure is not met and when the facility will be brought into compliance. Agencies must also ensure that corrective measures are included for the asset in the agency Facility Master Plans that will be developed as well as including initiatives addressing deficiencies as part of the agency’s three-year timeline. More details of reporting in the fourth quarter are in the USDA AMP.

5.2.4 Outcome

All assets reported to the FRPP will then be categorized in the six major categories on the disposition tree utilizing the Performance Assessment Tool.

1. Keep the Asset
2. Determine disposition, replacement or upgrade of the asset based on the annual operating costs
3. Determine disposition, replacement or upgrade of the asset based on the condition index level
4. Determine disposition or look for sharing opportunities based on utilization
5. Determine disposition of the asset based on mission dependency
6. Asset declared excess based on excess status code

5.2.5 Delegation of Authority to ARS Real Estate Warrant Officer

In accordance with, and subject to the limitations set forth, ARS RPOs are authorized to accomplish the real estate disposal actions in Figure 8.

The RPO determines that buildings, structures, and related personal property are excess to ARS when screening reveals no other need for the property. For buildings, structures, and related personal property, which have total EFMV, including all components of the property, in excess of \$50,000, clearance and approval is obtained from the Regional GSA office.

The RPO must follow all actions authorized under Directive 241.2, Real Estate Warrant Program and the Federal Management Regulations (41 CFR Chapter 102-75.5-102-75.5005),

including the execution of appropriate instruments, to report as excess, transfer, convey, destroy, donate, abandon, or otherwise dispose of buildings, structures, and related personal property, subject to the approvals and conditions specified in this Chapter. The authority delegated to the ARS RPOs may not be re-delegated.

Real property under the custody and control of the ARS is limited to the land area and the number and types of buildings/structures and other improvements essential to the support of its research programs.

DISPOSAL PROCESS

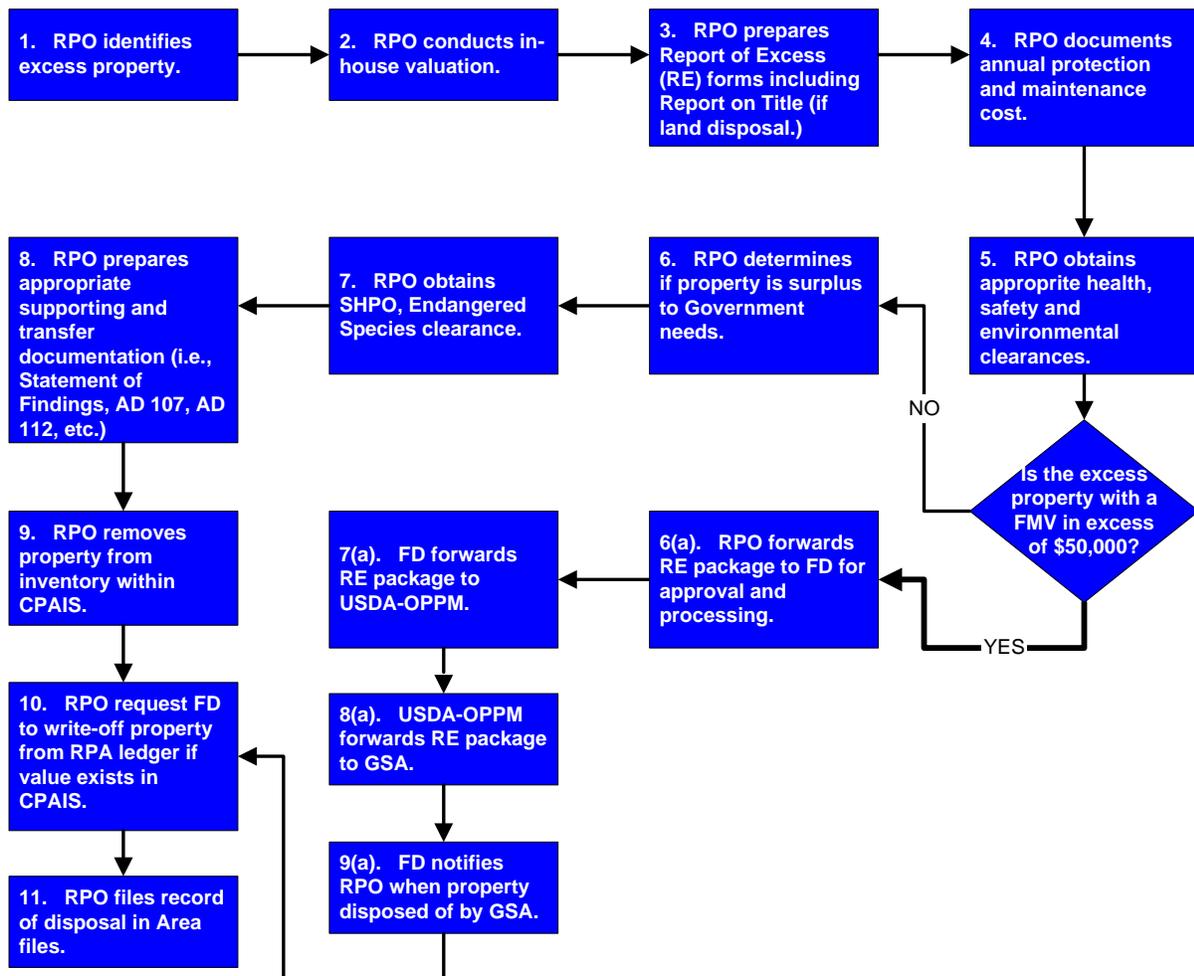


Figure 8: ARS Building/Structure Disposal Process

When it has been determined that buildings structures, improvements, and related personal property ("Real Property") are in excess of the research requirements of a location and/or worksite, a location official contacts the RPO. The following actions are required:

- Identification of the specific items in the ARS real property inventory that are excess to research requirements,
- Then, determination of the EFMV for the excess property through in-house estimate. In addition, there is a review of the property records to determine the acquisition or construction cost of the real property identified for excess. If the EFMV of the real property is greater than \$50,000, refer the action to GSA.

The building or structure reported as excess is evaluated to determine if the method of disposal poses a danger or threat to public health or safety. If the disposal action poses a threat, the property must first be rendered safe. Disposal of excess buildings or structures listed on the National Register of Historic Places are first cleared by the RPO through the SHPO. For all disposals, it is reported whether or not the property and its buildings and/or other structures contain fixtures or related personal property that have possible historic, architectural, archeological, or cultural value. Other significant environmental considerations, such as prime or unique farmland, ecologically critical area, endangered species critical habitat, parkland, active geological fault area or unique geological feature, and/or wild and scenic rivers or wildlife refuge are listed. It is noted whether or not the property has been screened against the known needs of the holding agency and any materials that could be potentially dangerous or hazardous to the public health and safety (e.g. toxic waste contamination, military ordnance and explosive waste, debris, etc.) are also reported, as are the existence of any underground storage tanks.

All land disposals, shown in Figure 9, with or without improvements, including relinquishment of withdrawn public domain land, are reserved to the FD, acting on behalf of the Administrator. ARS land disposals, except for those provided for under specific legislation, are processed through OPPM and GSA. The disposal process for land requires several more steps. Any known restrictions which should be placed on future use of the real property and/or any known restrictions on the Government's rights to reassign, transfer, or otherwise dispose of the property are discussed.

Any encumbrances which run with the land (e.g. easements, outstanding mineral rights, contamination, permits/leases) are detailed. In all cases where Government-owned land is reported as excess, a Report on Title is attached and incorporated into the document package. It is stated that the title was obtained by transfer, deed, condemnation, or withdrawal for the public domain and a legible copy of the Deed or Declaration of Taking, as recorded in County land records, is provided.

ARS reports withdrawn public domain land to the Department of Interior, Bureau of Land Management. ARS states whether or not this property is located in an identified floodplain or wetlands. All land disposal actions are sent to FD for approval and further processing. In support of that action, documents including annual protection and maintenance costs are to be completed and forwarded to FD under a cover letter signed by the AD or the DAD. Upon receipt and review of the documentation, FD forwards all material to OPPM. FD then notifies the Area Office when the Report of Excess has been accepted by GSA.

The provisions of Subpart 102-75.880 of FMR (41 CFR Chapter 102-75.5-102-75.5005) indicate the circumstances under which disposals may be accomplished by negotiation in lieu of competitive bidding. Included are disposals of property with an estimated commercial value less than \$50,000. Also included are circumstances where it is impractical to advertise publicly for competitive bids and the commercial value of the property can be obtained through negotiation.

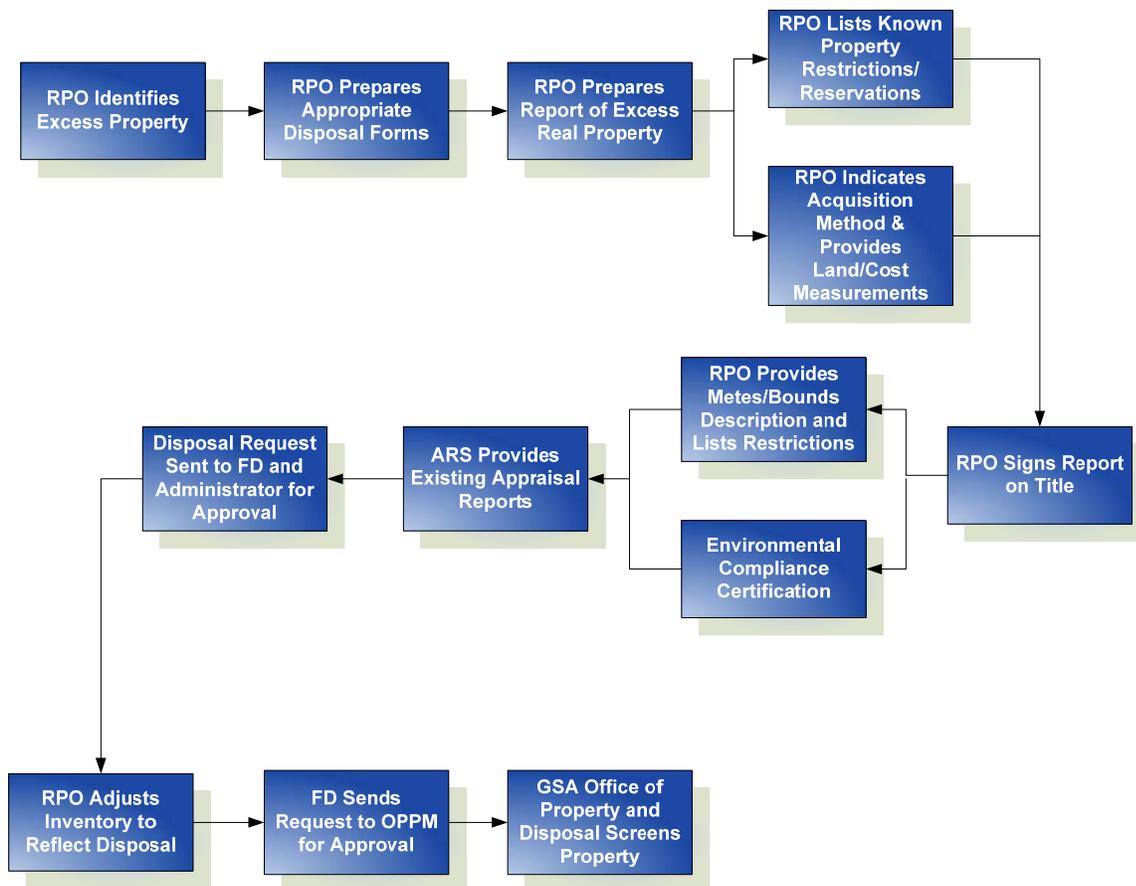


Figure 9: ARS Land Disposal Process

Section 516 of the Airport and Airway Improvement Act of 1982 (Public Law 97-248), as amended provides that the Secretary of Transportation may request that Federal property which is reasonably necessary for use and development for public airport purposes be conveyed to the appropriate public agency. The act further requires that upon receipt of such a request from the Secretary of

Transportation, a determination should be made as to whether the requested conveyance is inconsistent with its needs and respond within a period of 4 months.

Federal-Aid Highways (23 U.S.C. 317) provides that if the Secretary of Transportation determines that any lands or interests in lands owned by the U.S. is reasonably necessary for the right-of-way of any highway, or as a source of materials for construction or maintenance of any such highway adjacent to such lands, he provides a map with the affected holding agency showing the lands required. Such conveyances are processed by OPM. For all disposals accomplished by the Area REWO, not requiring the approval of FD, copies of the fully executed Statements of Findings are only provided to FD. Copies of completed AD-107's are provided to the location where the excess property is located.

5.3 Disposal Initiatives

As part of ARS' Disposal Plan, FD reviewed the properties identify for possible disposal on the FY 2006 Performance Assessment (PA) Tool. A total of 34 buildings were identified for disposal in fiscal year 2007, including 8 buildings that were listed on the FY 2006 PA Tool Report. As of November 2007, there are 158 ARS buildings identified as Excess. Many of these buildings are located within existing ARS installations and cannot be declared excess to USDA or General Services Administration (GSA). ARS is working to dispose of the 158 buildings by declaring excess to GSA when possible, or demolition as funds become available. In FY 2007, ARS Headquarters made available \$200,000 to reduce the number buildings on this list. FD has requested another \$200,000 to target more disposals in FY 2008.

In FY 2009, ARS is proposing the reduction and relocation of significant program funds in support of the President's budget recommendations to Congress. The President's FY 2009 budget submittal is 7.5 percent less than ARS' current year funding. ARS is proposing the termination of nine laboratory/management units and 48 research projects which will result in the closure of 11 locations and worksites including Grand Forks, North Dakota; Lane, Oklahoma; Weslaco, Texas; Coshocton, Ohio; Watkinsville, Georgia; East Lansing, Michigan; Morris, Minnesota; University Park, Pennsylvania; Lane, Wyoming; Brooksville, Florida; and Brawley, California. If approved by Congress, these closures would reduce ARS inventory by 5,781 acres, 231 buildings and 874,426 sq. ft. The total cost avoidance for capital projects would be \$146 million and the elimination of an addition \$19 million in deferred maintenance. Annual operation and maintenance cost avoidance would be \$6.9 million in FY 2007 dollars.

Section 6 ARS Performance Measures and Continuous Monitoring

6.1 Acquisition Performance Measures and Continuous Monitoring.

ARS FD monitors the schedule, budget, and scope of major acquisition projects. There are several ways in which ARS can monitor the status of major acquisition projects.

1. Through bi-weekly project status meetings with the Branch Chiefs on the contracts in process.
2. Through the AP and FS for the project. This letter is written from the Administrator to the AD. The AP and FS include project responsibilities, budget, schedule and scope. Whenever there are changes on the project, the AP and FS must be updated and approved by the Administrator. The AP and FS is reviewed by the EPM, CO, and Research Leader (RL), and then forwarded through FD to the Administrator.
3. A design review is conducted when the project design has reached a 50-percent draft. The committee of the Branch Chiefs, the Deputy Director, and/or the Director reviews and then approves whether or not the project will move forward; if the preliminary project design is approved, its schedule, budget, scope, and any potential problems are discussed.
4. FDSOP-04-001^{viii} establishes the procedure for Area Project Status Meetings. The intent is to improve customer service and project communication within and outside FD. Twice a year, FD conducts a series of status meetings with each Area (via teleconferences) to review Area projects handled by FD. The meeting includes the status of projects as well as schedule, funding, and other related issues based on the current Facilities Division Management Information System (FDMIS) Executive Status Report. This meeting also gives the Areas an opportunity to let FD know about pending problems early on, as well as to provide a forum for FD to bring to the table any project concerns or issues that need AD attention. The Director and Deputy Director of FD, all Branch Chiefs, FEB Team Leader, AD, and DAD are among the meeting attendees. The Executive Assistant to the Director, FD, is responsible for arranging the meetings on a set schedule. During meetings, the effectiveness of the project's execution team is reviewed, and frequently, the Branches' staffing level and/or the individuals are reviewed.
5. In addition to the above meetings, FDMIS was implemented in Fiscal Year (FY) 2004. FDMIS holds the engineering and contracting information for projects for all phases of the acquisition, planning, design, and construction. Once the system has been used for several years, the data can be evaluated to show trends and to help management make decisions. This system is currently for the major construction, and repair and modernization projects (which typically last between two and five years). All FD employees who need access can review FDMIS. The Director has access to an Executive Summary Report that can be forwarded to senior managers.

6. Customer Feedback. ARS conducts quarterly senior management meetings that present the opportunity for the Facilities Division Director to gain feedback on current and future facility concerns based on research, mission, and budget. The meetings also allow the Director to present current issues that the Facilities Division is working on. In addition, to improve customer service and project communication within and outside the Facilities Division (FD), twice a year FD conducts a series of status meetings with each Area (via teleconferences) to review Area projects handled by FD. The meetings include status of projects, schedule, funding, and other related issues based on the current Facilities Division Management Information System (FDMIS) Executive Status Report. This meeting also give the Areas an opportunity to let FD know early about pending problems, as well as provide a forum for FD to bring to the table any project concerns or issues that need Area Director attention. Attendance at the meetings consist of the Director and Assistant Director of FD, all Branch Chiefs, FEB Team Leader, Area Directors and Deputy Area Directors

6.1.1 Agency Specific New Acquisition Strategies

In order to execute projects more effectively, ARS has used different acquisition strategies.

Construction Manager (CM) At-Risk Approach

The CM At-Risk approach has accelerated the schedule of some ARS projects, because it allows construction to start before the design is 100% complete. This approach allows construction to begin quicker and avoid some cost escalation; and it ensures that the construction contractor works with the designer of record to ensure that the most cost-effective materials and solutions are implemented in the design, also helping to make certain that the design will be feasible to construct. During design the government still has control though the construction contractor is involved. One difficulty with this approach is that it both the design and construction funds are required upfront, in order to avoid a violation of the Anti-deficiency Act. Therefore, this approach results in temporarily higher un-obligated balances. The GSA, the Army Corps of Engineers and many private sector organizations use this approach.

The “at-risk” designation means that once a CM signs the contract for a Guaranteed Maximum Price (GMP), they are responsible for any within scope cost escalation above that amount. If the project is delivered for less that the GMP, 100 percent of the savings are returned to the Government.

Design-Build Approach

The Design-Build approach is also used by ARS. This approach is a method to provide design and construction services under a single contract. Design review is limited to checking for

compliance with the Request for Proposal. This process is used by other Federal agencies and private industry.

6.1.2 Greening ARS

The following are laws and executive orders on greening of the government. ARS has implemented these requirements in new acquisitions through initiatives and policy.

EPAct 2005 – Requires

- 2% per yr energy reduction,
- advanced electric metering in all federal buildings where cost effective by 2012, and
- Energy Design of new buildings 30% better than ASHRAE 90.1-2004,.

ARS is developing and acting on a metering plan. Manual 242.1 requires design to ASHRAE 90.1-2004 (not 30% below but a revision of the manual is planned). Manual 242.1 requires that all utilities be metered in new construction and major renovations.

EO 13423 – “Strengthening Federal Environmental, Energy, and Transportation Management” requires that Agencies:

- Reduce energy consumption by 3% per year through 2015 based on 2003 consumption levels (increasing EPACT 2005);
- Reduce greenhouse gasses by 3% per year through 2015 based on 2003 levels;
- Reduce water consumption associated with buildings by 2% per year based on 2007 consumption levels;
- Purchase or produce 3% 2007-2009, 5% 2010-2012, & 7.5% 2013 in renewable energy based on electricity consumption (Purchasing renewable energy to satisfy these requirements will be phased out);
- Have 15% of building inventory sustainable by 2015;
- Recycle and purchase recycled products;
- Purchase Energy Star® or FEMP designated energy efficient products;
- Purchase biobased products;
- Reduce ozone depleting compounds;
- Use beneficial landscaping;
- Increase the use of Environmental Management Systems;
- Incorporate sustainability into lease provisions; and
- Incorporate the five guiding principles into all new designs. They are:
 1. Use integrated design and commissioning;
 2. Optimize energy efficiency using measurement and verification;
 3. Protect and conserve water;

4. Enhance indoor environmental quality; and
5. Reduce the environmental impact of materials in Federal buildings.

ARS has incorporated these requirements into:

- APD Policy Memorandum 23-02A - Energy Initiatives.
- Manual 242.1 - Section 1.7.3.C states "...The A-E's design shall maximize the use of cost-effective biobased products and bioenergy."
- Section C version 2.8 reads: "C.6.3.1.C.7 - The A-E shall specify environmentally preferable products. To the extent possible, the A-E shall incorporate biobased products into the project that are competitive in cost, quality and availability."
- USDA has purchased Renewable Energy Certificates (RECs) for ARS' E. O. 13423 renewable energy requirements through 2009.
- Manual 242.1, and Section C version 2.8 require the use of recycled and biobased products, Energy Star and FEMP designated energy efficient products.
- Manual 242.1 prohibits the use of ozone depleting substances.
- Manual 242.1 requires the use of beneficial landscaping
- Manual 242.1 is being revised to incorporate the 5 Guiding Principles of the Sustainable High Performance Buildings Memorandum of Understanding

The Energy Independence and Security Act of 2007 requires Agencies to:

- Have energy efficiency and renewable energy in lease language;
- Use energy efficient new and replacement lighting and bulbs;
- Reduce energy consumption in buildings by 30% by 2015;
- Have an energy manager for each facility;
- Perform facility energy and water surveys and recommissioning every four years and implement energy efficiency improvements within 2 years;
- Reduce fossil fuel generated energy consumption in 2010 – 55%, 2015 – 65%, 2020 – 80%, 2025 – 90%, and 2030 – 100% in new facilities and major renovations;
- Use a green building certification system;
- Use energy efficient equipment for replacements;
- Install advanced metering of natural gas and steam by 2016;
- Lease only Energy Star® buildings when over 10,000 SF;
- Provide solar hot water heaters for 30% of hot water demand in new buildings;
- Purchase appliances requiring less than 1 watt of standby power; and
- Purchase Energy Star® or FEMP designated energy efficient products;

ARS is updating Manual 242.1 and Section C to incorporate the new requirements of the Energy Independence and Security Act of 2007

E.O. 13148, “Greening the Government through Leadership in Environmental Management,” requires agencies to conduct periodic environmental compliance audits of its locations. In order to meet the requirements of the E.O., ARS has revised its policy (i.e., ARS Manual 230.0, Safety, Health, and Environmental Management Program) regarding audits.

Under the new policy, each Area is responsible for determining the type(s) and frequency of audits to be conducted at their locations. Each Area will develop and maintain a written ten year plan outlining the year(s) in which each of its locations will be audited. The plan will include an explanation of the rationale for the type(s) and frequency of audits selected, as well as procedures for conducting the audit and for ensuring that deficiencies are promptly corrected.

2002 Farm Bill – Requires USDA to take the lead in using biobased products in the Government and develop a model federal biobased product procurement preference program (FB4P) for biobased products of competitive price, quality and availability. FEB has been promoting the use of biobased building products and publicizing FB4P in presentations to federal employees, engineers and architects.

6.2 Operations Performance Measures and Continuous Monitoring

ARS has contracted for analyst and engineering support to establish a CI and estimate plant replacement values, deferred maintenance, sustainment, recapitalization, and operating costs for all ARS buildings through parametric models. In addition, ARS has also estimated O&M costs by building based on actual expenses.

For space requirements, ARS presently uses the National Science Foundation (NSF) guidebook, entitled; “Planning Academic Research Facilities” to assist. This guidebook was developed to assist college and university officials in improving their understanding of research facility planning, design, construction, and management.

6.2.1 FRPC Performance Measures

ARS has contracted Whitestone Research to perform logic tests and review CPAIS building and structure data. Where necessary, the contractor has supplemented CPAIS to ensure that reasonable values are in the database; data they target is Plant Replacement Value (PRV), location, acquisition date, size, and quantity. Whitestone will also provide estimates for recapitalization of structures, and sustainment and recapitalization of buildings. In addition, ARS continues to fund building assessments to build the database for actual assessments and improve the model for the remaining inventory. ARS has already funded assessments at 16 of ARS’ largest locations, and has requested funds for additional assessments in FY 2008. As a result of these assessments deferred maintenance, sustainment, and recapitalization will be known for 41 percent of the inventory, and the remaining inventory is modeled and estimated.

As a result of the ARS contract with Whitestone, we continue to increase the actual data for deferred maintenance, sustainment and recapitalization and improve the model for the remaining inventory. In addition, ARS has role-out the software Maintenance and Repair Costs Forecast System (MARS) for facility cost forecasting. This software has the actual buildings assessed in the ARS building inventory and includes building components with the size, age, condition, and quantity of each component. MARS uses this data to compute current and forecast future DM, sustainment, and operation costs. In addition, projects can be created from this database.

ARS is currently working to release a request for proposals for a five year contract to continue site assessments and estimates. ARS intentions are to keep the current data accurate and to complete 10 percent site assessments annually on the building inventory.

In FY 2006 O&M costs estimates were based on four percent of PRV. In FY 2007, ARS locations entered into CPAIS O&M estimates based on actual O&M expenses. This is providing better data to analyze underperforming facilities.

6.2.2 *Space Requirements and Utilization Rates*

ARS new building construction projects are generally sized in terms of planned scientific year (SY) staffing and using a generic square foot (SF) per SY ratio of 2,500 to 3,500 gross SF/SY. This rule of thumb was established by the Agency to provide general guidance in the early programming activities of new construction projects. The exact amount of research program space needed varies by the type of research to be accomplished. It is based on accommodating three to four personnel for each planned SY since, on average, ARS SY staffing normally involves one scientist and two to three full-time research support positions.

In FY 1993, ARS analyzed its space utilization against the NSF guidelines. It was determined that the ARS standard of 2,500 to 3,500 gross SF/SY was within the NSF specified range for sizing research facilities.

Areas/Locations are required to maintain documentation detailing the O&M costs and spending is monitored and reviewed quarterly. Internal management reviews of Location's records are conducted every 5 years to ensure that costs are properly assigned. ARS plans to benchmark its operating costs against the private sector and is contracting for analyst and engineering support to establish CI and Operating Costs through parametric modeling. Some Locations use models they have created for estimating operating costs in order to "bill" the Programs conducting research. For example, the Beltsville Agricultural Research Center uses the Jones Model.

6.2.3 *Agency-Wide Tools for Continuous Monitoring*

Consolidated Assistance and Review Evaluation (CARE)

The CARE program consolidated many of the reviews previously completed by individual Divisions or Areas utilizing Total Quality Management (TQM) principles. This is the first program where providing assistance is emphasized and "conforming to requirements" is de-emphasized. CARE Teams provide onsite assistance based on issues that surface during the reviews. Findings and recommendations support Agency, Department and Government reports. While CARE consolidates ARS internal reviews, some external reviews/audits will still be performed. In FY2005 ARS established a milestone to prepare questions to be incorporated into the CARE program. These questions were finalized by Facilities Division in January 2008. The areas from FD for CARE function review included the following.

1. Facilities Asset Management
2. Periodic Evaluation of Assets
3. Multi-Year Facility Planning
4. Pre-approval of Building Authorities Facility Projects
5. Implementation of Project Design and Construction
6. Post Construction, Warranty and Maintenance Work
7. Facilities O&M Management
8. Deferred Maintenance Management
9. Disposal of Unneeded Property
10. Energy Management
11. Facility Accessibility for People with Disabilities
12. Architect-Engineering (A-E) Contracts
13. A-E Contracts
14. Construction Contracts
15. Facility Security
16. Acquisition (Purchase, Donation, Exchange or Transfer) of Real Property
17. Utilization, Accountability, and Control of Real Property
18. Leasing Real Property – Land and Space – and Agreements
19. Grants of Easement and Revocable Permits
20. Living Quarters Rentals
21. Disposal of Real Property
22. Safety, Health, and Environmental Management
23. Safety, Health, and Environmental Education/Training
24. Safety Management

25. Industrial Hygiene
26. Environmental Management

A-123 for Acquisition

Another tool for continuous monitoring is the OMB Circular A-123, Management's Responsibility for Internal Control, Appendix A, Internal Control over Financial Reporting (A-123, Appendix A). The purpose of A-123 is to document and test the process for assessing the effectiveness of the Agency's internal control over financial reporting. Internal controls are the policies and procedures that help managers and employees be effective and efficient while avoiding serious problems such as overspending, operational failure, fraud, waste, abuse, and violations of law. The areas that FD has documented and tested annually are:

- Acquisitions of Real Property
- Retirements/Disposals/Transfers
- Depreciation/Impairment
- Construction in Progress
- Physical Inventory of PP&E

6.3 Disposal Performance Measures and Continuous Monitoring

Following the guidance provided by the Department, ARS uses key performance measures to measure the effectiveness of the disposal phase of the life cycle of asset management, including FRPC first tier measures for disposal.

6.3.1 Federal Real Property Council Disposal Measures

As FRPC and OMB further define the disposal index ARS will work to ensure consistency with FRPC standards.

6.3.2 Agency Specific Measures and Uses

Current Disposals

As part of ARS' Disposal Plan, FD reviewed the properties identify for possible disposal on the FY 2006 Performance Assessment (PA) Tool. A total of 34 buildings were identified for disposal in fiscal year 2007, including 8 buildings that were listed on the FY 2006 PA Tool Report. As of November 2007, there are 158 ARS buildings identified as Excess. Many of these buildings are located within existing ARS installations and cannot be declared excess to USDA or General Services Administration (GSA). ARS is working to dispose of the 158 buildings by declaring excess to GSA when possible, or demolition as funds become available. In FY 2007, ARS Headquarters made available \$200,000 to reduce the number buildings on this list. FD has requested another \$200,000 to target more disposals in FY 2008.

Future Disposals

In FY 2009, ARS is proposing the reduction and relocation of significant program funds in support of the President's budget recommendations to Congress. The President's FY 2009 budget submittal is 7.5 percent less than ARS' current year funding. ARS is proposing the termination of nine laboratory/management units and 48 research projects which will result in the closure of 11 locations and worksites including Grand Forks, North Dakota; Lane, Oklahoma; Weslaco, Texas; Coshocton, Ohio; Watkinsville, Georgia; East Lansing, Michigan; Morris, Minnesota; University Park, Pennsylvania; Lane, Wyoming; Brooksville, Florida; and Brawley, California. If approved by Congress, these closures would reduce ARS inventory by 5,781 acres, 231 buildings and 874,426 sq. ft. The total cost avoidance for capital projects would be \$146 million and the elimination of an addition \$19 million in deferred maintenance. Annual operation and maintenance cost avoidance would be \$6.9 million in FY 2007 dollars.

When required, ARS will continue to use the real property performance measures to assist in closure decisions.

i <http://www.ars.usda.gov/aboutus/docs.htm?docid=1766&page=4> (ARS Strategic Plan)

ii <http://www.afm.ars.usda.gov/hrd/humancapital/HC-Plan..htm> (HC Plan)

iii <http://www.afm.ars.usda.gov/hrd/empdev/> (IDP Plan)

iv <http://www.afm.ars.usda.gov/ppweb/242-02.htm> (Facilities Construction Authorities)

v <http://www.afm.ars.usda.gov/ppweb/242-04m..htm> (Major Facilities Construction)

vi <http://www.afm.ars.usda.gov/ppweb/242-05.htm> (Economic Analysis & Decision for ARS Facility Modernization)

vii <http://www.whitehouse.gov/omb/circulars> (A-11)

viii <http://www.afm.ars.usda.gov/fd/fcb/fdpolicy-list.htm#fd-sop>. FDSOP-04-001

Section 7 Acronym List

Acronym	Definition
A-E	Architectural and Engineering
ABFO	Area Budget and Fiscal Officer
AD	Area Director
AFM	Administrative and Financial Management
AGPMR	Agriculture Property Management Regulation
AMB	Ames Modernization Branch
AMP	Asset Management Plan
AMRB	Asset Management Review Board
AO	Administrative Officer
AOE	Areas Office Engineer
AP	Action Plan
AP/FS	Action Plan/Fact Sheet
APD	Acquisition and Property Division
APMO	Accountable Property Management Officer
APO	Agency Property Officer
ARIS	Agricultural Research Information System
ARMP	Annual Resource Management Planning
ARMP	Annual Resource Management Planning
ARS	Agricultural Research Service
ASA	Assistant Secretary for Administration
ASHM	Area Safety and Health Manager
B&F	Buildings & Facilities
BBP	Building Block Plan
BOCC	Budget Object Class Code
BOMA	Building Owners and Managers Association
BPIB	Budget and Performance Integration Board
BPMS	Budget and Program Management Staff
BTU	British Thermal Unit
CARE	Consolidated Assistance and Review Evaluation

Acronym	Definition
CAS	Central Accounting System
CATS	CRIS Allocation Tracking System
CBA	Central Business Area
CC	Construction Contractor
CDC	Center for Disease Control
CERLA	Comprehensive Environmental Response, Compensation, and Liability Act
CFR	Code of Federal Regulations
CI	Condition Index
CIC	Construction Inspection Contractor
CICA	Competition in Contracting Act
CIWG	Condition Index Working Group
CM	Construction Manager
CO	Contracting Officer
COR	Contracting Officer Representative
CPAIS	Corporate Property Automated Information System
CPIC	Capital Planning and Investment Control Instructions
CPRP	Capital Project and Repair Plan
CRIS	Current Research Information System
CSREES	Cooperative State Research, Education, and Extension Service
D.C.	District of Columbia
DAD	Deputy Area Director
DHS	Department of Homeland Security
DOD	Department of Defense
DOI	Department of the Interior
DR	Design Reviewer
E.O.	Executive Order
EFMV	Estimated Fair Market Value
EPA	Environmental Protection Agency
EPACT	Energy Policy Act
EPM	Engineering Project Manager
ER	Energy Retrofit
ERS	Economic Research Service

Acronym	Definition
ESA	Environmental Site Assessment
EUL	Enhanced Use Leasing
FAIR	Federal Activities Inventory Reform
FAR	Federal Acquisition Regulations
FCB	Facilities Contracts Branch
FCI	Facility Condition Index
FD	Facilities Division
FDMIS	Facility Division Management Information System
FEB	Facilities Engineering Branch
FFIS	Foundation Financial Information System
FM	Facilities Manager
FMD	Financial Management Division
FMR	Federal Management Regulations
FMV	Fair Market Value
FOB	Fiscal Operations Branch
FRPC	Federal Real Property Council
FRPP	Federal Real Property Profile
FRV	Functional Replacement Value
FS	Fact Sheet
FSA	Farm Service Agency
FSIS	Food Safety and Inspection Service
FTE	Full-Time Equivalency
FY	Fiscal Year
GMP	Guaranteed Maximum Price
GSA	General Services Administration
GSAM	General Services Acquisition Manual
GSF	Gross Square Footage
H.R.	House Resolution
HC	Human Capital
HH/GH	Head house/Greenhouse
HHS	Health and Human Services
HPRL	High Priority Requirements List
HQ	Headquarters

Acronym	Definition
HR	Human Resources
HRD	Human Resource Division
HRPLA	Head of the Real Property Leasing Activity
HSU	Homeland Security Unit
HVAC	Heating, Ventilation, and Air Conditioning
HWC	Hazardous Waste Cleanup
IDP	Individual Development Plan
IRC	Indirect Research Costs
KSA	Knowledge, Skills and Abilities
LAO	Location Administrative Officer
LAT	Location Administrative Technician
LM	Location Monitor
MD	Mission Dependency
MOU	Memorandum of Understanding
MSA	Mid-South Area
MU	Management Unit
NAL	National Agricultural Library
NASS	National Agriculture Statistics Service
NCR	National Capital Region
NEPA	National Environmental Policy Act
NFC	National Finance Center
NFMP	National Facilities Management Plan
NIH	National Institute of Health
NPS	National Program Staff
NRCS	Natural Resources Conservation Service
NSF	National Science Foundation
O&M	Operations & Maintenance
O&MWG	Operations and Maintenance Working Group
OBPA	Office of Budget and Program Analysis
OCFO	Office of the Chief Financial Officer
OGC	Office of General Counsel
OMB	Office of Management and Budget
OMSP	Occupational Medical Surveillance Program

Acronym	Definition
OO	Office of Operations
OPPM	Office of Procurement and Property Management
P.L.	Public Law
PM	Performance Measures
POR	Program of Requirements
POT	Preliminary Opinion on Title
PRV	Plant Replacement Value
PT	Project Team
QMIS	Quarters Management Information System
R & M	Repairs and Maintenance
R&A	Repair and Alterations
RCRA	Resource Conservation and Recovery Act
RD	Rural Development
REE	Research, Education, and Economics
REWO	Real Estate Warranted Officer
RL	Research Leaders
ROE	Report of Excess
RPC	Real Property Council
RPES	Research Position Evaluation System
RPLO	Real Property Leasing Officer
RPM	Research Program Manager
RPMB	Real Property Management Branch
RPO	Real Property Officer
RPR	Research Program Representative
RPWO	Real Property Warrant Officer
RRP	Recovery & Reconstruction Plan
SF	Square Foot
SFO	Solicitation for Offer
SHEMB	Safety, Health and Environmental Management Branch
SHPO	State Historic Preservation Office
SOW	Statement of Work
SRPO	Senior Real Property Officer
SSRS	Senior Scientific Research Service

Acronym	Definition
SY	Scientific Year
TINA	Truth in Negotiations Act
TPA	Ten Percent Alteration
TSB	Ten Small Buildings
U.S.	United States
U.S.C	United States Code
UAI	Unique Asset Identifier
USB	Unlimited Small Buildings
USDA	United States Department of Agriculture
UWG	Utilization Working Group
V-E	Value Engineering

Section 8 Attachments

8.1 Agency Organizational Chart

Facilities Division

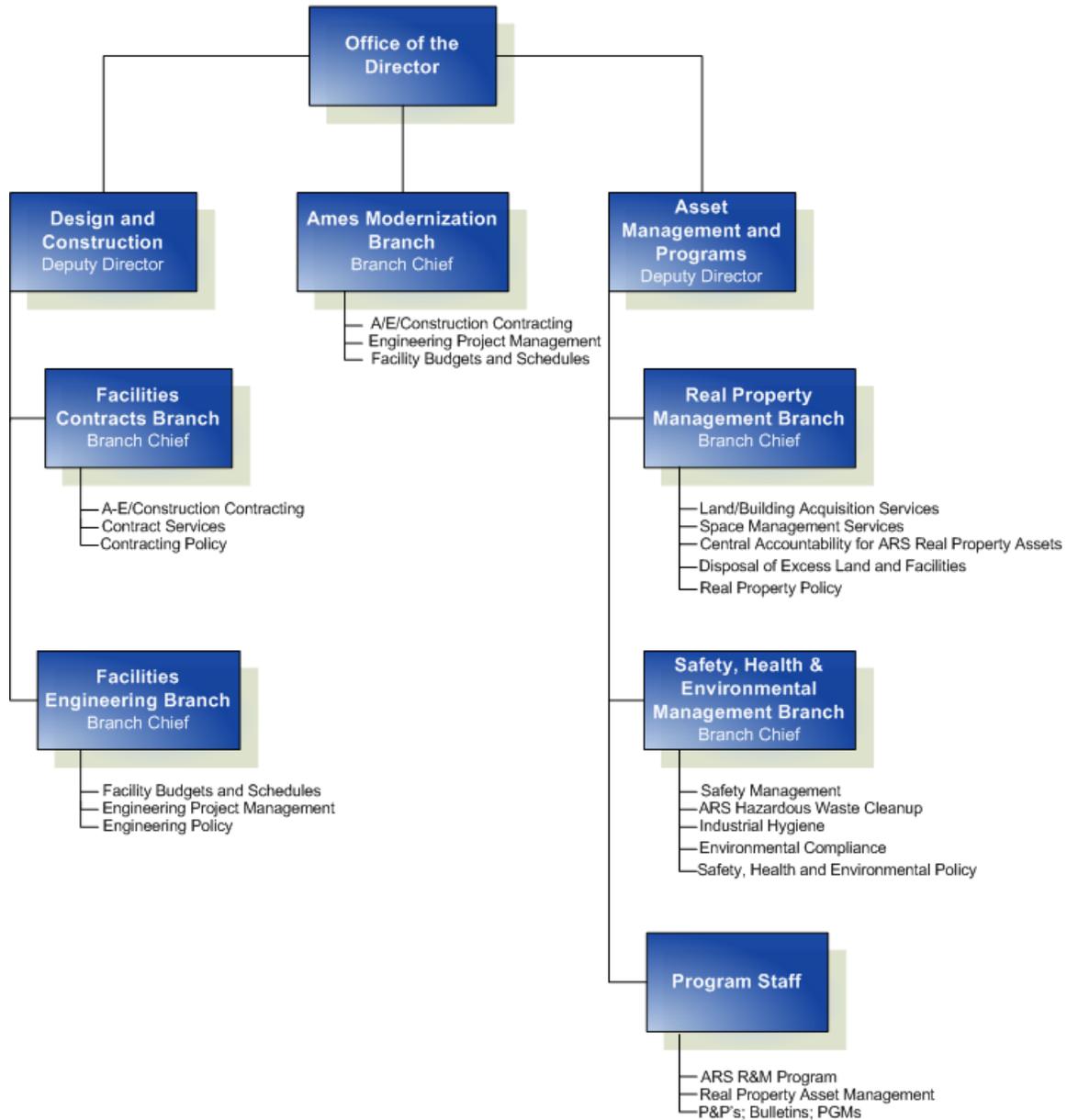


Figure 10: ARS, FD Organizational Chart

8.2 Agency Real Property Core Competencies

The real property personnel within the Area and Headquarters Offices possess a broad background of skills and abilities. The Federal Government has employed much of the workforce for a number of years. Each REWO has attended training to meet, at a minimum, the Level I requirements defined in ARS Policies and Procedures - 241.2 Real Estate Warrant Program, 10/7/1994

Realty personnel possess knowledge, skills and abilities in the following core competencies:

- Ability to communicate verbally and in writing to explain, advocate, and express facts and ideas in a convincing manner and to negotiate with individuals and groups internally and externally.
- Skilled in establishing and maintaining working relationships with internal organizational units; using contacts to develop, build and strengthen support bases and alliances with external groups (e.g., other agencies or firms, state and local governments, etc.).
- Knowledge to interpret and applying procedures, requirements, regulations, and policies related to administrative competencies and mission needs.
- Ability to keep current on issues, practices, procedures, regulations, etc.
- Knowledge of real estate and appraisal principles, theories and practices, as well as types and conditions of ownership/leases.
- Ability to analyze and resolve problems in very complex or controversial real estate transactions.
- Knowledge of laws, regulations, Executive Orders, decisions of the General Council of the department and General Services Administration, and the Comptroller General relative to the acquisition, exchange, utilization, management, and disposal of real property assets.
- Ability to perform asset management tasks and prepare various types of reports using automated information systems.
- Knowledge and ability to implement program management and provide field personnel with guidance and assistance.
- Ability to apply analytical methods and make recommendations for improved real property management processes.

8.3 Agency Real Property Organizational Chart

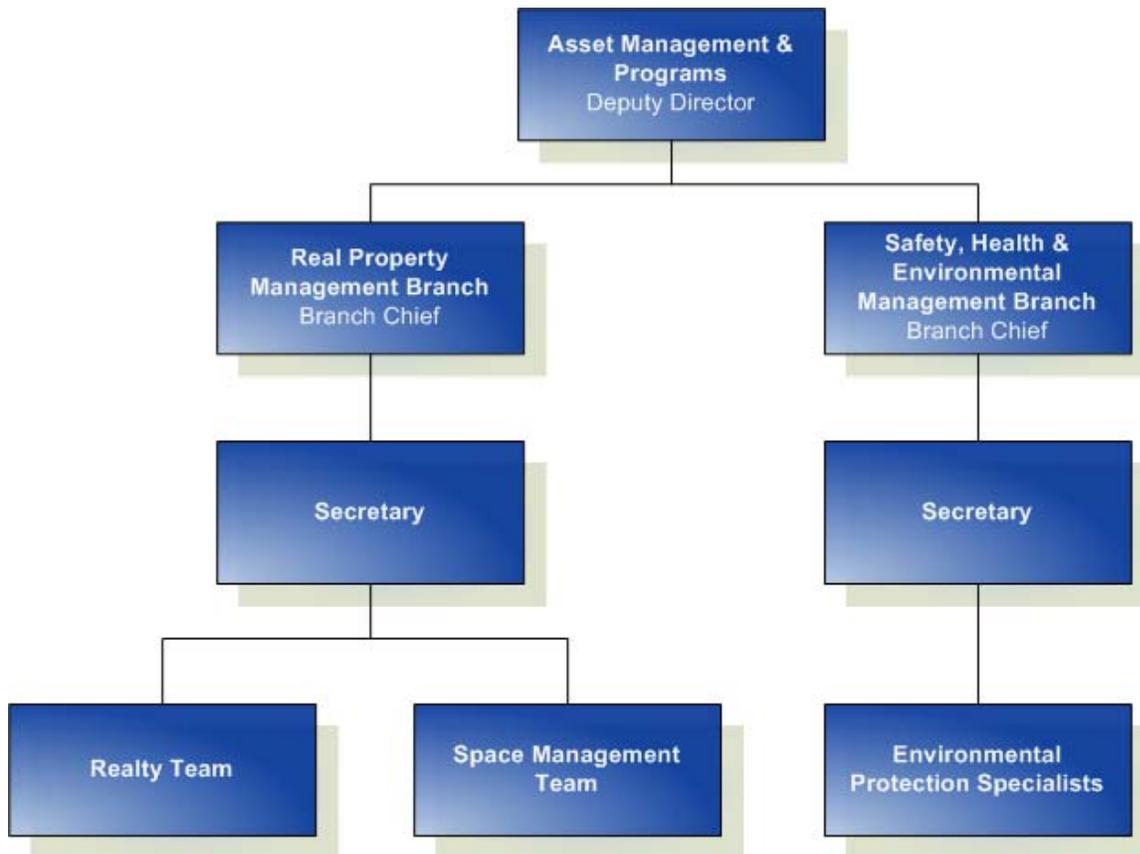


Figure 11. ARS, FD, Asset Management Organizational Chart

8.4 DRAFT Agency FY 2008-2009 Strategic Plan

The ARS/AFM Strategic Plan is currently being drafted for FY2008-2009. The Plan supports implementation and stewardship (acquisition, maintenance, and disposal) of REE Real Property assets to effectively support and enhance the REE Mission Area. The Goals are as follows:

Goal 3.2 REE agencies realize cost savings and receive best value through leveraging their energy buying power.

- Review utility procurements.

STRATEGIC OUTCOME 4: Stewardship (acquisition, operation, and disposal) of REE Real Property assets effectively supports and enhances the REE Mission Area.

Goal 4.1 Enhance the protection and well being of the work force and REE assets.

- Identify and protect ARS infrastructure & real property assets.
- Work with Office of Homeland Security to establish protocols for validating high priority physical security needs.
- Analyze trends regarding employee safety and wellbeing with the goal of reducing

worker injuries and Occupational Medical Surveillance Program (OMSP) exposures to workplace hazards, and implement corrective action.

Goal 4.2 Maintain a robust Real Property Asset Management program.

- Develop and implement a facility Operation and Maintenance Program to address general maintenance, preventive maintenance, and repair of facilities to minimize the life cycle cost of the facility.
- Exercise proper stewardship of environment, natural, and energy resources as defined by EO 13423 – Strengthening Federal Environmental, Energy & Transportation Management.
- Utilize the facility plan developed by the Agency and Area Asset Management Review Boards in determining the allocation of R&M funds to meet mission requirements.
- Area establishes a single point of contact to coordinate their asset management program.

Goal 4.3 Implement EPACT 2005

- Establish roles and responsibilities of AFM/Areas/Locations/State Offices in implementing EPACT 2005 goals.
- Maximize the use of no cost/low cost energy management programs.
- Evaluate how to allocate energy reduction/renewable energy initiatives across ARS in a manner that maximizes progress in meeting Agency EPACT 2005 goals.