

Asset Management Plan FY2010

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Revision Information

| Version Number | Date | Description of Revisions |
|----------------|--------------------|--|
| 1.0 | March 31, 2005 | Initial Working Draft |
| 1.1 | April 14, 2005 | Initial Working Draft with preliminary revisions from OPPM, the USDA RPC, and agency representatives |
| 2.0 | June 13, 2005 | Second Draft including initial research and revisions based upon the comments provided by OMB during and as a follow-up to the review on April 20, 2005. |
| 3.0 | August 10, 2005 | Third Draft including summary rollup information from the Forest Service Building Block Plan |
| 4.0 | September 15, 2005 | Final Draft |
| 5.0 | November 29, 2005 | Final with revisions based upon November 2005 OMB comments |
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| 6.1 | April 14, 2006 | Draft revised based upon March 2006 OMB comments. |
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Executive Summary

In January 2003, the Government Accountability Office (GAO) identified the government's real estate and real property as a "high risk" federal program. GAO reported that federal real property is deteriorating and that key management decision makers lack reliable data.ⁱ

On February 4, 2004, President George W. Bush signed Executive Order (E.O.) 13327, Federal Real Property Asset Management, setting expectations and requirements 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 . . ." E.O. 13327 states that the executive branch departments and agencies of the Federal government "...shall recognize 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."

GAO conducted evaluations of OMB and nine agencies that hold 93 percent of federal property to determine what progress had been made in strategically managing real property and addressing long-standing problems. A report was issued in April 2007 specifying GAO's recommendations to address remaining problems and underlying obstacles.ⁱⁱ

The Federal Real Property Council (FRPC) established by E.O. 13327, has an overall goal is to improve Federal asset management practices and rightsize the Federal portfolio of assets. The Administration's focus is to improve asset management by fully utilizing mission critical and mission dependent assets and managing those assets in the right condition and at the right cost. Unneeded assets should be disposed, with a goal of reducing the size of the Federal real property inventory by \$15 billion by 2015, through the disposition of surplus or excess assets. To meet this goal, the FRPC and Federal agencies will:

- Continually update available inventory and performance data necessary to make sound asset management decisions
- Establish and achieve an aggressive set of goals for disposing of unneeded or underutilized assets.
- Implement key reform initiatives through rigorous analysis, a legislative agenda and inter and intra agency coordination.ⁱⁱⁱ

In addition, GAO recommended that OMB, in conjunction with the FRPC:

- Develop a framework to better ensure the validity and usefulness of key agency data
- Develop an action plan for addressing key problems, including reliance on leasing, security challenges, and the effect of competing stakeholder interests
- Create a clearer link between agencies' efforts under the real property initiative and broader capital planning requirements.

The United States Department of the Agriculture's (USDA) Asset Management Plan (AMP) presents the Department's strategic vision and plan of action for compliance with the government-wide real property management initiative. Since the issuance of E.O. 13327, USDA moved aggressively towards compliance with the initiative in several ways:

- Notification from the Secretary and other senior management officials of the criticality of compliance and the expected levels of effort.
- Establishment of a council and working group structure to address the challenges and requirements for compliance.
- Revision of the Department's Strategic Plan to encompass the real property asset management initiative.
- Establishment of an internal scorecard process to ensure monitoring and accountability through a greater oversight role for the headquarters in the real property actions taken by USDA agencies.

USDA realizes that compliance with E.O. 13327 is an ongoing effort. In moving forward with this effort, the Department will continue to focus on the following areas as the foundation for future efforts and compliance:

- Real Property Management Organization
- Real Property Planning and Budgeting Activities
- Utilization of Inventory Data in Decision Making
- Performance Measures and Continuous Monitoring
- Asset Inspection and Condition Index
- Divestment of Excess Assets

On January 24, 2007, the President George W. Bush signed Executive Order (E.O.) 13423: *"Strengthening Federal Environmental, Energy, and Transportation Management."* The Order requires each Federal Agency to comply with the *Guiding Principles* set forth in the Federal Leadership in High Performance and Sustainable Buildings Memorandum of Understanding (MOU) (2006) when considering new construction or major renovation. The MOU *Guiding Principles* include:

- Employment of integrating design principles
- Optimization of energy efficiency and use of renewable energy
- Protection and conservation of water
- Enhancement of indoor environmental quality
- Reduction of environmental impacts of materials

Subsequent “Instructions for Implementing E.O. 13423” issued by the White House Council on Environmental Quality on March 29, 2007, state that, by August 15, 2007, each executive level agency/department shall submit a Sustainable Buildings Implementation Plan (SBIP) to the Office of Management and Budget (OMB). The USDA SBIP (August 2007) outlines the steps USDA intends to take to comply with E.O. 13423, including implementing sustainable practices for high performance construction, leasing, operation, and maintenance of buildings. The USDA SBIP is contained in Section 8.8 and will be updated annually.

On October 5th, 2009 President Obama signed Executive Order (E.O.) 13514, “Federal Leadership in Environmental, Energy, and Economic Performance,” requires that the Federal Government lead by example to create a clean energy economy, promote energy security, and safeguard the environment. Federal agencies must apply sustainable building strategies throughout their portfolio for all construction and major and minor renovations over 5,000 square feet in size, and for existing building operations as well

ⁱ GAO-07-310 High-Risk Update

ⁱⁱ GAO-07-349 Progress Made toward Addressing Problems, but Underlying Obstacles Continue to Hamper Reform

ⁱⁱⁱ From FRPC Strategic Plan, May 1, 2007

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Section 1 Introduction

This is the United States Department of Agriculture’s (USDA or “the Department”) Asset Management Plan (AMP) as required by 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 FRPC’s ten guiding principles, which are applicable to federal real property asset management, are listed below:

| FRPC Guiding Principles | |
|--|---|
| 1. Support agency missions and strategic goals (Sections 1.2 , 1.3 , 2.1) | 6. Provide appropriate levels of investment (Section 6) |
| 2. Use public and commercial benchmarks and best practices (Sections 1.3 , 6.1) | 7. Accurately inventory and describe all assets (Section 4.1) |
| 3. Employ life-cycle cost-benefit analysis (Sections 2.3 , 3.1) | 8. Employ balanced performance measures (Section 6) |
| 4. Promote full and appropriate utilization (Section 6) | 9. Advance customer satisfaction (Section 6) |
| 5. Dispose of unneeded assets (Section 5) | 10. Provide for safe, secure, and healthy workplaces (Section 2.1) |

This plan lists the FRPC’s required components for the AMP, which include the following:

| FRPC Agency AMP Template Requirements | |
|--|--|
| 1. Integrated Guiding Principles (Sections 2 , 3 , and 4) | 6. "Building Block" Asset Business Plans in Agency Portfolio Context (Section 4.3) |
| 2. Agency-specific Owner's Objectives (Section 2.4) | 7. Continuous Monitoring and Feedback Mechanism (Sections 4.4 , 6.1) |
| 3. Periodic Evaluation of All Assets (Section 4.4) | 8. Consideration of Socio-Economic-Environmental Responsibilities (Section 2.2) |
| 4. Prioritized Operations and Maintenance and Capital Plans (Section 4.5) | 9. Adequate Human Capital Support of Asset Management Organization (Section 2.2) |
| 5. Identified Resource Requirements to Support Plans (Section 4.6) | 10. Common Government-wide Terminology (Sections 1.2 , 1.3 , 2) |

1.1 USDA Overview

USDA is a leader in America's food and agricultural system, helping the farm and food sectors operate in a highly competitive marketplace that must continuously respond to changing consumer demands for high quality, nutritious, and convenient food and agricultural products. USDA carries out a wide variety of services and activities related to the management, research, and conservation of the Nation's agricultural resources.

In order to carry out its varied mission work, USDA is made up of 25 agencies and offices supporting seven mission areas. USDA's mission areas are:

1. **Natural Resources and Environment.** The Natural Resources and Environment (NRE) Mission Area consists of the Forest Service (FS) and the Natural Resources Conservation Service (NRCS). These agencies work to ensure sustainable management of both public and private lands, including the Nation's soil, watersheds and ecosystems.
2. **Farm and Foreign Agricultural Services.** The Farm and Foreign Agricultural Services (FFAS) Mission Area is comprised of the Farm Service Agency (FSA), which delivers most traditional farm programs, the Foreign Agricultural Service (FAS), which assists with U.S. agricultural exports, and the Risk Management Agency (RMA), which predominately handles programs aimed at helping farmers and ranchers weather the unavoidable challenges inherent in agriculture, such as natural disasters. This Mission Area also includes two Government-owned corporations, the Commodity Credit Corporation (CCC) and the Federal Crop Insurance Corporation (FCIC).
3. **Rural Development.** The Rural Development (RD) Mission Area focuses on creating economic opportunities and improving the quality of life in rural America through a variety of valuable programs that together comprise the backbone of Federal efforts to ensure rural communities are full participants in economic and other community opportunities of modern day America.
4. **Food, Nutrition and Consumer Services.** The Food, Nutrition and Consumer Services (FNCS) Mission Area is comprised of the Food and Nutrition Service (FNS), which administers Federal nutrition programs, and the Center for Nutrition Policy and Promotion (CNPP), which provides science-based dietary guidance to the Nation.
5. **Food Safety.** The Food Safety Mission Area is comprised of the Food Safety and Inspection Service (FSIS), which ensures the safety, correct labeling and packaging of meat, poultry and egg products and inspects and regulates these products in interstate and international commerce.
6. **Research, Education and Economics.** The Research, Education and Economics (REE) Mission Area brings together all of the efforts underway throughout USDA to advance a safe, sustainable and competitive U.S. food and fiber system through science and the translation of science into real-world results. REE is comprised of

the Agricultural Research Service (ARS), the National Institute of Food and Agriculture (NIFA), the Economic Research Service (ERS) and the National Agricultural Statistics Service (NASS).

- 7. Marketing and Regulatory Programs.** The Marketing and Regulatory Programs (MRP) Mission Area is made up of the Agricultural Marketing Service (AMS), the Animal and Plant Health Inspection Service (APHIS) and the Grain Inspection, Packers and Stockyards Administration (GIPSA). This Mission Area facilitates the domestic and international marketing of U.S. agricultural products and conducts efforts to protect U.S. agriculture from plant and animal health-related threats and to ensure the humane treatment of animals.

Fulfilling its mission work is a paramount consideration throughout USDA. For this reason, the land, facilities, and other real property held by USDA are an integral support component to its mission. The strong relationship between USDA's real property and its mission is the major reason why real property management decisions are typically made at the agency and field levels. This mission-driven organizational structure has fostered a decentralized real property decision-making environment that reflects a need to support a variety of missions across a wide variety of asset types in different geographic areas.

1.2 Real Property Overview

Real property asset management is critical to USDA. As the second largest landholder in the Federal Government, the Department's asset inventory includes the following:

- Approximately 22,200 owned buildings
- Approximately 23,500 owned structures (see definitions in Federal Real Property Council (FRPC) User Guidance for FY 2008 Reporting)
- Approximately 193 million acres of land, of which in excess of 99% is public domain and stewardship land
- More than 1,000 space assignments in GSA buildings with approximately \$188 million in annual rent
- Leased space in approximately 3,660 commercial buildings with an annual rent of approximately \$265 million

Of the 25 USDA agencies and offices, four agencies account for the major portion (85%) of its total owned real property portfolio. Because of their significant real property holdings, much of this AMP focuses on the four major landholding agencies, which are:

- Agricultural Research Service (ARS)
- Animal and Plant Health Inspection Service (APHIS)
- Forest Service (FS)
- Natural Resources Conservation Service (NRCS)

1.2.1 Historical Challenges

Meeting the requirements of E.O. 13327 has presented a unique challenge for USDA. The existing Mission Area and agency structure is the key to success in achieving the Department's mission goals and objectives but does not provide a clear, "one size fits all" approach to real property management.

Through the AMP development process, USDA has identified several primary challenges in the Department's historic real property approach:

- The wide variety of assets
- The impact of congressionally-mandated Delegations of Authority
- The decentralized and diverse scope of missions across the 25 agencies and offices
- The geographic dispersion of the facilities
- The seasonal nature of certain agency requirements

Much of USDA's real property asset management activity is carried out at the agency level. This organizational factor has required USDA to actively engage its agencies in response to real property management requirements. A principal goal in USDA's approach to real property management is preserving the benefits of decentralized decision making within the Department while increasing oversight at the headquarters level, moving to centralize common processes, and enhancing standardization and accountability at all levels.

1.2.2 Secretary's Vision

USDA has taken several steps to meet the requirements of the E.O., the first of which was the release of Secretary's Memorandum No. 5100-002, dated August 10, 2005, which clearly demonstrated the Department's commitment, beginning at the top, to the mandates of the E.O. and the Guiding Principles of the FRPC. The Secretary committed the Department to make significant changes immediately that laid the foundation for systemic changes within the USDA real property infrastructure to ensure that USDA would be in compliance with the current and emerging requirements of the Office of Management and Budget (OMB) and the FRPC. In FY 2010, the Department will publish a Departmental Regulation to codify the USDA asset management program.

The Secretary established internal scorecards for each agency to ensure that an aggressive schedule is maintained and to provide continuous monitoring of the progress of this initiative toward achieving stated goals and objectives.

In addition to the Secretary's Memorandum, another significant step in the Secretary's vision for real property was to include the USDA's Strategic Plan for FY 2005-2010 specific goals and objectives addressing real property management. The stated goal and objectives in the Strategic Plan are addressed in more detail in [Section 2.1](#).

1.2.3 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 AMP and the agency Building Block Plans (BBPs) have led to the identification of six areas of focus for augmenting USDA's real property management goals, policies, tools, and processes that are critical to the future of real property management within the Department. [Section 2.7](#) details specific objectives in support of each focus area.

These six critical focus areas are:

1. **Real Property Management Organization.** USDA has and will continue to engage the stakeholders at the strategic and tactical levels throughout the Department to allow for a responsive real property management organization. Through the strengthened leadership of the Office of Procurement and Property Management and the involvement of the agencies and staff offices in the Real Property Council, USDA will facilitate effective communication and management oversight of real property activities and performance.
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. USDA is working to improve integration of budget and planning procedures specifically related to real property and is exploring opportunities to standardize planning processes across the Department.
3. **Utilization of Inventory Data in Decision Making.** Now that USDA has fully implemented the system and data collection requirements for the FRPC mandatory inventory data elements, the Department will possess an even greater wealth of information on its real property assets. To effectively leverage this information in decision making, USDA will continue to enhance the Corporate Property Automated Information System (CPAIS) to provide additional real property management and reporting capabilities to support decision making by USDA asset managers.
4. **Performance Measures and Continuous Monitoring.** Performance measure data supports informed decision making regarding real property assets. USDA has finalized implementation of the FRPC First Tier Performance Measures and will add any new performance measures as they are introduced. USDA will utilize performance measure data in asset decisions at the agency level with monitoring and oversight by the Department.
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 and mitigates health and safety risks. In addition to the existing Departmental requirement for a five-year physical inventory, USDA has set a high priority to investigate existing inspection processes and execution within agencies to the end goal of developing standard processes and justifying the funding need for evaluation activities.

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

1.3 Structure and Content of AMP

The AMP is organized into the following sections:

Section 1 – Introduction: Describes the approach and content of this plan.

Section 2 – Support of Departmental Missions and Strategic Goals: Addresses USDA's mission and its real property infrastructure to support its missions and strategic goals, its human capital and organizational structure, decision-making framework and owner's objectives.

Section 3 – Acquisition of Real Property Assets: Describes how USDA plans for and acquires real property assets, develops its capital plan, identifies its prioritized acquisition list each fiscal year and identifies key initiatives to improve financial management and acquisition performance.

Section 4 – Operations and Maintenance of Real Property Assets: Describes how USDA operates its real property assets. It does this through its inventory system, its Operations and Maintenance Plan, its Asset Business Plans, or "Building Block" Plans, and its evaluation of assets. Additionally, it describes key initiatives that are underway to improve operational performance.

Section 5 – Disposal of Excess Real Property: Discusses how USDA disposes of excess real property assets and identifies initiatives to improve the pace of disposition. Examples of recent disposals are provided as a frame of reference. Current and future disposal plans are also included.

Section 6 – Performance Measures and Continuous Monitoring: Describes how USDA measures the effectiveness of its activities and performance with regards to acquisition, operations, and disposal of real property assets. It also provides descriptions of the organization's use of private sector "best practices." This section includes real property performance measures, including the FRPC's four "First Tier" measures.

Section 7 – Acronym List: A list of the acronyms used throughout the document for quick reference when reading.

Section 8 – Attachments: Includes a series of attachments to supplement the main sections of the AMP. Throughout the AMP, cross-references to the attachments have been included to where appropriate in the discussion.

1.3.1 Focus of the AMP

The AMP provides a comprehensive picture of USDA's real property management at all levels of the organization and discusses common policy and practices across the Department. The AMP focuses on three main types of information:

1. Specific real property management responsibilities carried out at the Department level. Several Department level offices participate in activities related to real property management.
2. Common policies and practices that apply across all agencies.
3. Highlights of agency-specific activities and processes that are described in more detail in the BBPs. Subsections have been inserted throughout the AMP that include summary information from the agencies.

1.3.2 Focus of the BBPs

Within the framework of Departmental policy, individual agencies have developed their own policies and processes for real property management. Early into the AMP development process, USDA realized that conducting a detailed analysis of the real property management organization and activities at the agency level would be necessary to provide a complete and accurate description of asset management within the Department. As a result of this analysis, BBPs were developed for each of the four major landholding agencies and the collective group of non-landholding agencies. The BBPs reflect the current state of the agencies' asset management programs in greater detail than is provided in this document.

1.3.3 Asset Management Initiatives and Three-Year Timeline

The Asset Management Initiatives and Three-Year Timeline plan is an extension of USDA's Asset Management Plan, developed as required by Executive Order (E.O.) 13327, Federal Real Property Asset Management. The USDA Asset Management Initiatives and Three-Year Timeline addresses opportunities and determines priorities identified in grouped projects and initiatives such as planned disposals, properties suitable for reinvestments, and significant lease actions and are inclusive of projects and initiatives recently accomplished, currently underway, or planned in future fiscal years.

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Section 2 Support of Departmental Missions and Strategic Goals

To effectively manage and optimize its real property assets, USDA agencies have closely integrated their investment, operational, and disposal decisions with their core mission activities. This section discusses USDA's mission, human capital, and decision-making framework, and describes how agencies and staff offices with real property authorities and responsibilities are integrated with USDA's asset management strategy.

2.1 Strategic Goals and Objectives

USDA's mission is to provide leadership on food, agriculture, natural resources, and related issues based on sound public policy, the best available science, and efficient management.¹ As outlined in USDA's Strategic Plan for FY 2005-2010 dated June 2006, USDA identified six strategic goals, which describe the Department's major programmatic policies and objectives to support its mission:

- Strategic Goal 1: Enhance international competitiveness of American agriculture
- Strategic Goal 2: Enhance competitiveness and sustainability of rural farm economics
- Strategic Goal 3: Support increased economic opportunities and improved quality of life in rural America
- Strategic Goal 4: Enhance protection and safety of the nation's agriculture and food supply
- Strategic Goal 5: Improve the Nation's health and nutrition
- Strategic Goal 6: Protect and enhance the Nation's natural resource base and environment

In order to meet the goals of its strategic plan, USDA has implemented the following principles as core values of its culture and operations:

1. Strong ethics by asking "What is right?" in addition to asking "What is legal?"
2. A commitment to delivering outstanding service through the effective use of its resources
3. Teamwork, not only within the Department and its 25 agencies and offices, but with other federal, state, and local teams, in order to deliver the highest quality products and services
4. Inclusive decision making by addressing the interests and concerns of affected stakeholders through actively reaching out and seeking their involvement in the decision-making process
5. Fiscal responsibility in the form of USDA-developed and implemented systems and processes to ensure informed, defensible decision-making that provides accountability at all levels of the organization

As a testament to the commitment of the Department to the successful implementation and sustainability of improved asset management, USDA has implemented a number of strategic goals and objectives that specifically address real property management. This was included in the Department's FY 2005-2010 Strategic Plan published in June 2006. The text of the Strategic Plan is included below.

"Strategic Goal: Improve USDA Real Property Asset Management.

Executive Order (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 United States Department of Agriculture (USDA) to promote the efficient and economical use of the Department's real property assets and to assure management accountability for implementing Federal real property management reforms. Based on this policy, USDA agencies shall recognize 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 Department's real property asset management program, the following strategic objectives will be used for real property management improvement:

- Objective 1: Department's holdings support agency missions and strategic goals and objectives.
- Objective 2: Maximize facility utilization and collocate agency operations when possible.
- Objective 3: Accurately inventory and describe real property assets using the Corporate Property Automated Information System (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 excess 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.

USDA has strengthened real property management, optimized the use of Federal property and ensured that the USDA's portion of the \$300 billion in real property owned by the Federal Government is used efficiently to support agency missions. USDA is one of the largest land-holding Departments. It must manage these resources effectively.

To achieve these strategic objectives, the Department has published an Asset Management Plan and implemented the Corporate Property Automated Information System (CPAIS), an

enterprise asset management system that collects data required by the Federal Real Property Council's directives.

To continue efforts to reach full compliance with the E.O., USDA has:

- a. Established the USDA Real Property Council (RPC) to advise the Assistant Secretary for Administration and Senior Real Property Officer (SRPO), provide internal agency coordination and guidance, and disseminate information for implementing E.O. 13327 and the President's Management Agenda within USDA.
- b. Established an asset management planning process for USDA agencies as well as monitoring and reporting on the Departments' performance in implementing this policy. Includes policies and methodologies for maintaining property holdings in an amount and type according to agency budget and mission. Seeks to optimize the level of real property operating, maintenance and security costs.
- c. Established asset management performance measures to make decisions and drive change resulting in the rightsizing of the USDA inventory (improved condition, operation within cost targets, and disposal of excess assets).
- d. Maintained a comprehensive inventory and profile of agency real property and provide timely and accurate information for inclusion into the government-wide real property inventory database.
- e. Established a three-year rolling timeline that addresses opportunities and determines priorities as identified in agency Building Block Plans (BBP) and demonstrates implementation through compliance with the established timeline. The three-year timeline is supported by specific projects and initiatives (e.g. disposals, properties suitable for reinvestment, etc.) that will result in measurable change to the USDA inventory. The timeline identifies the specific actions that will be taken and the anticipated results.
- f. Institutionalized the management of the Department's real property assets consistent with the USDA strategic plan, the AMP, and performance measures and using these documents and indicators as the foundation to assist leadership in formulating and making real property management decisions.
- g. Actively participated in such Government-wide management vehicles as the Federal Real Property Council. The FRPC provides a forum to address critical real estate and workplace issues challenging all Federal agencies.

Sections 2.1.1 through 2.1.5 discuss the missions and strategic goals of the agencies within USDA. This includes separate sections for each of the four major landholding agencies (i.e., Agricultural Research Service [ARS], Animal and Plant Health Inspection Service [APHIS], Forest Service [FS], and Natural Resources Conservation Service [NRCS]) and the collective group of non-landholding agencies.

2.1.1 ARS Mission

The Mission of ARS is to conduct research to develop and transfer solutions to agricultural problems of high national priority and provide information access and dissemination to ensure high-quality, safe food, and other agricultural products; assess the nutritional needs of Americans; sustain a competitive agricultural economy; enhance the natural resource base and the environment; and provide economic opportunities for rural citizens, communities, and society as a whole.

In support of the agency's Mission, the ARS Strategic Plan for 2006-2011ⁱⁱ identifies six main strategic goals with associated objectives, performance measures, and actionable strategies. ARS' strategic goals are:

1. Enhance international competitiveness of American agriculture.
2. Enhance the competitiveness and sustainability of rural and farm economies.
3. Support increased economic opportunities and improved quality of life in rural America.
4. Enhance protection and safety of the nation's agriculture and food supply.
5. Improve the nation's nutrition and health.
6. Protect and enhance the nation's natural resource base and environment.

2.1.2 APHIS Mission

The APHIS Mission is to protect the health and value of American agriculture and natural resources.ⁱⁱⁱ APHIS is responsible for protecting and promoting U.S. agricultural health, administering the Animal Welfare Act, and carrying out wildlife damage management activities.

APHIS strategic goals include:

1. Strengthen safeguarding system domestically and in other countries.
2. Strengthen emergency response preparedness.
3. Facilitate safe agricultural trade through international standard setting and effective management of sanitary and phytosanitary (SPS) issues.
4. Enhance the well-being of animals covered by the Animal Welfare Act (AWA) and the Horse Protection Act (HPA)
5. Value and invest in APHIS employees.
6. Accomplish APHIS' mission through effective and efficient management of their programs.

2.1.3 Forest Service Mission

The mission of the Forest Service is to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations.

The mission of the Forest Service is based on the relationship between the American people and their natural resource heritage. The relationship is founded on the principles of sustaining U.S. natural resources for future generations, producing personal and community well-being, and providing economic wealth for the Nation^{iv}.

The Forest Service has finalized its Strategic Plan for Fiscal Years 2007-2012. The Forest Service Strategic Plan enumerates seven strategic goals that enable the FS to tie the activities that are carried out throughout the organization to the overarching strategic direction of the agency. In the Strategic Plan, the strategic goals have been linked to objectives and specific performance measures to help guide the work of the agency in support of the mission.

The seven strategic goals of the Forest Service are:

1. Restore, sustain, and enhance the nation's forests and grasslands.
2. Provide and sustain benefits to the American people.
3. Conserve open space.
4. Sustain and enhance outdoor recreation opportunities.
5. Maintain basic management capabilities of the Forest Service
6. Engage urban American with Forest Service programs.
7. Provide science-based applications and tools for sustainable natural resources management

2.1.4 NRCS Mission

The NRCS Mission is "Helping People Help the Land" by providing leadership in a partnership effort to help people conserve, maintain, and improve our natural resources and environment. NRCS supports local, state, and national conservation goals through working partnerships with state conservation agencies, local conservation and development councils, tribal governments and community groups.

NRCS employees provide information and technical assistance to private landowners and land users. Because natural resource issues are best addressed on a watershed scale, NRCS also helps community leaders make sound natural resource decisions that enhance the local environment and improve their standard of living and quality of life.

The NRCS Strategic Plan of years identifies six mission goals. These strategic goals are:

1. High-quality, productive soils
2. Clean and abundant water
3. Healthy plant and animal communities
4. Clear Air

5. An adequate energy supply
6. Working farm and ranch lands.

To achieve these mission goals, the NRCS Strategic Plan outlines three overarching strategies:

1. Cooperative Conservation: Seeking and promoting cooperative efforts to achieve conservation goals.
2. Watershed Approach: Providing information and assistance to encourage and enable locally led, watershed scale conservation.
3. Market-based Approach: Facilitating the growth of market-based opportunities that encourage the private sector to invest in conservation on private lands.

About 70 percent (1.5 billion acres) of the United States total area is privately owned land. The majority of those acres are in cropland, rangeland, pastureland, and forestland. The rest are either in other rural land uses or are urban and developed land. Millions of individuals are responsible for making decisions on the use and management of those lands. NRCS is the lead Federal agency for conservation of natural resources on non-Federal land.

Today, NRCS achieves its mission through the implementation of Conservation Technical Assistance (CTA), Resource Conservation and Development (RC&D), water resources programs and Farm Bill voluntary conservation programs.

2.1.5 Non-Landholding Agencies Missions

Each Non-Landholding Agency has specific programs supporting a distinct and unique mission; each of these missions in turn supports the enterprise mission of the Department. [Attachment 8.1](#), *USDA Non-Landholding Agencies' Missions* lists the missions of each of the 15 remaining non-landholding agencies.

2.2 Real Property Organization Mission

The mission of the real property management organization of USDA is to provide acquisition, procurement, disposal and management services in accordance with the identified goals and objectives and in support of the mission work performed by USDA's agencies.

In order to fully realize its real property organization mission in alignment with the principles of E.O. 13327, USDA has embraced the real property initiative framework as reflected in Figure 1, as published in the Office of Management and Budget (OMB) *Achieving Green in Federal Real Property Management* ("Achieving Green"), and through the development of a real property disposition process discussed in [Section 5](#).

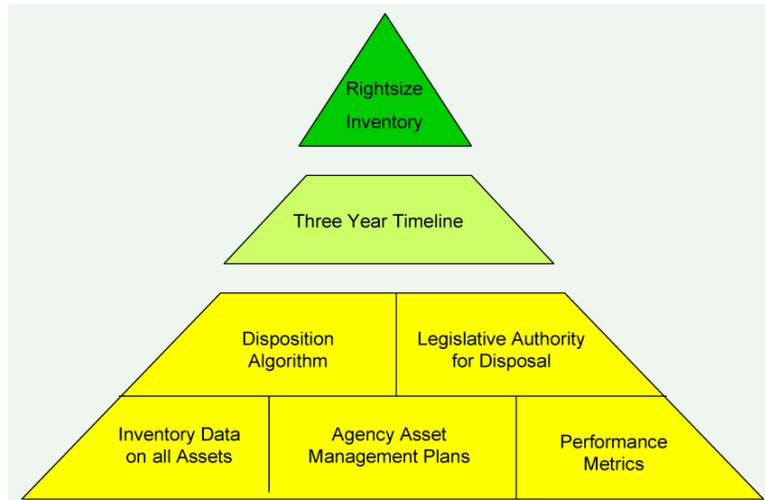


Figure 1: Real Property Initiative Framework

OMB’s “Achieving Green” document describes the yellow blocks at the base of the pyramid represent the tools and knowledge used to make asset management decisions. These tools are a complete and accurate inventory of all constructed assets; agency asset management plans, which systematize agencies’ procedures and actions related to asset management; and performance metrics against which agencies can measure and evaluate asset management performance.

The second level of the yellow foundation of the pyramid represents the next level of activities and tools needed to begin putting in practice identified rightsizing initiatives. The disposition algorithm segment is a government-wide analytical formula to assist agencies in better identifying and ranking agency assets for possible disposal or rehabilitation (see [Section 5](#) for further discussion).

The legislative proposal segment, once enacted, will help provide relief from barriers and process inefficiencies that agencies currently encounter when disposing of assets in the real world.

After development and implementation of these tools, they are then used to provide USDA agencies with the foundation to develop the USDA Asset Management Initiatives and Three-Year Timeline plan that addresses the specific actions required to meet the ultimate goal of rightsizing the Department’s portfolio. As USDA carries out the activities contained in this document, a well-managed, right-sized inventory will be maintained as represented in the dark green area of the pyramid.

In addition to adoption of OMB’s “Achieving Green” framework, USDA will also embrace the “Strategic Vision for the Future” as Identified in OMB’s Strategic Plan, dated 1, 2007. This includes the asset management core actions that assist USDA in more effectively managing the day-to-day activities for real property resources.

2.2.1 ARS 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, each requiring highly specialized conditions and facilities in order to properly conduct experiments.

The ARS Strategic Plan for 2006-2011^v [includes specific Management Initiatives that captures the relationship between ARS' core Mission and the Real Property Mission:](#)

1. 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. Significant investment is needed to either replace or modernize facilities to meet current safety standards and equipment demands of modern scientific programs. Specifically, ARS will identify facilities to be modernized or constructed in accordance with mission priorities.
2. In its commitment to the USDA Management Initiative to Improve Financial Management, ARS will enhance and maintain Real and Personal Property accountability to sustain clean annual audit opinions.

ARS Administrative and Financial Management has revised their Strategic Plan to reflect their objectives and planned activities for real property asset management, specifically addressing the intent and requirements of E.O. 13327. The goals addressed by the revision are included below.

- Assess the risk of improper payments in all its programs annually.
- Maximize facility utilization and co-locate Agency operations when possible.
- Carry out accurate inventories and describe real property assets using the Corporate Property Automated Information system (CPAIS)
- Use performance measures as part of the asset management decision process.
- Provide management information to determine the appropriate levels of investment.
- Dispose of unneeded assets.
- Use appropriate public and commercial benchmarks and best practices to improve asset management.
- Provide for safe, secure, and healthy workplaces.

2.2.2 APHIS Real Property Organization Mission

The Realty Team and Engineering Services Branch of APHIS provide real property asset management in support of the agency's overall mission. Their mission is: *To place our customers in a new environment which enables them to accomplish their mission, at a value that can't be beat.*^{vi}

The primary goal of APHIS real property management is to ensure accountability and stewardship of and accounting for real property assets. Stewardship involves a proactive policy that ensures obtaining maximum value from owned and leased real property assets and ensures their adequacy in meeting the mission of APHIS programs.

2.2.3 Forest Service Real Property Organization Mission

The mission of the real property management organization of the Forest Service is to provide a safe working and recreational environment for workers and the public, and to manage the real property assets under the jurisdiction, custody, and control of the agency in a cost-effective manner to support the Forest Service mission and strategic plan. NRCS Real Property Organization Mission.

The NRCS real property organization mission is to acquire, maintain, and effectively manage the real property assets enabling NRCS program staff providing information or technical assistance to help customers solve or prevent natural resource problems on their land or in their communities.

NRCS real property assets are essential to the agency's work, enabling highly specialized conservation research and offering an extensive network of field offices integrated into the communities served by NRCS across the country.

2.2.4 Non-Landholding Agencies Real Property Organization Mission

The real property organizations at the non-landholding agencies with real property responsibilities strive to select the most suitable and cost-effective leased or GSA-assigned space available to facilitate agency employees and programs providing their services in the locations where those services are needed. As program priorities change, they must evaluate and adjust their asset inventories to meet the dynamic needs of the agency.

2.3 Human Capital and Organization Infrastructure

USDA accomplishes its mission through the work of approximately 105,000 employees with approximately 7,400 field, state, or regional offices outside the Washington, DC area.

The Secretary leads the Department. The Secretary and Deputy Secretary oversee the staff offices and each of the seven mission areas and component agencies, which have been listed in [Section 1.1, USDA Overview](#). Each mission area is led by an Under Secretary. Supporting agency heads lead each of the component agencies within the mission areas. USDA also has two Assistant Secretaries reporting to the Deputy Secretary in the following areas:

Congressional Relations and Departmental Management. The USDA Organization Chart has been provided in [Attachment 8.2](#).

The following sections discuss the human capital and organization infrastructures at each of the four major land-holding agencies. The agencies have been organized to best support the execution of their mission work, leading to some variation in organizational structure.

2.3.1 ARS Human Capital and Organization Infrastructure

The ARS Administrator manages the agency and 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, assessing general program progress and evaluating broad program areas for performance. In planning, budgeting, and managing the overall ARS program, the Administrator is assisted by the:

- **National Program Staff (NPS).** NPS is the Administrator's chief technical advisers for the national research programs. NPS has direct responsibility for leading strategic planning, 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.
- **Budget and Program Management Staff (BPMS).** BPMS is responsible for the administration of ARS budgetary activities and funding policies, providing functional leadership in all aspects of the Agency's annual budget submission and justification to the Secretary of Agriculture, OMB, and to the Congressional Appropriations Committees.
- **Administrative and Financial Management (AFM).** AFM assists the Administrator in establishing policies for the overall planning and administration of 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 includes the Human Resources, Financial Management, Acquisition and Property, Facilities, and Extramural Agreements Divisions.

The general performance of research and field implementation of ARS programs is managed on a national basis through Area Directors (AD) at the eight Area Offices and the National Agricultural Library (NAL). The AD line management includes the responsibility 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; and maintain coordination with State experiment station directors, regional councils, and other individuals and groups that have an interest in agriculture.

2.3.2 APHIS Human Capital and Organization Infrastructure

APHIS employs approximately 9,000 people with a wide range of scientific, technical, and administrative skills working in all 50 states, several territories and 25 countries around the world.

APHIS is led by the Administrator with assistance from two Associate Administrators. APHIS accomplishes its mission through a network of six operational programs and five management support units. The APHIS programs are: Animal Care (AC), International Services (IS), Plant Protection and Quarantine (PPQ), Veterinary Services (VS), Wildlife Services (WS), and Biotechnology Regulatory Services (BRS). The five support units within APHIS' Office of the Administrator are: Civil Rights Enforcement and Compliance Staff, Office of Emergency Management and Homeland Security (OEMHS), Legislative and Public Affairs (LPA), Policy and Program Development (PPD), and Marketing and Regulatory Program Business Services (MRPBS). The APHIS line authority includes Deputy Administrators for each of the programs and the major management support units. APHIS programs with a strong field presence also have Regional Directors for the Eastern and Western regions headquartered in Raleigh, NC and Ft. Collins, CO, respectively.

2.3.3 Forest Service Human Capital and Organization Infrastructure

The Forest Service has a workforce of **approximately 30,000 employees** that reflects immense disciplinary diversity, as well as diversity in skills and abilities. In the summer, FS staff numbers increase to meet additional need for services by the recreating public. The Forest Service has been organized into basic organizational units at both a functional (Deputy Area) and reporting structure (Office Level) perspective.

The Chief of the Forest Service is the top line officer within the agency. FS is organized into four deputy areas, each reporting directly to the Office of the Chief. These deputy areas are Business Operations, Research and Development (R&D), National Forest System (NFS), and State and Private Forestry (S&PF). Beyond the Washington Office (WO) and reporting directly to the Office of the Chief are six forest and range experimental stations, the Forest Products Lab in Madison, WI, S&PF in the Northeastern Area, the International Institute of Tropical Forestry at the University of Puerto Rico, Agricultural Experimental Station, and nine NFS regions.

The National Forest System Deputy Area is organized into four office levels^{vii}. They are:

1. **Washington Office (WO).** The WO is the national level of organization within FS and the direct support staff to the Chief and deputy areas within the agency. The WO staff provides broad policy and direction for the agency, works with the President's administration to develop a budget to submit to Congress, provides information to Congress on agency accomplishments, and monitors activities of the agency.
2. **Regional Office (RO).** The NFS comprises nine regions, which represent broad geographic areas, usually including several states. Each region is led by a Regional Forester. The RO staff coordinates activities between national forests, monitors

- activities on national forests to ensure quality operations, provides guidance for forest plans, and allocates budgets to the forests.
3. **National Forest.** There are **155 national forests, each comprised of several ranger districts, and 20 grasslands.** A Forest Supervisor heads each national forest and oversees the District Rangers from the districts within the forest. This level coordinates activities between districts, allocates the budget, and provides technical support to each district.
 4. **Ranger District.** Each district within a national forest is led by a District Ranger. The District Ranger and the district staff are often the main interface point with the American people. There are more than **600 ranger districts, each with a staff** of 10 to 100 people. The districts vary in size from 50,000 acres to more than 1 million acres. Most of the field work relating to the agency mission occurs on the ranger districts.

The WO, RO, and National Forest levels maintain program and administrative staffs. The Research and Development Deputy Area has equivalent office levels to NFS down to the forest level. . Beneath the WO, R&D has seven research stations led by Station Directors. Reporting to the Station Directors are the Research Work Units or laboratories. The State and Private Forestry Deputy Area has an Area Director office level beneath the WO. The Area Director oversees S&PF field offices.

2.3.4 NRCS Human Capital and Organization Infrastructure

The NRCS National Headquarters assumes the department leadership for programs and other activities assigned by the Secretary of Agriculture through the Under Secretary for Natural Resources and Environment. The NRCS Chief is the head of the agency. The Chief, with the assistance of the Associate Chief and Deputy Chiefs, carries out the headquarters functions of planning, formulating, and guiding the direction of NRCS programs, budgets, and activities; oversight and evaluation activities and coordination of corrective actions; and strategic planning. Below the headquarters level, the NRCS line of authority flows from the Chief, 3 Regional Assistant Chiefs, 51 State Conservationists, and numerous District Conservationists.

NRCS has approximately 10,000 full-time employees with permanent appointments and 1,100 other than full time with permanent appointments. Most NRCS employees work in approximately 2,800 field offices and provide front line, personalized, one-on-one customer service. Nearly 90 percent of these offices are in USDA Service Centers, which are typically collocated facilities among NRCS, FSA and RD. The remaining NRCS field offices are program delivery offices generally located within conservation districts. These program delivery offices include the following: Area Offices providing administrative and technical support to a group of field offices; Project Offices serving as headquarters for watershed or river basin planning and construction activities; Major Land Resource Area (MLRA) Offices responsible for operational soil surveys for multi-MLRA regions; Plant Material Centers (PMC) to test, select, and release plants for conservation purposes in selected plant growth regions throughout the United States; Resource Conservation and Development (RC&D) councils providing support

and coordinating activities of the RC&D councils; and State Offices providing State level program planning and direction, consistency and accountability, and administration of a comprehensive soil, water, and related resource conservation program.

2.4 Real Property Human Capital

Employees at both the Departmental and agency levels within USDA manage the Department's real property assets throughout the headquarters, regional, and field offices. This section outlines the major organizational units and positions within the Department and agencies that perform asset management in support of USDA's mission.

USDA understands the importance of having a competent workforce with the appropriate real property skills and training to effectively manage the Department's asset portfolio. USDA's human capital plan requires the elimination of skill gaps. Several of USDA's mission critical occupations (MCO) directly or indirectly support real property, including the 0343 series, Management and Program Analysis; 1530 series, Statistician; and the 0334/2210 series, Computer Specialist/IT. All of these mission critical occupations have no skill gaps.

The MCO 1170 series, General Schedule Realty Specialist is specifically focused on real property management. In recruiting and hiring individuals into the 1170 series, USDA uses the Office of Personnel Management Standards to ensure individuals are qualified to perform their respective duties. USDA encourages personnel in the realty series to maintain their proficiency and currency through courses available by other federal and educational institutions. Additionally, USDA Departmental Regulation 5100-002 requires that individuals designated as a Real Property Leasing Officer with a warrant to execute leases, complete coursework in Federal Real Property or Basic Leasing Contracting, Federal Real Property Lease Law, Negotiations Techniques, Cost and Price Analysis for Leasing and Basic Real Estate Appraisal, in addition to meeting the prescribed minimum educational requirements ([See 8.4](#)). The authority to grant warrants within USDA rests with the Director, OPPM. Only duly appointed and warranted personnel may represent USDA in leasing real property.

In addition to the traditional positions normally associated with managing real property i.e., realty specialist, facility managers, engineers, USDA is embracing the asset management principle by creating positions for asset managers. These new positions encompass real and personal property responsibilities combined into one multi-disciplined, asset/portfolio management position with responsibility to accomplish high-level coordination of asset management activities across the Department and agency levels (generally at an 1102 job series).

Throughout USDA, the following agency officials facilitate real property transactions:

- **Realty Specialist** – An official who has expert knowledge of commercial real estate principles and practices, including real estate, zoning and business law; real estate finance and financial analysis; real estate marketing and market analysis; and design and construction, sufficient to provide guidance on all issues related to real estate, including: requirements development, market and rent analysis, portfolio

management, leasehold acquisition, building design/construction, and lease administration.

- **Real Property Leasing Officer (RPLO)**—This is an individual appointed in accordance with Departmental Regulation (DR) 5100-002, who has the authority to enter into, administer, amend and/or terminate real property leasehold contracts, in accordance with federal acquisition and real property laws and regulations.
- **Head of the Real Property Leasing Activity (HRPLA)**—The official or designee who has overall responsibility for managing a real property leasing activity within a given agency. This official verifies the need for a warranted leasing officer, places requests for warranted leasing officers and certifies the qualifications of the individual to the appointing official.

2.4.1 Departmental Real Property Organizational Units

The real property management team consists of several USDA Departmental offices. Department-level offices provide centralized leadership, coordination, and support for USDA's policy and administrative functions. Their efforts support agencies to maximize the time, energy, and resources they devote to the delivery of services to USDA customers and stakeholders. [Attachment 8.5](#) provides a diagram of the USDA real property organization at the Department and agency level including the Departmental real property organizational units described in the subsequent paragraphs.

Departmental Management (DM). DM is the central administrative management organization for USDA. DM's mission is to provide management leadership to ensure that USDA administrative programs, policies, advice and counsel meet the needs of USDA program organizations, consistent with laws and mandates, and provide safe and efficient facilities and services to customers."^{viii}

To accomplish its mission, DM's stated objective is to "provide USDA leadership with the administrative tools, services, infrastructure, and policy framework to support their public service missions." With specific regard to DM's role in providing the appropriate real property infrastructure, DM has established goals to:

- Expand the functionality of CPAIS to include inventory data on both real property and personal property and develop new systems and procedures to ensure that government property of all types is managed efficiently and cost-effectively.
- Develop and annually update a USDA Real Property Asset Management Plan based on FRPC guidance, in accordance with E.O. 13327, *Federal Real Property Asset Management*.

DM directly oversees the Office of Procurement and Property Management, the Office of Operations, Office of Chief Financial Officer, and Office of Budget and Program Analysis.

Office of Procurement and Property Management (OPPM). A staff office within DM, OPPM serves the USDA agencies with policy, advice, and coordination in acquisition, procurement, disposal and management of real and personal property; oversight and policy in transportation,

supply, motor vehicles, aircraft, recycling and energy conservation, disaster management and emergency planning response activities. In partnership with other USDA agencies, the Office of the Chief Financial Officer (OCFO), and OPPM provide leadership in the development and deployment of modern USDA inventory and accountability systems such as CPAIS. OPPM services the real property requirements of headquarters staff offices.

OPPM executes USDA's real property mission, which includes responsibilities in improving nationwide space management, including supporting collocation of USDA agency field offices. Within OPPM, the Property Management Division is responsible for the management of Department-wide real property policies, facilitating clear lines of decision-making and inter-agency collaboration, and monitoring real property activities and performance at the agencies. The Director of OPPM serves as USDA's SRPO.

OPPM is responsible for the overall performance of the Department in achieving the stated goals and objectives of the AMP. At each agency, the agency head is responsible for the performance in meeting the Department's stated goals and objectives.

Office of Operations (OO). OO, in coordination with OPPM, furnishes facilities management and day-to-day operational support to all USDA real property activities in the GSA National Capital Region (NCR). These include the USDA Headquarters Complex; the George Washington Carver Center in Beltsville, Maryland; and other GSA-assigned facilities in the Washington, DC Metropolitan Area.

OO is specifically responsible for acquiring, utilizing, value analysis, constructing, and maintaining, real property, including space planning, design and assignment for all NCR owned and leased facilities. USDA is also currently engaged in a project to renovate and modernize the aging South Agriculture Building, with architectural design, engineering, hazardous materials abatement and construction services managed by or directly provided by OO.

Office of the Chief Financial Officer (OCFO). OCFO oversees the financial performance, which works in partnership with all USDA agencies and offices to ensure the Department's financial management reflects sound business practices.

With regard to real property management, the OCFO jointly works with OPPM in developing the budget requirements for the Central Rent Account and is responsible for processing funds transfers to and from the account when agencies move to and from GSA-controlled space. The OCFO also has responsibility for determining if special circumstances warrant an exception to an agency reimbursing the central Rent account when moving from USDA space into General Services Administration (GSA)-controlled space.

While OPPM is the business owner of CPAIS, OCFO is the system owner and has overall responsibility for data changes and system management and integrity. CPAIS is a subsidiary system to the Corporate Financial System which is the direct responsibility of OCFO.

Office of Budget and Program Analysis (OBPA). The Office of Budget and Program Analysis coordinates the preparation of the Department's budget estimates, legislative reports and regulations. OBPA provides direction and administration of the Department's budgetary

functions including development, presentation, and administration of the budget; reviews program and legislative proposals for program and budget related implications; and analyzes program and resource issues and alternatives. As the final integrator of the USDA budget request, OBPA provides verification and validation of agencies' budget submissions. This process includes review and analysis of requests for funds to acquire, operate, maintain and renovate major facilities projects.

OPPM and OBPA will work closely to create a multi-year facilities budget planning process that will enable the landholding agencies to identify all costs associated with acquisition, operation, sustainment, recapitalization and disposal of their real property portfolio. The process will focus on dedicating resources consistent with the Department's AMP. OPPM will provide agency-specific comments and recommend strategies to OBPA that may be used during the agency budget review process. OBPA may also call upon OPPM as a subject matter expert to provide staff assistance to OBPA during the budget review process to ensure those areas not meeting the Department's goals and objectives are highlighted to the agencies and to support OBPA in working with the agencies to develop an acceptable program that addresses the most critical needs of the agency.

National Food and Agriculture Council (NFAC). The NFAC is responsible for coordinating activities of USDA agencies with a field structure, specifically the county based agencies (FSA, NRCS, and RD). The NFAC is comprised of the Agency Administrators and implements the Secretary's guidance on providing coordinated farm/rural program delivery through "one-stop shopping" for clients in USDA Service Centers at the county and State levels. The NFAC has responsibility to resolve interagency space issues in USDA service centers that cannot be resolved at lower levels. The NFAC approves/disapproves decollocation requests processed through OPPM.

The NFAC plays a key role in coordinating major collocation and resource sharing initiatives such as Davis, CA and Raleigh, NC. The projects strive to increase space utilization and minimize space costs by housing multiple USDA agencies together and eliminating redundant support areas for supplies, storage, mailrooms, printing, conference rooms and common computer facilities. They also maximize cost efficiencies through sharing office equipment and even staffs.

Real Property Council. Throughout the AMP and BBP review process, USDA identified the need to revise the Department's policies and guidance regarding real property as well as examine best practices and areas for standardization across the Department. To this end, USDA established the RPC, which is chaired by the Department's SRPO. The RPC is responsible for developing and vetting real property initiatives that will result in measurable improvement in the management of USDA's real property assets. Specifically, the RPC is involved in developing the Department's AMP and BBPs, addressing CPAIS system issues to ensure the enterprise architecture meets the reporting requirements established by the FRPC, using the FRPP data to establish annual performance goals, assisting agencies in establishing corrective action plans to meet Departmental goals and objectives, and reviewing agency gap reports in an effort to improve the reporting accuracy and recommend management reports within CPAIS to help the agencies effectively manage their assets.

The RPC is designed to represent all agency stakeholders involved in real property management and to provide input on policy development and standardization efforts. The RPC is composed of Deputy Administrators for Management (DAMs), who encompass all of the Mission Areas within USDA, and non-voting representatives from OCFO, OBPA, and the Office of the General Counsel (OGC). The RPC directs four supporting groups, as described below:

- **Real Property Working Group (RPWG).** The RPWG is accountable to the SRPO and the RPC, is comprised of asset management officers from each agency at the Administrative Services Management Level and is led by the OPPM PMD Chief. The RPWG creates and tasks subgroups to develop recommendations for improving asset management performance benefiting multiple agencies within USDA, such as the standardization of terminology, best practices recognition, identifying cost savings, developing performance measure algorithms, developing strategy for addressing deferred maintenance, and recommending performance measure goals.
- **Departmental Asset Management Review Board (AMRB).** The Departmental AMRB provides recommendations on Agency proposed capital investments above \$10M affecting the USDA portfolio to the Budget and Performance Integration Board (BPIB), which consists of the Deputy Secretary and Office of Budget and Policy Analysis (OBPA). It is also responsible for setting performance goals, assessing how well investments meet the goals, and how Agencies are meeting performance measure targets. The Departmental AMRB is chaired by the Assistant Secretary for Administration (ASA).
- **Agency AMRBs.** The agency AMRBs evaluate and rank project requests into an agency portfolio. Agency AMRBs are ultimately responsible for approving, managing, and reviewing all agency investments. They are also responsible for reviewing and approving agency RPIRs and CAPs and conduct quarterly milestone control reviews.

2.4.2 ARS Real Property Organizational Units

Located within the AFM, the ARS Facilities Division (FD) provides operational support and technical guidance services at the headquarters level in the areas of real property acquisition, design, construction, operation and disposal to help create efficient, safe, and effective environments. FD also provides facilities energy management subject matter expertise and nationwide programmatic support for energy, water and sustainability requirements, reporting and projects. The Facilities Division implements the major design and construction program for ARS projects and is supported by the following functional area branches:

- **Facilities Contracts Branch (FCB).** FCB provides nationwide operational contracting support for large design and construction projects including planning, bidding, cost and price analysis, contracts award, administration, and closeout actions. FCB provides coordination, technical advice, and support to ARS Program Managers on policy formulation, budgetary requirements, reporting, and

- management monitoring and accountability for agency-wide facilities and construction programs.
- **Facilities Engineering Branch (FEB).** FEB provides nationwide operational technical support and consultation to Headquarters and field organizational management and operating personnel for major design and construction requirements. FEB functional expertise includes policy formulation, project budget and schedule forecasting, design criteria development, and execution of facilities project planning, design, and construction.
 - **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 fit ARS Mission and program needs and comply with all applicable mandates, guidelines, and standards.
 - **Real Property Management Branch (RPMB).** RPMB is responsible for the acquisition (purchase, lease, transfer, donation, and exchange), utilization, and disposal of all federally owned and leased real property in the custody and control of REE agencies. The oversight responsibilities of RPMB include inventory data tracking and reporting using CPAIS and complying with Federal, State, and local laws that govern the management of federal land and facilities.

RPMB Headquarters on-site Space Management Specialists in the NCR 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. At the Area Office level, real property responsibilities include administering short-term leases, easements, revocable permits, assignment and use of quarters, and CPAIS data entry and information management. Smaller construction projects are also typically executed at the Area level by the Area Office Engineer. Three of the eight ARS Areas have established Asset Manager positions responsible for managing assets within their respective areas. All eight ARS Area Offices have a Real Estate Warrant Officer (REWO) with responsibility for real property management within their respective areas. ARS also has approximately 15 Headquarters Engineers, 12 Field Engineers/Facility Managers, and 109 Location Administrative Officers and Location Administrative Technicians that support the asset management process.

2.4.3 APHIS Real Property Organizational Units

The Marketing and Regulatory Programs Business Services (MRPBS) Administrative Services Division (ASD) provides support and guidance for real property asset management within APHIS, AMS, GIPSA, and NAD. The ASD Director serves as the HRPLA for the MRP agencies. The ASD real property asset management team consists of the Realty Team, the Engineering Services Branch, and the MRP Program Managers.

The Realty Team handles leasing, maintaining inventory data, and data reporting, and is responsible for determining the best acquisition method for satisfying real property

requirements. The Realty Team has seven full-time associates and supports leasing activity through a number of RPOs, who are warranted to execute leases on behalf of USDA.

The Engineering Services Branch provides professional services of an architectural/engineering nature, specifically in the areas of planning, design, construction, utilities, alterations, and repairs. The Engineering Services Branch has eleven full-time associates.

Managers of Program Offices are responsible for all requirements to support their programs, including real property requirements. There are numerous real property associates in the MRP properties located throughout the United States and abroad who contribute to real property asset management. These associates include the following positions:

- **Regional Office Administrative Staff**, who have authority to approve space requests involving nine personnel or less.
- **Program Facility Coordinators** appointed by APHIS Program Managers to coordinate all facility requirements for that program including new acquisition requirements, construction and renovation requirements, and budgeting.
- **Facilities Managers** responsible for maintenance, improvement, space utilization surveys and reporting.
- **Accountable Officers** assigned by Program Managers and heads of administrative organizations to oversee the real property in their programs or organizations with fiduciary responsibility to APHIS for the management of the real property under their control.
- **Custodial Officers** with physical responsibility for the stewardship, utilization, and control of APHIS facilities.

2.4.4 Forest Service Real Property Organizational Units

Most of the real property asset management functions within the Forest Service are performed by three main program units: Acquisition Management (AQM), Engineering, and Lands.

The Acquisition Management staff mission is to provide policy and oversight as well as operational support in the areas of acquisition, property management, recycling, and grants and agreements. Operational support includes actual acquisition, property surveys and disposal, and Washington Office Facilities Management. At the Washington Office level, AQM has three staff members with real property responsibility, one of which is full time and is also involved with real property leasing. At the Regional Office level, FS has 15 field Leasing Officers.

Engineering provides technical assistance for the management of the National Forests and Grasslands. Engineering staff support the asset categories within the FS inventory: Facilities, Roads, Dams, Bridges, and Water/Wastewater Systems. In association with real property management, Engineering performs condition surveys, real property verification, and deferred maintenance estimates. There are 10 engineering employees at the Washington Office level and 150 engineering employees at the Regional Office level working directly in support of real

property. At the Forest and District levels, engineering employees perform work in support of real property assets as collateral duties with other program needs.

The Lands and Realty Management program secures and protects the American public's rights, title, value, and interests in its national forests and grasslands and authorizes a variety of uses on those lands to meet the needs of present and future generations. Lands and Realty Management is carried out through four major activities: land ownership adjustment, special use authorizations and administration, boundary and title management, and valuation.

The Recreation Program is also integral to FS real property management as it is responsible for 14,000 recreation sites and 133,000 miles of trails. The Recreation Program has two employees at the WO level to manage its real property program. The Recreation Program leverages its field workforce between full-time employees and volunteers to carry out much of its day-to-day real property maintenance.

2.4.5 NRCS Real Property Organizational Units

The NRCS Director of the Management Services Division serves as the Head of the Real Property Leasing Activity (HRPLA) with overall responsibility for managing the real property leasing activity.

The designated HRPLA is authorized to issue internal guidance to NRCS on leasing actions within the authority of USDA Departmental Regulation 5100-002, Real Property Leasing Officer Warrant System. As HRPLA, the Director of Management Services verifies the need for a warranted Real Property Leasing Officer (RPLO) and appoints RPLOs in sufficient numbers to meet NRCS leasing requirements. RPLOs are appointed with the requisite training and authority according to the NRCS Handbook, General Manual 120 Part 407 – Real Property, Part 407.3 Qualifications for Leasing Personnel, which is in accordance with USDA D.R. 5100-002.

The Director of Management Services is responsible for both the policy and some operational aspects of real property management. The Director of Management Services staff maintains the official real property record database using CPAIS. The NRCS Deputy Chiefs and the State Conservationists are responsible for all operational aspects of real property management in their respective areas. Program managers are responsible for capital improvement projects or budget expenditures.

Property Planning and Accountability

The Deputy Chief for Strategic Planning and Accountability and the Budget Planning and Analysis Division provide budget projections and estimates for funding NRCS real property requirements. The same staff is also responsible for tracking historical trends and projecting National Headquarters (NHQ) real property requirements.

There are currently two NHQ FTEs supporting real property in the Management Services Division. In addition, there is one NHQ FTE in Texas that supports both Texas and NHQ functions.

State Offices

Most of NRCS' real property leases are administered at the state level. Each State has its own real property leasing function. Leasing, real property, personal property, and procurement all are typically performed by one individual in a State office for all NRCS programs or facilities within that state. GSA Assignments for NRCS field offices are also maintained at the State level.

Most people who serve real property functions have other duty assignments. Only a percentage of those individuals' work responsibilities are dedicated to real property/asset management. Often, a Contracting Specialist performs the real property function.

Facilities Managers

Each owned property has an assigned facility manager responsible for maintenance, improvements, and space utilization surveys and reporting.

2.4.6 Non-Landholding Agencies Real Property Organizational Units

There are four non-landholding agencies that have authority to exercise the GSA-delegated leasing authority. They are FSA, FSIS, FNS, and Rural Development. Depending on the agency, the non-landholding agencies have small real property leasing staffs typically at the state level that are responsible for real property needs.

2.5 Real Property Asset Management Decision-Making Framework

Decision making at USDA is highly decentralized, putting the decision-making responsibilities in the hands of the "team on the ground." This allows those who are closest to the issues being addressed to garner the necessary information and make informed decisions. USDA agencies, property managers, program managers, facility managers and engineers—the "service delivery teams"—are responsible for managing the day-to-day operations and for shaping reinvestment decisions at the field level for the real property assets in their portfolios. Figure 2 depicts the overarching decision-making framework within USDA.

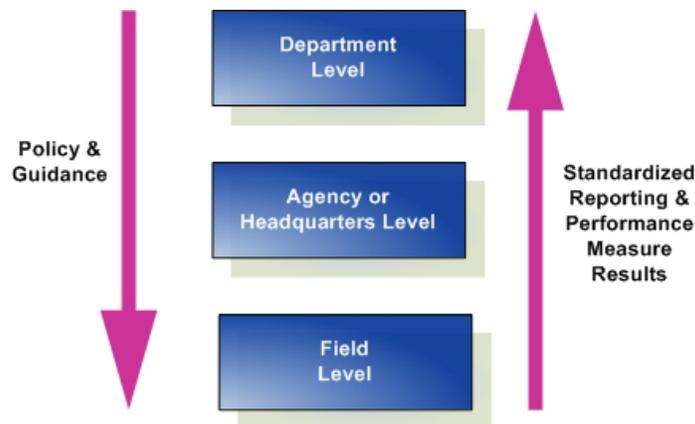


Figure 2: USDA Decision Making Framework

Ultimately, the agency head and undersecretary for the mission area are the accountable general offices responsible for ensuring the Department's goals and objectives are reflected in their annual program submission; however, the Department unifies the work performed at the agencies through common policies and guidance with which all agencies must comply and evaluates the agencies through standardized reporting and performance measurement. All USDA agencies must comply with the following general requirements (laws and regulations) with regard to asset management:

- **Competition in Contracting Act of 1984 (CICA)^x**, which describes how the real property business workflow must be conducted in a manner that accomplishes the goal of attaining "full and open" competition, to the fullest extent possible.
- **Federal Acquisition Regulations (FAR)^x**, which specify procedures for advertising work, selection stages, and contractor evaluation and selection criteria.
- **OMB Circular No. A-11**, which establishes policy for planning, budgeting, acquisition, and management of Federal capital assets^{xi}.
- **General Services Acquisition Manual (GSAM)^{xii}**, which provides GSA acquisition requirements and guidelines for Lease, Development, Design and/or Construction.
- **GSAR 570.2 (48 CFR Subpart 570.2)^{xiii}**, which provides procedures for acquisitions of space over 10,000 square feet.
- **Federal Management Regulation (FMR) Subchapter C – Real Property Part 102-72 – Delegation Of Authority^{xiv}**, GSA's real property policies covering the acquisition, management, and utilization and disposal of real property by Federal agencies that initiate and have decision making authority over actions for real property services.
- **Federal Management Regulation Bulletin 2008-B1** – GSA issued modified delegation authority procedures for the acquisition of general purpose office space and special purpose space. This bulletin requires agencies using the delegation authority to demonstrate (a) their capacity to support the delegation, (b) that the granting of the request is in the best interests of the Government, and (c) how the agency's use of the delegated authority is cost-effective for the Government. The delegation change also limits use of the delegation to lease transactions of less than 20,000 rentable square feet of general purpose office space.
- **Agriculture Property Management Regulations (AGPMR)^{xv}**, which supplements the FMR with USDA-wide policies, procedures with review and approval thresholds and regulations for the management of personal and real property.
- **DR 1620-002, USDA Space Management Policy^{xvi}**, which establishes USDA policy for the acquisition, management and disposition of office and related space (USDA-owned, leased and GSA-controlled). This policy includes guidance on collocation, utilization rates and space standards, resource sharing, lease provisions, and mechanisms for controlling rent costs and charges to agency space budgets. It also assigns responsibilities for implementation of this policy. OPPM is in the process of releasing a new DR for policy revisions in support of E.O. 13327.

- **DR 5100-002 Real Property Leasing Officer Warrant System^{xvii}**, which outlines the provisions for appointing individuals to act within the scope of USDA's delegated real property leasing authority and enter into, administer and/or terminate a lease on behalf of the Department.
- **USDA Real Property Leasing Manual^{xviii}**, which sets forth the policy and procedures for planning, acquiring and managing leasehold interests in real property to meet USDA needs for space under 10,000 square feet.
- **How-To Manual for USDA Leasing Activities**, which is an addendum to the USDA Real Property Leasing Manual, provides straightforward guidelines for the acquisition of leased commercial real estate space by USDA agencies. It references commercial best practices and innovative measures that USDA can easily implement to improve cost efficiencies and/or expedite transaction flow in light of the revised GSA delegated leasing authority. This document can be accessed on the PMD website Directives and Regulations page.^{xix}

In addition to the common government-wide and USDA-wide policies, the agencies have developed their own policies and guidance for implementing real property asset management within their organizations. These policies and guidance are permitted to be more but not less stringent than the requirements set forth in the Departmental regulations.

Many of the authorities delegated to USDA to carry out actions and decisions related to real property have been delegated directly to the heads of the USDA Mission Areas or agencies. For this reason, real property processes within the Department represent a balance of the authorities held by OPPM, other Department-level offices, and the agencies.

Under CFR Titles 7 – Agriculture Part 2, Congress has authorized several delegations of authority which have provided the authority for USDA's individual agencies to make real property decisions at the mission and program levels. Examples of these include:

- *Sec. 2.7 Authority to supervise and direct:* Delegates authority to each agency head to execute any document, authorize any expenditure, promulgate any rule, regulation, order, or instruction required by or authorized by law and deemed by the agency head to be necessary and proper to the discharge of his or her responsibilities.
- *Sec. 2.93 Director, Office of Procurement and Property Management:* Authorizes OPPM to promulgate policies, standards, techniques, and procedures, and represent the Department, in the following: acquisition, including, but not limited to, the procurement of supplies, services, equipment, and construction; socioeconomic programs relating to contracting; selection, standardization, and simplification of program delivery processes utilizing contracts; acquisition, leasing, utilization, value analysis, construction, maintenance, and disposition of real and personal property, including control of space assignments. It also authorizes OPPM to re-delegate the authority in paragraph of this section to agency Property Officials or other qualified agency officials.

- *Sec. 2.91 Director, Office of Operations:* Authorizes OO to provide services for Department headquarters to acquire, lease, construct, maintain, and dispose of real and personal property in the Washington, DC metropolitan area and at emergency relocation sites and certain critical facilities specified by the Assistant Secretary for Administration.
- *Sec. 2.21 Under Secretary for Research, Education, and Economics (ARS):* Authorizes acquisition of real property for remedial actions. Annual appropriations authorize land purchases.
- *Sec. 2.20 Under Secretary for Natural Resources and Environment:* Acquisition of the New World Mine and other priority land acquisitions, land exchanges, and other activities.
- *Sec. 2.60 Chief, Forest Service:* Authorizes the Forest Service to protect, manage, and administer the national forests, national forest purchase units, national grasslands, and other lands and interests in lands administered by the Forest Service, which collectively are designated as the National Forest System. This delegation covers the acquisition and disposition of lands and interest in lands as may be authorized for the protection, management, and administration of the National Forest System, except that the authority to approve acquisition of land under the Weeks Act of March 1, 1911, as amended, and special forest receipts acts is limited to acquisitions of less than \$250,000 in value.
- *Sec. 371.11 APHIS:* Authorizes APHIS and its Deputy Administrators and Directors to perform duties and to exercise the functions and powers that are now, or that may become vested in the Administrator (including the power of re-delegation, except where prohibited) except authority that is reserved to the Administrator. Each Deputy Administrator or Director is responsible for the programs and activities in APHIS assigned to that Deputy Administrator or Director.

Under Public Law (P.L.) 107-195 the Commodity Credit Corporation (CCC) may contract for the use of plants and facilities for the physical handling, storage, processing, servicing, and transportation of the agricultural commodities subject to its control. The Corporation does not have power to acquire real property or any interest therein except that it may acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs. This leasing authority is exercised by FSA.

Within the budget process, decisions to recommend real property projects and the criteria used to prioritize projects are at the discretion of the individual agencies, consistent with CPIP instructions and agency real property AMRB directions. A centralized Departmental review of agency project proposals is performed by OBPA and the agency budgetary officers during the annual budget integration process. OPPM participates in the annual review process to ensure agencies capital works programs are consistent with the Department's AMP.

USDA has developed and implemented a comprehensive process that aligns funding and performance with the Department’s strategic goals. The process involved is an in-depth review of agency goals, objectives and performance measures as they relate to the Department’s strategic goals and objectives. The results of the review form the basis for development of specific budget proposals. Real property requirements for all investment types are addressed within specific program goals and objectives as opposed to being looked at as discrete requirements. The outcome ensures that real property requirements are adequately tied to the priority of the programs they support. Final decision making for the USDA President’s Budget is performed at the Headquarters level by the Secretary’s office based on DM/OBPA’s program review of agency requirements and subsequent recommendations provided to the Secretary.

While the budget integration process successfully links real property projects to the USDA Mission, USDA has sought ways to directly incorporate the goals and principles of the real property asset management initiative into the asset decision-making process. One step USDA has taken is choosing to adopt the FRPC decision tree that identifies assets that do not meet minimum standards for Condition Index, Annual Operating Costs, Mission Dependency, and Utilization. The decision tree is shown in Figure 3.

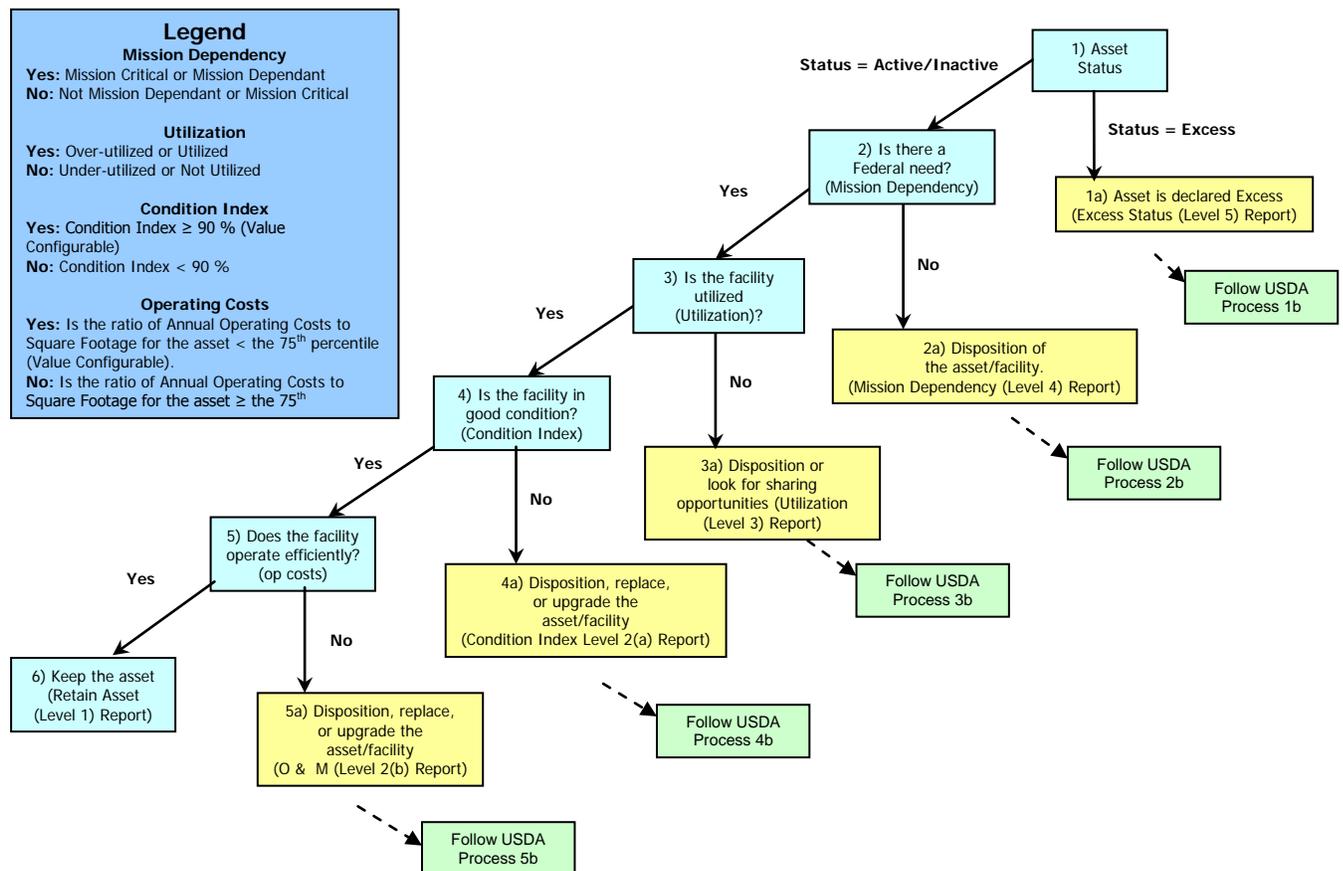


Figure 3: USDA Disposition Decision Tree

The decision tree focuses in on the First Tier Performance Measures as the basic criteria for making asset investment decisions. The tree clearly identifies which properties are strong candidates for disposal as well as properties that should be targeted for upgrade, or replacement, and those properties that meet established performance measures. USDA has chosen to adopt the decision tree because of this strong tie between asset performance and asset decisions and the use of asset data as the foundation for sound investment decision making across USDA, in alignment with the USDA real property management areas of focus. A general discussion of the decision tree follows. Section 5.3 contains step-by-step instructions for making asset management decisions.

Each tier of the decision tree focuses on one of the First Tier Performance Measures and its contribution to informed decision making. The first tier assesses mission dependency. Real property assets exist to facilitate mission delivery. Prior to evaluation of other performance measures, an asset should be considered for disposal if it does not link to USDA's mission needs. Additional investments in an asset will also be prioritized based upon the degree to which the asset supports mission needs and strategic goals.

The second tier of the decision tree takes into consideration whether the asset is correctly, over- or underutilized. If an asset has poor utilization, it is considered for disposal, sharing of space, or alternate use. An asset that is over utilized is a strong indication of an additional space requirement. An asset with proper utilization is evaluated for the final performance measures to determine the appropriate investment action.

The third tier of the decision tree incorporates asset condition. If an asset is in poor condition, it should be considered for disposal, replacement, or upgrade, depending on the cost-benefit analysis of each alternative. Condition index also assists managers in establishing maintenance schedules and estimating budgetary requirements for cyclical and deferred maintenance of existing assets. Assets in good condition must be evaluated through the final tier of the decision tree to determine the appropriate investment action.

The final tier of the decision tree evaluates annual operating costs to determine if an asset is operating efficiently. Assets that are not operating efficiently should be considered for disposal, replacement, or upgrade, depending on the cost-benefit analysis of each alternative. Assets that operate efficiently, in combination with good performance at the prior tiers in the decision tree, represent the asset base that USDA will keep and devote resources towards maintaining.

CPAIS has been updated to collect all FRPC required data elements at the constructed asset level, including performance measure, disposition and sustainability data. CPAIS has successfully produced the FRPP reports for Fiscal Years 2007-2009 and all USDA assets were subjected to the FRPP-Performance Assessment tool, which utilizes the decision tree components. USDA has developed quantitative performance measure targets utilizing data developed by using the FRPP-PA tool.

In order to introduce additional real property monitoring and accountability into the investment decision-making process, OPPM, as real property subject matter experts within USDA, will work closely with OBPA for all future budget submissions to ensure that agencies

have evaluated real property performance measures when formulating their facilities budgets and that requested funds are dedicated in a consistent manner with the Department's AMP. OPPM will provide agency-specific comments and recommend strategies to OBPA that may be used during the agency budget review process and will support OBPA in working with the agencies to develop an acceptable program that addresses the most critical needs of the agency.

2.5.1 ARS Real Property Asset Management Decision-Making Framework

The ARS decision-making process for selecting maintenance and renovation projects utilizes a three-pronged funding approach. First, Management Units target four percent of base funds towards Repair & Maintenance/Energy Retrofit (R&M/ER) projects. Then, ARS allocates funds comprised of annual R&M/ER appropriation and other discretionary resources to undertake major renovation at a few selected facilities each year, as determined by the Administrator. Finally, ARS retains the balance of the annual special appropriation for R&M/ER to support area funding requests via the High Priority Requirements List (HPRL) process.

ARS also utilizes Energy Savings Performance Contracts (ESPC) and Utility Energy Services Contracting (UESC) to leverage private financing to fund energy and water efficiency improvement projects.

ARS has established an investment review board as the decision-making body for real property acquisitions or disposal of real property. The ARS Asset Management Review Board membership includes representation from throughout the ARS and includes mission areas, program areas, finance, budget, planning, and construction. This membership ensures a balanced approach to investment decisions. The ARS AMRB is chaired by the Deputy Administrator, Administrative & Financial Management. The ARS AMRB's primary responsibilities are to:

- Review new Capital investments (includes new construction, repair, land purchase, and disposal) and evaluate existing projects on the ARS 3-year Capital Project and Repair Plan (CPRP).
- Projects are to be confirmed as valid projects that will best support the ARS and Department missions and program delivery processes.
- Evaluate the ARS 3-year CPRP using a standard set of criteria.
- ARS' AMRB will assume that all projects under \$1Million have been validated by the Areas.
- Review and recommend approval/disapproval of projects between \$1 Million and the GSA prospectus level.
- Prioritize projects according to funding authorities and type of funds available.
- Review opportunities to reduce the ARS real property "foot print" through consolidation and disposal.
- Support and protect the ARS Real Property Management function.

- Assure that the ARS's Real Property program remains in compliance with E.O. 13327 and implementing directives.

ARS REWOs make real property decisions in accordance with their respective authorities. An REWO with Level I Authority can perform year-to-year leasing with a net annual rental less than or equal to \$100,000, ten-year firm term space leasing with a net annual rental less than or equal to \$100,000, revocable permits with a fair market value or fair market rental value less than or equal to \$50,000, and building disposal with a fair market value less than or equal to \$50,000. An REWO with Level II Authority can perform 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, and revocable permits with a fair market value or fair market rental value less than or equal to \$50,000.

2.5.2 APHIS Real Property Asset Management Decision-Making Framework

At APHIS, real property asset management decisions are made at both the Program and Central Office levels. For day-to-day budgeted operations, decisions are made at the program facility level by Program Facility Managers or Program Facility Coordinators. For expenditures above \$25,000, decisions are made by the Program Manager. For capital projects, requests are prioritized within the MRP Asset Management Review Board (AMRB). The AMRB's primary responsibilities are to:

- Approve new Real Property investments and evaluate existing projects to create an MRP Real Property portfolio that best supports MRP and the Department's missions and program delivery processes.
- Assemble and evaluate the MRP Real Property portfolio using a standard set of criteria.
- Support and protect the MRP Real Property Management function.
- Assure that the MRP Real Property program remains in compliance with E.O. 13327 and implementing directives.

The MRP's AMRB reports to the MRP Head or deputy that approves projects and plans. The MRP AMRB makes funding recommendations on proposed projects and current space investment to the MRP Head. The MRP AMRB will ensure that the both the Department's and MRP's criteria and performance goals are considered and implemented when making MRP investment decisions. The MRP AMRB is chaired at a level no lower than the MRP operations chief.

The AMRB membership includes representation from Marketing and Regulatory Programs (MRP) office that will 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 MRP's AMRB is chaired by APHIS' Director of Administrative Services Division.

2.5.3 Forest Service Real Property Asset Management Decision-Making Framework

The Forest Service is a decentralized agency, allowing for decision making throughout its organizational levels. Because success in carrying out the FS Mission is reliant upon the work done at the ground level, FS delegates much of its asset decision making to the Ranger District and Forest Supervisor levels.

The USDA Forest Service Strategic Plan serves as the basic framework for decision making with regard to real property assets. The Strategic Plan is a key link between the overarching mission of the agency and the planning processes and tools employed by decision makers throughout the agency to make key asset decisions. The decision-making framework gains further focus through the Forest Service Directives System, which serves as the foundation for agency operations.

FS relies on its nine regions and the Research division to customize their project prioritization/selection processes and criteria to address regional needs and factors while maintaining overall support and alignment with the agency Strategic Plan. Asset priorities are determined at the local level through evaluation and planning methods specific to the type of asset being considered. Future revisions of FS directives will take into account that the Department adopted the FRPC decision tree for investment strategies as a common criteria for setting asset priorities Department-wide (see Section 2.5). In addition, the FS has established a FS Real Property Asset Management Review Board (AMRB) whose membership includes representation from throughout the Forest Service 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 Forest Service AMRB is chaired by the Deputy Chief, Business Operations. The AMRB's primary responsibilities are to:

- Approve new Real Property investments and evaluate existing projects to create a Forest Service Real Property portfolio that best supports the Forest Service and the Department's missions and program delivery processes.
- Assemble and evaluate the Forest Service Real Property portfolio using a standard set of criteria.
- Support and protect the Forest Service Real Property Management function.
- Assure that the Forest Service Real Property program remains in compliance with E.O. 13327 and implementing directives.

The Forest Service AMRB reports to the Deputy Chief for Business Operations that approves projects and plans. The Forest Service AMRB makes funding recommendations on proposed projects and current space investment to the Deputy Chief for Business Operations. The Forest Service AMRB ensures that both the Department's and Forest Service criteria and performance goals are considered and implemented when making investment decisions. The Forest Service AMRB is chaired at a level no lower than Associate Deputy Chief.

2.5.4 NRCS Real Property Asset Management Decision Making-Framework

Real property asset management decisions for NRCS owned and leased properties are made at the NHQ and State offices. Typically, there is little change in funding or location of NRCS facilities since mission requirements tie assets to the land. A high percentage of field offices are collocated with other USDA agencies and State agencies which results in field office locations and funding levels to be consistent. Most of the properties are administered as full service leases, which also minimizes operations and maintenance fluctuations. Most field office real property administration and decision making takes place in the State office appropriate to the field office. The State Conservationist and the State designated RPLO have local level decision authority.

By aggressively implementing collocation, NRCS has minimized both its real property cost structure, as well as its needs for significant decision making at the field level. Review of the level of service provided by the lessor and subsequent decisions are driven by lease renewal at the State office level and changes in space utilization, numbers of Full Time Equivalents and shared operating costs at collocated facilities.

The NRCS Asset Management Review Board (AMRB) has been established to screen, validate, and prioritize planned capital projects to meet Agency mission and business goals. The NRCS AMRB makes all decisions to recommend real property projects, which are then forwarded to the Department for consideration and possible inclusion in the USDA budget request. The AMRB primary responsibilities are to:

- Approve new Real Property investments and evaluate existing projects to create an NRCS Real Property portfolio that best supports NRCS' and the Department's missions and program delivery processes.
- Assemble and evaluate NRCS Real Property portfolio using a standard set of criteria.
- Support and protect the NRCS Real Property Management function.
- Assure that NRCS Real Property program remains in compliance with E.O. and implementing directives.

The NRCS AMRB membership includes the Deputy Chief for Management, State Conservationists representing the three regions, the National Plant Materials Center Program Manager, the Associate Deputy Chief for Financial Management, the Director of the Budget Planning and Analysis Division and the Director for the Management Services Division which is also the Head of the Contracting Activity. The Deputy Chief for Management chairs the AMRB.

2.6 Asset Management 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 Department to oversee management of the extensive USDA asset portfolio. In order to meet this goal, USDA has built its process around the OMB Capital Planning and Investment Control (CPIC) guidance (see Capital Programming Guide^{xx}, supplement to Part 7 of OMB Circular A-11). USDA calls this guidance (Real Property) Capital Programming Investment Process (CPIP). Utilizing the CPIP instructions for capital projects provides the Department and the agencies with the ability to manage risks and returns of real property assets throughout their lifecycle to ensure that USDA’s investments are well-conceived, cost-effective, and support strategic mission and business goals. All investments are articulated in a business case, the requirements for which are commensurate with the cost and impact of the investment on the organization.

USDA’s instructions provide a framework through which the agencies and the Department can perform the following activities:

- 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.

Acknowledging the variation between agency missions and regional requirements, the agencies have some flexibility in modifying the CPIP instructions to meet individual agency missions and processes. Minimum process requirements apply to all agencies.

A critical process requirement for CPIP is the use of asset management review boards to decide which capital investments should be recommended for funding consideration. USDA has established asset management review boards at the agency and Department levels to review the investment portfolio and make decisions using the multi-year plans and investment business case documents as the basis for the annual budget request. Figure 4 depicts the roles and responsibilities of the review boards.

| Asset Management Review Boards | Primary Responsibility |
|---|---|
| Budget and Performance Integration Board: Deputy Secretary & DM/OBPA | Final Program Integration for Department Decide Approval/Disapproval |
| Departmental Asset Management Review Board: RPC OBPA OPPM RPWG and Subcommittees | Recommend Approval/Disapproval Develop Investment Strategy Validate Major Project Scoring Resolve Duplication Identify Project Integration Opportunities Review Exhibit 300 Oversee CPIP Review/Validate Three-Year Rolling Timeline |
| Agency Asset Management Review Board: Agency Heads | Oversee Individual Investments Oversee Capital Initiatives Oversee CPIP |

| | |
|--|---|
| | Identify Project Integration Opportunities Resolve Duplication Program Integration for Agency Approve/Disapprove Investments |
|--|---|

Figure 4: Asset Management Review Boards Membership and Responsibilities

The membership of the review boards include representation from throughout the Department or 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 agency review boards report to the agency head or deputy that approves projects and plans. The agency review boards are chaired at a level no lower than agencies' operations chief. The agency review board makes funding recommendations on proposed projects and current space investments to agency chiefs. The agency review boards will ensure that the Department's criteria and performance goals are considered and implemented when making agency investment decisions.

The Departmental review board reports to the Budget and Performance Integration Board. The Budget and Performance Integration Board consists of the Deputy Secretary and DM/OBPA. The Departmental review board is made up of the RPC which includes the DAMs, the OCFO, the OGC, OPPM and OBPA. The Departmental review board makes funding recommendations on proposed projects and current space investments to the Budget and Performance Integration Board. In addition, the Departmental review board is responsible for setting performance goals and assessing how well investments meet the goals and how agencies are meeting performance measure targets. The Departmental review board is chaired by Departmental Management.

The agency review boards approve those investments that best meet agency needs. Individual project proposals are assessed and prioritized. On at least an annual basis, and according to Department budget planning and CPIP instructions, proposed projects must be:

- Reviewed by the agency review board and submitted for the consideration of the agency head.
- Approved or disapproved by the agency head, and as appropriate, the multi-year plan is revised.
- Submit to the Department review board by the agency head when deemed major, with a life-cycle 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.

Departmental oversight in the planning and budgeting phase generally focuses on:

- Convening of RPC/RPWG meetings and review board meetings to review and recommend portfolio priorities

- Identifying and overseeing major Department-wide or multi-agency ongoing projects relative to cost and schedule, investment decisions on acquisitions and portfolio strategies, performance measure monitoring, strategies, goals and results.
- Conducting Asset Management Review Board and Budget and Performance Integration Board reviews and approval of review board recommendations
- 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.

Table 1 provides a summary of the proposed review and approval authorities for projects within CPIP based upon the value of the project.

| Investment Type | Project Value | Required Review Documentation | Review Authority | Approval Authority |
|-----------------|-----------------------------------|--------------------------------------|---|---|
| Major | ≥ \$10M or High Risk | Capital Asset Plan | Departmental Asset Management Review Board will review agency documentation and provide recommendations to the Budget and Performance Integration Board | Secretary |
| Significant | ≥ GSA prospectus level to < \$10M | Real Property Investment Report | Agency Headquarters/Agency Asset Management Review Board | Agency Headquarters |
| Non-Major | < GSA prospectus level | As determined by Agency Headquarters | Agency Headquarters will determine asset management review authority | Agency Headquarters may delegate approval authority |

Table 1: Investment Review and Approval Levels of Authority

The USDA CPIP utilizes constructed asset level data on its asset inventory, particularly related to the FRPC First Tier Performance Measures, to guide investment decisions at all levels throughout the Department and agencies. This particularly applies to use of standard, Department-wide quantitative values for the First Tier Performance Measures when using the FRPC decision tree to evaluate assets and determine appropriate investment action.

Utilizing the CPIP principles, CPAIS and performance measure data, a multi-year planning process, the three-year rolling timeline, and the asset management board review structure, USDA has strengthened its Department-wide real property asset management framework to ensure that each agency collectively analyzes and compares all investments and proposals to select those that best fit with the strategic business direction, needs, and priorities of the agencies. In addition, USDA has practical limits on funding, risks, and lengths of time before returns on investments are realized.

The Department oversight by OPPM will review agencies’ performance relative to the goals established by the Real Property Council.

2.7 Asset Management Objectives

Recognizing the need to be more strategic, USDA undertook a review of internal accomplishments as well as a study of industry best practices. Through this process, more than 20 public and private organizations were researched and interviewed for their perspective on real property best practices. Organizations with comparable inventories (diverse asset size and age, research facilities, administrative space, and extensive infrastructure) were prime targets for this study.

OPPM is the responsible staff office at the Department to ensure that the following focus areas and owners’ objectives are accomplished. In order to accomplish this, OPPM will utilize CPAIS,

FRPP, annual budget process, performance measures, GSA Data Dictionary, industry standards and Departmental policies, procedures and guidelines.

The key findings identified by the USDA best practices study have been organized below in alignment with USDA's six critical areas of focus (see [Section 1.2.3](#)):

1. Real Property Management Organization

- Where appropriate, centralize real property administrative functions across more agencies to reduce overhead costs. Focus on streamlining activities that are consistent across agencies such as leasing, training, acquisition, budgeting, etc.
- Broaden the functions of OPPM's Property Management Division to better engage Agencies and provide strategic guidance.
- Create a real property communications function responsible for disseminating and communicating real property policy and guidelines throughout the organization.

2. Real Property Planning and Budgeting Activities

- Develop standard methodologies and business practices for managing real property.
- Reinvestment - Target reinvestment to program-required and mission-critical assets.
- Asset Planning - Agency asset business plans and strategies are developed in accordance with agency policy and within Departmental guidelines.

3. Utilization of Inventory Data in Decision Making

- Continue to align asset management technology with management goals to ensure consistent collection of the 25 data elements. Building on this capability, continue to seek input and suggestions from agencies to ensure that asset management tools are useful and sufficient to meet the day-to-day management needs of the field.
- To ensure ongoing accurate data for making investment decisions USDA uses an expanded Data Validation and Verification Protocol.
- Collocation - Combine field offices of agencies within USDA to reduce personnel and duplicative overhead expenses by the joint use of resources and offices.
- Share With Non-Federal Partners - Efficiently and effectively manage USDA-occupied space in order to achieve the most customer-friendly facilities, while ensuring effective and efficient coordination and the sharing of resources with non-federal partners.
- In support of E.O. 13327, FRPC guidance, and to facilitate the integration of the USDA real property data and information, USDA promotes the use of terminology and references used in the real property management process that

are consistent with both government- and industry-wide terminology, and that the definitions of the terms are consistent with government- and industry-wide use.

4. Performance Measures and Continuous Monitoring

- Mission Support – Provide space that meets the mission needs and facilitate the delivery of program-based services. Insure assets support a current USDA Departmental or agency mission.
- Cost Effective – Utilize collocation and operate at costs reflective of market standards. Insure assets are economically sustainable.

5. Asset Inspection and Condition Index

- Safety & Security – Ensure that USDA occupied properties meet the safety and security requirements required to protect the personnel, systems and infrastructures essential to each bureau’s mission.
- Maintenance - Assets must meet serviceability standards and customer needs.
- Environmental, Health and Safety – Ensure that environmental, health and safety programs meet regulatory requirements and address the needs of building occupants and visitors.
- Disabled Accessible - House operations in facilities that fully comply with all applicable rules and regulations pertaining to accessibility for the disabled.

6. Divestment of Excess Assets

- Mission Adherence –Disposing of properties that are no longer needed as mission needs change over time.
- Deferred Maintenance Reduction - Reduce the number of not mission dependent assets in an effort to right-size the real property portfolio and reduce the amount of deferred maintenance.

These Asset Management Objectives complement the Department’s Strategic Goal of improving USDA real property asset management and the 10 overarching strategic objectives for real property management improvement discussed in [Section 2.1](#). They are the foundation for developing facility requirements that support program implementation. USDA’s asset management framework involves understanding and balancing customer needs/risks with the condition/performance of its assets.

Using the performance measures have become an integral part of articulating real property requirements, linking to the strategic plans, and formulating the agencies’ and the Department budget.

USDA is striving to improve its real property strategic planning and human capital efforts, resulting in a higher performing portfolio. Specific initiatives in support of Department goals include:

| Milestone | Date | Status | Results Achieved |
|---|------------|----------|---|
| Provide input and monitor USDA's internal scorecard via Management Initiative Tracking System (MITS) | Quarterly | Ongoing | Provides USDA senior managers a means to assess agency and departmental progress. |
| Update USDA AMP | Q2 Each FY | Ongoing | Provides agencies with latest USDA real property asset management plans, processes and procedures to be used in getting to green in the initiative. |
| Assess progress toward meeting performance measure goals and targets | Q2 Each FY | Ongoing | Provides feedback on efforts to dispose of unneeded assets and gauge progress in meeting performance measure targets for retained assets |
| Update USDA Three Year Rolling Timeline | Q3 Each FY | Ongoing | Provides a consolidated roadmap of USDA planned actions for rightsizing the USDA portfolio |
| Update the USDA Performance Measures Goals and Targets document | Q3 Each FY | Ongoing | Facilitates progress toward achieving a portfolio that contains the right assets in the right places and in the right condition at the right price |
| Agencies submit the FRPP-PA Tool reports, identifying those that will be disposed of and those the agencies wish to retain and plans for improving scores | Q4 Each FY | Ongoing | Provides Departmental oversight of agencies' portfolios and plans for under-performing assets |
| Formalize executive review committees into asset management review boards | Q1 FY07 | Complete | Establishes a department-wide multi-level review process involving senior agency and departmental officials. |
| Demonstrate steps taken toward implementation of asset management plan as stated in yellow standards | Q4 FY07 | Complete | Meeting established deadlines in Three-Year Timeline; meeting prioritized management improvement actions; maintaining appropriate amount of holdings; and estimating and optimizing cost levels |
| Develop a Department-wide process for multi-year planning | Q2 FY08 | Complete | Provides a budget process to establish funding requirements for all real property asset |

| Milestone | Date | Status | Results Achieved |
|---|---------|----------|---|
| | | | activities within USDA and provides senior leadership a tool to help determine the right level of investment in the Department's portfolio. |
| Use accurate and current asset inventory information and asset maximization performance measures routinely in management decisions | Q3 FY08 | Ongoing | Reduce the amount of unneeded and underused properties |
| Achieve management of agency property assets consistent with USDA's strategic plan; USDA's AMP; and FRPC-established performance measures as stated in E.O. 13327 | Q3 FY08 | Ongoing | Improved management of USDA real property assets |
| Rewrite current real and personal property position descriptions to focus more on overall asset and portfolio management | Q1 FY09 | Complete | Standardizes employee skill sets that align with requirements for effective portfolio management |

Table 2: Strategic Planning & Human Capital Milestones

ⁱ [USDA Strategic Plan for FY2005-2010](#)

ⁱⁱ <http://www.ars.usda.gov/SP2UserFiles/Place/00000000/ARSStrategicPlan2006-2011.pdf>

ⁱⁱⁱ http://www.aphis.usda.gov/about_aphis/strategic_plan.shtml

^{iv} USDA Forest Service Strategic Plan for Fiscal Years 2007-2012

^v ARS Strategic Plan for FY2006-2011

^{vi} http://www.aphis.usda.gov/mrpbs/asd/realty_links.shtml

^{vii} <http://www.fs.fed.us/aboutus/meetfs.shtml>. Forest Service website, "Meet the Forest Service"

^{viii} [Departmental Administration Strategic Plan \(2005-2008\)](#)

^{ix} [Competition in Contracting Act of 1984 \(CICA\)](#)

^x <http://www.arnet.gov/far>

^{xi} [OMB Circular No. A-11](#)

^{xii} <http://www.acqnet.gov/GSAM/gsam.html>

^{xiii} <http://www.acqnet.gov/GSAM/current/html/Part570.html>

^{xiv} Federal Management Regulation (FMR) [Subchapter C](#) – Real Property Part 102-72

^{xv} Agriculture Property [Management USDA Regulation](#)

^{xvi} [Departmental Regulation 1620-002, USDA Space Management Policy](#)

^{xvii} <http://www.ocio.usda.gov/directives/doc/DR5100-002.pdf>

^{xviii} <http://www.da.usda.gov/property/USDA%20Leasing%20Handbook.pdf>

^{xix} <http://www.da.usda.gov/pmd/directives.htm>

^{xxi} [OMB Capital Programming Guide](#)

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Section 3 Planning and Acquisition of Real Property

USDA's real property acquisition philosophy is focused on translating mission needs into discrete requirements, and utilizing the proper resources to meet real property asset requirements. USDA has authority to acquire real property through purchase, donation or exchange, long-term lease, and construction to carry out its programs. At the headquarters level, OPPM is the primary office that provides oversight and works closely with OBPA during the annual budget process to ensure acquisition of real property assets in support of USDA programs are adequately justified and that the agencies have looked at all alternatives to meet their facility needs at the least cost.

It is important to note that except for ARS, where changing research and program mission priorities require a higher level of construction and alteration activity, the Department has shifted away from a construction/development standpoint with regard to real property assets. The majority of funds and resources are focused on managing and maintaining existing mission dependent assets. Acquisition or construction of an asset most commonly occurs to replace an existing asset or as the result of a Congressional earmark.

3.1 Capital Planning for Major Projects

USDA performs capital planning through a process involving both agency level and Department level review and approval of asset projects. The primary objective of capital planning is to employ sound decision-making practices to secure the necessary resources to maintain current real property assets, acquire new or replacement assets that meet the evolving needs of the agency, and preserve the historical and cultural assets placed in USDA's trust, as applicable.

All capital projects identified as major (greater than the GSA prospectus level) or minor (less than the GSA prospectus level), use the capital project submission process. Levels for review and approval of major and minor capital projects are outlined in Table 1 on page 2-34.

Figure 5 below illustrates the relationship between the Department and the agencies as they identify, prioritize, and approve projects for the annual USDA budget submission.

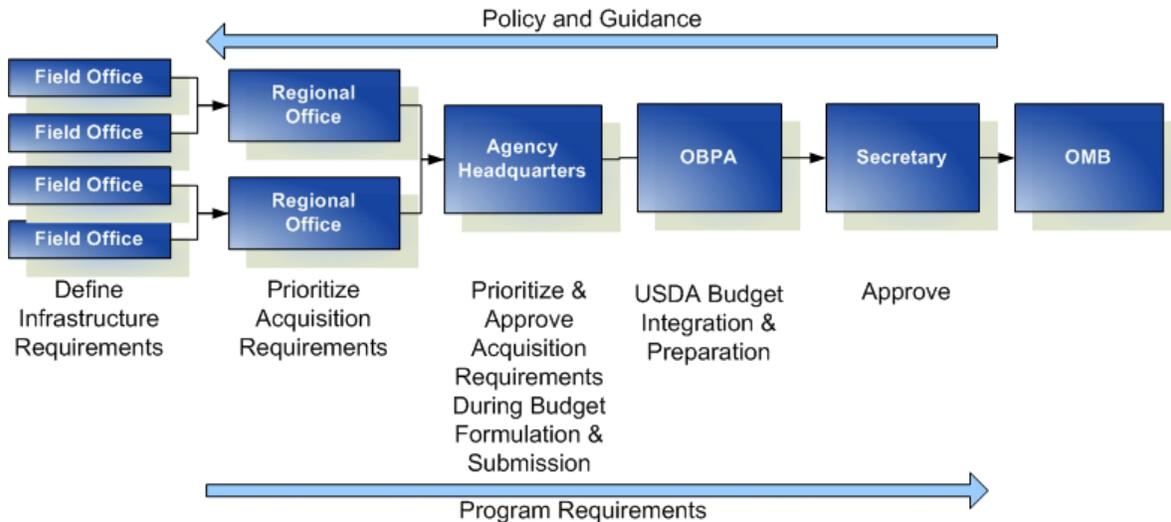


Figure 5: Annual Budget Process

USDA has several authorities for acquiring real property. Authorities to acquire real property through purchase and construction include:

- OPFM is responsible for general oversight of Departmental real property holdings, including prescribing policies and procedures applicable to the acquisition, utilization, maintenance and disposition of land and improvements. (7 CFR 2.93)
- The Department has authority to acquire real property through purchase, donation or exchange, transfer, long-term lease, and construction to carry out its programs, but is restricted to acquiring only that for which funds have been appropriated.
- OPFM acknowledges that FS has numerous authorities regarding real property accorded by statute.
- Among other things, OPFM requires the concurrence of Environmental Management Division prior to accepting property on behalf of the Department to ensure acceptance of "clean" property.
- 7 U.S.C. 428a authorizes the Department to acquire land, or interest therein, for which funds have been appropriated.
- AGPMR 110-73.255-5005.3 requires ASA approval prior to starting any action for an administrative site when the total estimated fair market value of the site (land only) is \$50,000 or more, or the site contains a completed building having an estimated cost of \$500,000 or more.
- Approvals are applicable only to acquisitions of real property that are not specifically identified in appropriation authorities (in statute or report language) or authorized by specific administrative site exchange or sales laws.
- Requests for approval by the ASA are forwarded to OPFM.

Additional authorities to acquire real property through exchange and leasing are included in Sections 3.2 and 3.3 respectively. All actions to acquire real property must follow the USDA annual budget process.

The annual budget process begins at the Department level where OBPA issues a budget preparation guidance package to each agency that details the requirements for budgetary project submissions, updated Departmental priorities, and the annual budget calendar.

Based upon the OBPA guidance, identifying project requirements begins at the field office level, where agency personnel are closest to the needs, priorities, and long term planned investment actions for real property assets. Initial project lists are reviewed and prioritized at the regional level and submitted to the agency headquarters for final approval and delivery to the Department. At the Department level, OBPA currently reviews agency submissions and makes recommendations to Departmental leadership. Projects that are consistent with Department goals are then submitted to OMB within the USDA budget.

Figure 6 shows in greater detail the steps that a project must go through as it moves from the agency to the Department in the capital planning process.

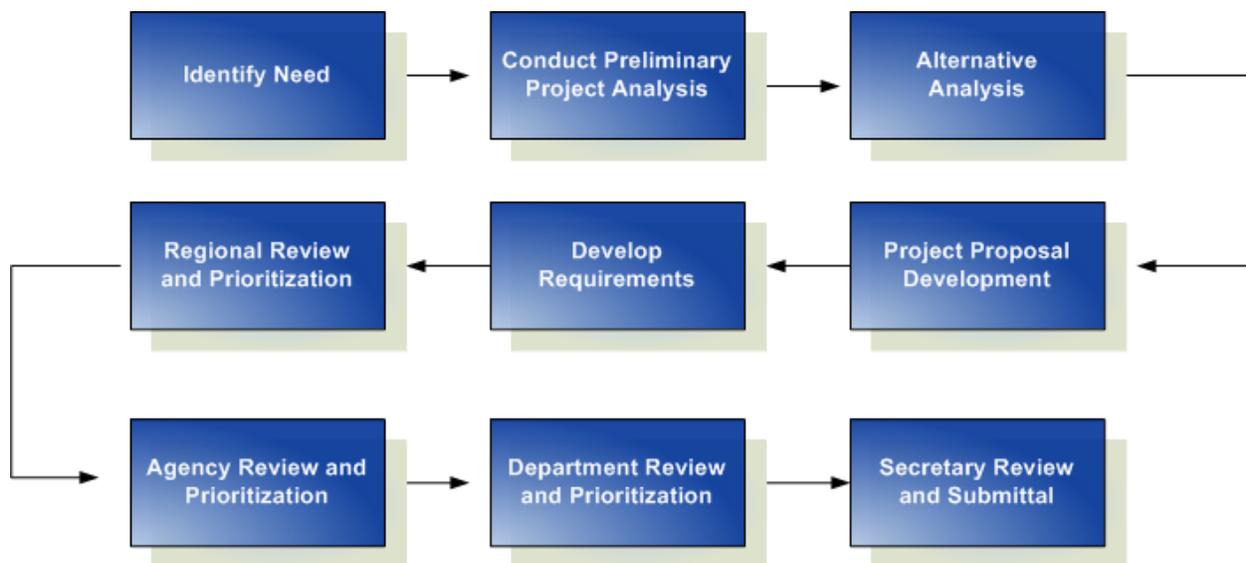


Figure 6: Capital Project Submission Process

1. **Identify Need:** Program personnel and program managers at the field level identify and define program infrastructure needs. Those requirements are characterized with regard to needs, assessments, performance measures, deferred maintenance, energy/environmental opportunities, benefits, financial impact and program support. Needs consider projected duration of use, initial use, how many assets and how specialized are the assets.
2. **Conduct a Preliminary Project Analysis:** The identification of a scope of work of facility requirements to satisfy current and future mission needs involves multiple levels of the agency ranging from the field unit to the headquarters level and involves multiple people in multiple disciplines to include Real Property Specialists,

- Program Managers, and Scientific and Engineering staffs. It focuses on the purpose(s) the facility needs to serve, duration of the program, functions housed, occupancy requirements, location, size, and special purpose requirements such as containment laboratories.
3. **Alternatives Analysis:** Program Managers work with agency headquarters and OPPM in a collaborative manner to perform an alternatives analysis and determine if the Department or other federal agencies have assets available to support the program before exploring other alternatives. Landholding agencies that identify a need for new preproperty must first check available properties shown on the centralized GSA website at <https://rc.gsa.gov/ResourceCenter> before acquiring a new property. This ensures the use of agency and GSA data bases containing asset level information and associated utilization data to aid in determining the availability and viability of using existing infrastructure. If there are no existing facilities available, the agency develops alternatives to submit as projects.
 4. **Project Proposal Description:** Proposed projects are submitted utilizing a project description format that varies between agencies (see following individual agency sections), but typically includes a description of the project, cost benefits, alternatives analysis, multi-year cost implications and any safety, environmental or historical considerations.
 5. **Develop requirements:** This phase focuses on the specific requirements needed in a facility to satisfy program objectives. A variety of methods to identify these needs at the agency level includes projections of mission changes, program evolution, comprehensive planning, condition surveys, compliance with laws and codes and user-identified requirements.
 6. **Regional Review and Prioritization:** Project proposals are then submitted at the agency regional level for prioritization. The regional office director performs the initial prioritization of the submitted projects and determines which projects to forward and recommend to the agency leadership.
 7. **Agency Review and Prioritization:** The agency head and the undersecretary of the mission area determine and approve programs that become part of their submission to OBPA for final budget formulation. They are the final decision makers in determining program priorities which are based on policy and guidance received from the Secretary. They make their selections and formulate the agency budget, which is submitted to the Department.
 8. **Department Review and Prioritization:** Agency budgets are assembled and reviewed by OBPA and supported by OPPM. They work with the Department leadership including the agency heads, the undersecretaries of the Mission Areas; to thoroughly review submitted programs to ensure policy and guidance are adhered to making necessary adjustments. It is at this level that programs across the Department are integrated and final recommendations then made to the Secretary for final approval.

9. **Secretary Review and Submittal:** The Secretary then performs mission area reviews with the responsible undersecretary's at which time the Secretary determines the Department's priorities. The USDA budget is then submitted to OMB.

The selected projects historically have been imbedded in the program areas. Real property projects are now submitted for the current year and two succeeding years into a three-year rolling timeline which OPPM reviews and maintains.

Each agency is responsible for budgeting and capital planning. Sections 3.1.1 through 3.1.5 below describe in greater detail how each agency implements the general capital planning process discussed above. These sections identify key agency organizational units involved in the identification, prioritization, and review of capital investment projects. Capital planning at the agency includes the following categories of capital investment actions: New Construction, Repair and Alterations (R&A), and Major Leases.

3.1.1 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 Annual Resource Management Plan (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 comprises a Facilities Plan, an Annual Operating Plan, High Priority Requirements Lists (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 (the Financial Management Division). The Financial Management Division 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 OBPA, approved by the Secretary, and submitted to OMB.

In addition, ARS has a 5-year facility plan process 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 discloses the descriptions of the facilities' work and funding needed to do the work at all ARS locations and worksites. This plan is reviewed, validated, updated and published each year.

With the issuance of E.O. 13327, Federal Real Property Asset Management, ARS has converted this 5-year facility plan into a 5-Year Capital Projects and Repair Plan (CPRP) and incorporated performance measures and other requirements supporting the goals and objectives of the E.O. 13327, USDA Asset Management Plan (AMP), ARS Building Block Plan (BBP), and ARS Strategic Plan. In FY 2008, the 5-Year CPRP was changed to a 3-Year CPRP

Appropriate Asset Management Review Boards at Headquarters and Area Offices have also been established to screen, validate, and prioritize planned capital projects to meet Agency mission and business goals.

3.1.2 APHIS Capital Planning Process

The APHIS budget process is guided by multi-year asset planning. Since construction projects are normally accomplished over more than a single year, Building and Facilities Account funds are appropriated in a particular FY but may be obligated and expensed over multiple years.

After receiving the annual guidance package from the Department, APHIS Program Managers, assisted by their Facility Managers, identify their requirements for new facilities, additions, improvements and renovations based on new or expanded program requirements since the prior year. Potential capital projects for supporting mission requirements can also be identified by the Engineering Services Branch.

When a need is identified, an alternatives analysis is performed to determine the best acquisition method, with consideration given to APHIS-owned facilities and leased space, other USDA facilities, and other federally controlled space.

In order for APHIS real property budget submissions to be successful through the budget submission process, they must contain thorough justification, specifically addressing the funding requirements to complete activities identified, specific program objectives that are expected as a result of this funding, the work plan and timetable for completion, and direct and indirect benefits.

Program Managers compile projects from facility managers at each program and prioritize them based on program needs and the condition of facilities. Regional Program Managers coordinate proposed projects for their regions to ensure that space assignments meet program needs and are conducted in accordance with APHIS and USDA real property policy. Prioritized budget requests for real property improvements and maintenance are submitted to the Engineering Services Branch for inclusion in the budget for the APHIS Building and Facilities Account.

The APHIS Budget and Programs Analysis Branch prepares a rolled-up package for review by the APHIS Administrator. Once the agency head has approved the budget, the final budget package is reviewed by OBPA, approved by the Secretary, and submitted to OMB.

3.1.3 Forest Service Capital Planning Process

After the Forest Service receives the annual departmental budget guidance package from OBPA, the budget formulation process begins. The agency provides instructions for identifying and submitting Capital Improvement Projects (CIP) to each of its nine regions annually. Within the region, investment projects are typically identified at the District or Forest level. When identifying capital projects for budget submittal, the forest relies heavily upon the Facilities Master Plan, the basic multi-year planning tool at the forest level, which categorizes all facilities within the forest based on one of four recommendations: acquire, retain for existing use, develop for alternate use, or decommission. The FMP has several components including current usage and projections for the future and a prioritized list of all new construction, renovation, refurbishing, and major maintenance projects needed at each site.

The forest CIP lists are rolled up and prioritized at the Regional level. Each region uses a customized process for prioritizing the major projects submitted to them by the forests, but in all cases, criteria for selection are made based upon meeting performance measures and targets and the goals and objectives identified in the agency Strategic Plan. Prioritization approaches used by the Regions vary from very formal approaches (i.e. Choosing-By-Advantages) or use of informal approaches depending upon the size, complexity, and scope of the projects to be prioritized. Some regions predetermine the funding split between program areas, and prioritize projects in each program separately, while others compete all projects together.

Once each region has prepared its CIP list, the portfolio of investments is prepared for inclusion in the Forest Service agency budget submission. The Forest Service Chief reviews the budget package, and after review and approval, submits the package to the Department for review. Unlike the other agencies within USDA, the Forest Service CIP list is submitted through the Department of Interior budget package¹.

3.1.4 NRCS Capital Planning Process

NRCS requires Congressional approval or direct appropriations for capital projects or leases over \$250,000 (annual rental rate). NRCS uses the USDA CPIP instructions to ensure its real property projects are well thought out, cost-effective, and support the missions and business goals of the organization.

The NRCS Deputy Chief for Strategic Planning and Accountability plays a key role in securing the necessary resources to maintain current real property assets, acquire new or replacement assets that meet the evolving needs of the agency, and preserving the historical and cultural assets placed in the NRCS trust, as applicable.

Capital construction or leasing projects over \$250,000 are typically funded one of two ways. Figure 7 below depicts the two funding processes for NRCS capital projects.



Figure 7: NRCS Funding Process for Capital Projects

At the inception of a capital project, a group of stakeholders consisting of NRCS personnel and non-NRCS State officials determine the need and decide whether the project should be submitted through the USDA budget process by NRCS personnel, or by State officials directly to the State Congressional Office. NRCS is likely to pursue funding through the state when there are opportunities to collaborate with state organizations or universities. Sharing resources with the State minimizes the amount of funding that NRCS must obtain to execute a capital project. Projects carried out through state collaboration are funded through Congressional earmark, as was the case with the Great Basin Plant Material Center.

If a capital project is funded through the USDA appropriation, the project is typically identified at the state level and then prioritized and approved at the headquarters level prior to submittal to the Department for inclusion in the USDA budget package.

The NRCS AMRB, consisting of NRCS personnel and non-NRCS State officials determines the need, and decides whether the project is submitted either through the NRCS budget process by NRCS personnel or by State officials directly to the State Congressional Office. If the NRCS path is taken, the project is submitted through the NRCS and USDA project analysis and budget process. If the State path is chosen, a Congressional earmark is pursued. If Congress approves the funding, the project is funded and assigned to NRCS to execute.

Regardless of funding method, NRCS follows a standard set of steps to identify, prioritize, and approve capital projects. These steps are outlined belowⁱⁱ.

1. Identify Requirements - Each Facility Manager identifies requirements to support existing programs or new programs at their facility. These requirements are characterized with regard to needs, assessments, performance measures, deferred maintenance, energy/environmental opportunities, benefits, financial impact and program support. Needs to consider projected duration of use, initial use, number of assets and specialized or specialized nature are the assets.

2. Develop Options for Meeting Requirements – Facility Managers, Local and/or State officials, and State office real property personnel (Stakeholder Committee) identify construction, leasing or renovation requirements to meet program goals and objectives.

3. Recommend Project – Stakeholder Committee recommends project approach.

4. Request Project - Facility Managers recommend project and priority to Program Manager.

5. Review and Validate Project Request - The Program Manager reviews and validates project for priority to ensure alternatives are fully explored.

6. Request Project in Program Budget – Project is included in program office budget and requirements are submitted to the NRCS Deputy Chief for Management to request inclusion into the agency budget.

7. Agency Budget Inclusion – Agency budget office assembles proposed projects for review by the AMRB and State program managers on capital improvement. Approved projects are included in the agency budget submittal to the Department.

3.1.5 Non-Landholding Agencies Capital Planning Process

The non-landholding agencies and landholding agencies that have identified leasing as the best acquisition method based on an alternatives analysis must comply with the USDA budget process to obtain funds for leased properties and the delegated leasing authority. Major lease projects are prioritized and approved at the agency level, and then submitted to the Department for approval and inclusion in the USDA budget package to OMB.

NCR space requirements addressed by GSA assignments are handled by OO, as these space needs are funded out of the central Rent account.

3.2 USDA Transfer and Exchange Process

In addition to construction and purchase, USDA has authorities to acquire real property through transfer and exchange. These authorities include:

- USDA agencies may acquire excess property via transfer from GSA or other government entities.
- Landholding agencies notify OPPM of their interest in the property by submitting a completed GSA Form 1334, along with supporting justification to OPPM. (AGPMR 110-75.175 through 220 outlines the process for submitting the GSA Form 1334 to OPPM.).
- Director, OPPM is the accepting authority for all real property transferred from another government agency.

USDA agencies may acquire real property that has been determined as excess to another Federal Agency via transfer from GSA. A transfer is the acquisition of real property whereby another entity confers ownership of real property to a USDA agency with the authority to own real property. GSA manages the transfer for the majority of excess real property through the authority of the Federal Property and Administrative Service Act of 1949.

Typically most transfers of land, buildings and structures are at no cost. In the instances where USDA reimburses GSA for the transfer, payment is made through the Intra-Governmental Payment and Collection (IPAC) system. As an example, in 2005, an Interagency Agreement was entered into between GSA and the Forest Service for the transfer of the Federal Building in Sandpoint, Idaho. FS processed the request through the use of the GSA Form 1334 with a request to transfer 3.17 acres of land, more or less, at the Federal Building, 1415 Dover Highway, Sandpoint, Idaho (Property), along with improvements and related personal property located thereon, said property being excess to the needs of GSA. Subsequently, Congress enacted Section 346 of Public Law 108-447, authorizing the Administrator of General Services to "convey to the Secretary of Agriculture all rights, title and interest of the United States in the Property, along with improvements and related personal property located thereon, notwithstanding subtitle I of title 40, United States Code. The conveyance is to be on a noncompetitive basis, for consideration, and subject to terms and conditions as the Secretary and the Administrator may agree. A purchase period with multiple payments over multiple fiscal years is specifically authorized." The agreement went further to set the sale price at \$750,000, payable in three installments each of \$250,000. The first payment was to be made no later than May 12, 2005, the second and third payments should be received within the first quarter of fiscal years 2006 and 2007, respectively. Consideration shall be paid by the USDA Forest Service to GSA by IPAC payment.

A real property exchange involves the substitution of real property owned by a USDA agency and real property owned by another party. As a result, an exchange involves both an acquisition and a disposition of real property.

OPPM and GSA both facilitate exchanges of owned real property between a USDA agency and private parties, other USDA landholding agencies, and non-USDA agencies.

3.3 USDA Leasing Process

USDA uses CPAIS as the primary tool for tracking capital and operating leases and reviewing the status of current leases and renewal dates. CPAIS allows agency leasing personnel to appropriately plan for necessary leasing actions to support mission needs. The USDA Leasing Manualⁱⁱ dictates procedures and approval thresholds for leasing activity throughout the entire Department.

USDA authorities for acquiring real property through long-term leases are as follows:

- 7 USC 2250(a) authorizes the Secretary of Agriculture to lease unimproved land and erect buildings when the term of the lease is for the estimated life of the improvements.

- 16 U.S.C. 571c allows Forest Service to use appropriations for the erection of buildings and other structures on other than Government owned land.
- AGPMR 110-73.45-5000 requires approval of the Assistant Secretary for Administration (ASA) when (a) executing leases with private corporations or individuals, or (b) the estimated market value of the land is \$250,000 or more, or (c) conditions of a rental rate of more that \$100 per annum cannot be met.
- Requests for approval by the ASA are forwarded to OPPM.

USDA authorities and major governing policies for leasing general purpose space include:

- Federal Management Regulation Bulletin 2008-B1 in which GSA issued modified delegation authority procedures for the acquisition of general purpose office space and special purpose space. This bulletin requires agencies using the delegation authority to demonstrate (a) their capacity to support the delegation, (b) that the granting of the request is in the best interests of the Government, and (c) how the agency's use of the delegated authority is cost-effective for the Government. The delegation change also limits use of the delegation to lease transactions of less than 20,000 rentable square feet of general purpose office space.
- Government-wide authority for leasing real property contained in the Federal Property and Administrative Services Act of 1949, as amended.
- USDA leases are required to be in compliance with the Rural Development Act of 1972 when making location decision.

In considering a future leased space acquisition, an agency RPLO or higher agency official evaluates program and/or mission space needs to gauge how they impact requirements for future space. USDA agencies typically acquire leased space when existing government space and new construction are not viable alternatives. The RPLO then determines a course of action regarding future occupancy for existing leases that will be expiring in the near future (typically 24 months). This must include an assessment to determine if the existing space the agency occupies is suitable to meet updated space requirements. The RPLO performs a scoring analysis and prepares the project for budget submittal by gathering general information about the marketplace. The RPLO then determines if the anticipated leasing proposals are likely to conform to OMB's operating lease scoring requirements and examines each leasing strategy for consistency with the portfolio strategy, and the appropriateness of timing. Projects meeting all applicable criteria are included in agencies' capital program requests to the Department. Oversight at the Department level is provided by OBPA, which performs an integration role that cross-cuts all agencies and provides oversight in developing the Department's budget submission that is then approved by the Secretary and submitted to OMB.

USDA agencies have established an internal lease approval process based on the rent dollar value for the initial lease term. While the overall approval processes are similar, each agency's process differs in:

- The dollar value thresholds that require written approval before the RPLO can award the contract

- The personnel involved in granting written approvals before the RPLO can make the award

Prospectus-level leasing acquisitions require the approval of Congress. USDA provides required information to GSA who then works with Congress to obtain approval. The general purpose lease delegation authority applies to leases that fall below prospectus threshold. GSA must conduct all lease acquisitions over the prospectus threshold as specified in 41 CFR §102-72.30(b) of the Federal Management Regulation. It is important to note that GSA increases the prospectus dollar value threshold from year to year.

USDA uses the following GSA Standard Forms (SF) for submitting prospectus level lease proposals based upon the expected rent thresholds:

- GSA SF-2, U.S. Government Lease for Real Property if the average annual net rent is expected to exceed \$100,000.
- GSA Form 3626, U.S. Government Lease for Real Property (Short Form)ⁱⁱⁱ if the average annual net rent is not expected to exceed \$100,000 and the agency applies the simplified leasing procedures established by GSA.

DR 1620-002^{iv} requires an OPPM review of requirements and approval for new or expanded GSA assignments. For commercial leases, leasing authority has been delegated from the Secretary down to certain agencies. The following list identifies the eight USDA agencies with delegated leasing authority and the affiliated agencies for which they are empowered to act:

- Animal and Plant Health Inspection Service (supporting the Agricultural Marketing Service, the Grain Inspection, Packers and Stockyards Administration, and the National Appeals Division)
- Agricultural Research Service (supporting the National Institute of Food and Agriculture, the Economic Research Service, and the National Agricultural Statistics Service)
- Farm Service Agency (supporting the Foreign Agricultural Service and the Risk Management Agency)
- Food and Nutrition Service
- Food Safety and Inspection Service
- Forest Service
- Natural Resources Conservation Service
- Rural Development

Only duly appointed and warranted USDA real property personnel may represent USDA agencies in leasing real property. These authorized leasing designees must comply with all requirements described in the GSA FMR Bulletin 2008-B1 and USDA's Real Property Leasing Officer Warrant System.

In addition, CCC may contract for the use, in accordance with the usual customs of trade and commerce, of plants and facilities for the physical handling, storage, processing, servicing, and transportation of the agricultural commodities subject to its control. The Corporation does not have power to acquire real property or any interest therein except that it may acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interests of the Corporation. This leasing authority is provided to CCC. Officials of the Farm Service Agency (FSA), the Foreign Agricultural Service (FAS), the Food and Nutrition Service (FNS), the Natural Resources Conservation Service (NRCS), and the Agricultural Marketing Service (AMS) serve as ex officio officers of the Corporation. The degree to which CCC exercises these authorities is directly tied to the programs they are working with and take into consideration program size, duration, types of commodities to be processed, quantities of commodities purchased, stockpile requirements, storage duration, consumption points shipping points and distribution points around the world.

A large percentage of the USDA leased portfolio is comprised of the approximately 2400, county-based USDA Service Centers. The Service Centers are 99% collocated with multiple USDA agencies and State agencies.

3.4 Capital Programming and Investment Process Development

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

As described in [Section 2.6](#), USDA refined its capital planning process around the OMB Capital Planning and Investment Control (CPIC) guidance. Utilizing the CPIC process for project proposal and prioritization enhances the Department and the agencies' ability to manage real property assets throughout their lifecycle to ensure that USDA's investments are well-conceived, cost-effective, and support strategic mission and business goals.

OPPM developed USDA-specific CPIP instructions for governing construction projects to address requirements for project submittal and prioritization. OPPM completed the CPIP instructions in Q2 FY 07. The process provides a framework through which the agencies and the Department can perform the following activities:

- Standardize the process across all agencies for preparing project proposals
- Rank and prioritize projects in a multi-year plan in a consistent manner
- Use performance measures in ranking projects
- Standardize investment review and ranking processes

In addition, OPPM's oversight role in the real property process ensures that the agencies have performed a complete analysis of their requirements and considered all viable alternatives.

OPPM oversees completion and update of the three-year rolling timeline, which serves as the central capital planning document within the Department.

All investments, including New Construction, Repair and Alterations (R&A), and Major Leases will be articulated in a business case, the requirements for which will be commensurate with the cost and impact of the investment on the organization. OPPM uses the OMB Exhibit 300 as the business case standard for all capital projects having costs greater than \$10 million. The USDA real property CPIP instructions define business case requirements for significant projects between the GSA prospectus level and \$10 million, and non-major projects below the GSA prospectus level. For projects below the GSA prospectus level, USDA designs business case requirements around readily available industry standard forms. All tiers of the process also have standardized AMRB requirements at the agency and at the Department.

Beginning in FY 08, all project design starts for new construction and major renovations are led by an integrated project team, as defined by the agency, which should include sustainability, energy, safety, environmental management, and at least one “Green Building” professional. See [Section 8.8](#) for more detail.

3.5 Multi-Year Capital Requirements Guidance

The USDA Multi-Year Capital Requirements Guidance was implemented to comprehensively capture all real property asset requirements across the department. The guidance requires agencies to submit requirements for acquisition, operation, repair and maintenance, leasing and disposal activities. These categories relate to the asset management functions performed by the landholding agencies for owned assets. Additionally, the leasing category also applies to the other real property asset management agencies that have holdings acquired through GSA or by commercial lease. This process provides senior leadership with a tool to help determine the right level of investment in the Department’s real property asset portfolio.

3.6 Planning and Acquisitions Milestones

USDA is committed to improving the acquisition process. Specific initiatives in support of Department goals include:

| Milestone | Date | Status | Results Achieved |
|---|---------|----------|--|
| Standardize forms to support leasing, reimbursable inter-agency agreements, and customer satisfaction surveys | Q4 FY06 | Complete | Provides standard USDA forms that all agencies can use versus each agency establishing their own unique forms. |
| Develop and publish a USDA-specific tiered Capital Programming and Investment Process (CPIP) process for major, significant, and non-major projects | Q2 FY07 | Complete | Provides a department-wide standardized process that follows the OMB Circular A-11 guidelines for all USDA agencies to use for major investments of ten million dollars or more. |
| Develop policy guidance to incorporate performance measure based scoring in the leasing renewal process | Q3 FY08 | Ongoing | Implementation of GSA’s FMR Bulletin 2008-B1 established new requirements for delegated authority, revised reporting |

| Milestone | Date | Status | Results Achieved |
|--|----------|----------|--|
| | | | requirements, and established standard criteria to determine lease requirements and cost efficiencies |
| Develop process and requirements for completing Facilities Master Plans as the basis for multi-year planning | Q3 FY08 | Complete | Provides standard format and level of detail to plan asset acquisitions as the beginning process for effective business and operational investment decisions on assets that contribute to mission and strategic goals |
| Assess the Capital Programming and Investment Process | Q4 FY 08 | Complete | Results will highlight any fine-tuning that may be needed |
| Landholding agencies incorporate agency-specific Facility Master Planning Process in their Building Block Plan, specifying size, type and schedule for assets classified mission dependent, not critical | Q2 FY 09 | Complete | Codifies agency process for determining how Facility Master Planning will be accomplished for assets classified as mission dependent-not critical |
| Develop criteria for selecting capital projects that incorporates performance measure based scoring | Q3 FY 09 | Complete | Utilized the performance measures as the standard benchmark against planned capital projects to achieve maximum use of real property |
| Implement use of Facilities Master Planning Process and ensure that data is entered into CPAIS for mission critical assets | Q4 FY 09 | Complete | Agency planning for facility use is formalized as part of management of assets |
| Perform an analysis of the Three-Year Timeline to determine if agencies are executing the infrastructure program | Q4 FY09 | Complete | Provides a review to determine if agencies are successfully completing their capital investment strategy, the effect it has had on the portfolio's performance and if methodology to promote improvements in asset management has been successful and is appropriate to future planning. |
| Projects approved for funding by Asset Management Review Boards incorporate performance measure based scoring as the foundation of the criteria considered during the approval process | Q3 FY10 | | Agency major- and significant-level projects, vetted through the Agency and Departmental Asset Management Review Boards, are scored using performance measure data |
| Assess the use of the Facilities Master Planning Process | Q4 FY 10 | | Provides input on the effectiveness of agencies implementation of the Facilities Master Planning Process |

Table 3: Planning & Acquisitions Milestones

Additionally, at the time of publication, USDA reported acquisition projects as part of its three-year rolling timeline of initiatives which are listed in [Section 8.6](#), USDA FY 2008 Capital Plan.

USDA will continue to populate acquisition projects in its three-year rolling timeline for periodic reporting to OMB.

ⁱ USDA Forest Service Southern California Asset Management Plan, March, 15, 2004

ⁱⁱ <http://www.usda.gov/da/property/leasinghandbook.pdf> USDA Real Property Leasing Manual

ⁱⁱⁱ [http://contacts.gsa.gov/webforms.nsf/0/FABA89FA6AC13F7185256C0F0045ED04/\\$file/gsa3626.pdf](http://contacts.gsa.gov/webforms.nsf/0/FABA89FA6AC13F7185256C0F0045ED04/$file/gsa3626.pdf)

^{iv} [Departmental Regulation 1620-002](#), USDA Space Management Policy

Section 4 Operations and Maintenance of Real Property

The operations phase of USDA's real property asset management process involves making decisions regarding maintenance and reinvestment as well as lease administration and servicing agency needs. Each agency has the responsibility to maintain and manage its buildings and grounds in accordance with Departmental guidance governing all agencies. To do so, critical information is needed on all assets to support operational decision making.

4.1 Inventory and Describe Assets

As of September 2009, USDA was the second largest federal landholder with the following types of assets in its inventoryⁱ:

- Approximately 22,200 owned buildings
- Approximately 23,500 owned structures (see definitions in Federal Real Property Council (FRPC) User Guidance for FY 2008 Reporting)
- Approximately 193 million acres of land, of which in excess of 99% is public domain and stewardship land
- More than 1,000 space assignments in GSA buildings with approximately \$188 million in annual rent
- Leased space in approximately 3,660 commercial buildings with an annual rent of approximately \$265 million

To support the enterprise management and reporting of this large portfolio of real property assets, USDA developed and implemented of CPAIS.

CPAIS maintains key data elements used to track and manage USDA owned property, leased property, and GSA Assignments. It serves as the subsidiary ledger to the Foundation Financial Information System (FFIS) and the Financial Management Modernization Initiative (FMMI) for USDA owned property and the primary inventory reporting and portfolio management tool for all real property. CPAIS also tracks specific data elements necessary to meet external mandatory reporting requirements and ad hoc query requirements, including all 25 required FRPC data elements. Among its other real property management capabilities, CPAISⁱⁱ:

- Maintains data elements required to calculate Total Capitalization Value and Total Accumulated Depreciation of USDA owned property
- Collects and manages data related to purchase cost and Work In Progress (WIP) accounting
- Generates depreciation expense transactions
- Maintains data elements required for the management of GSA assignments, including the central Rent account and the NCR

- Captures the source of funds breakdown for a particular space to facilitate management of the central Rent account, Lease, Agreement, and GSA Star Billing
- Maintains data elements to facilitate property management requirements or changes to accommodate agency space assignments
- Tracks Condition Ratings
- Tracks the breakdown of total costs distributed by serviced agencies in collocated locations
- Tracks completion of physical inventories and data validation

Figure 8 shows CPAIS and the systems with which it is interfaces. The source systems are depicted on the left of the figure. The source systems are feeder systems at the agency (component) level. The real property data within these applications are converted for use in CPAIS. The arrows represent the flow of information between systems. A solid line depicts an automated interface that performs the information exchange. Dotted lines indicate that some manual effort is required to exchange information (i.e. pull data from the GSA Streamlined Technology Acquisition Resources (STAR) website before loading the GSA assignment data in CPAIS).

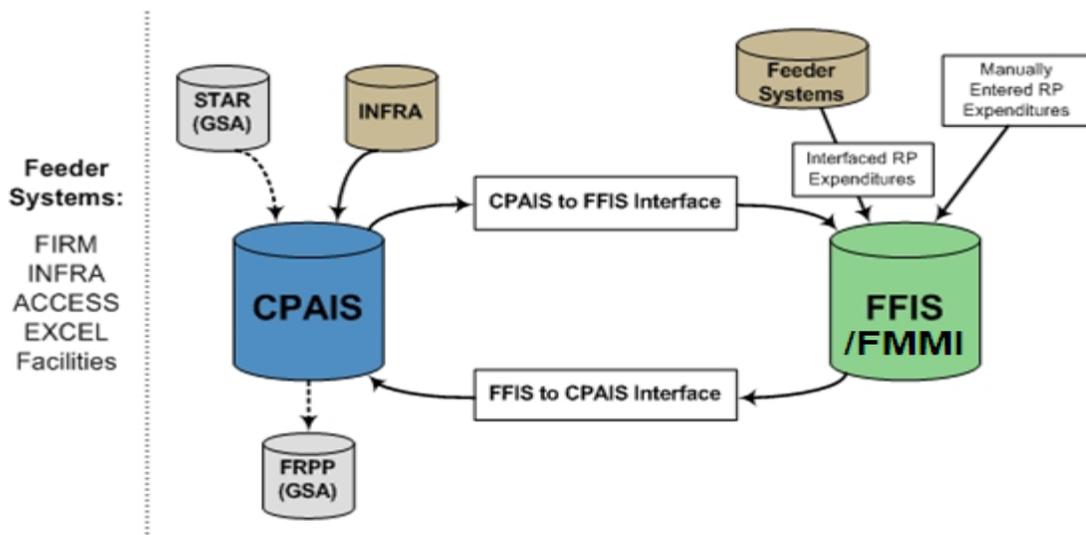


Figure 7: CPAIS System Interfaces

As a subsidiary ledger, CPAIS interfaces with FFIS/FMMI on a monthly basis through a two-way interface. FFIS/FMMI transfers to CPAIS all transactions recorded in the system, which post to selected Real Property General Ledger Accounts. CPAIS transfers to FFIS/FMMI Unique Asset Identifier records and real property transactions generated within CPAIS, such as balance sheet transfers (WIP adjustments), transfers to or from other Federal agencies, depreciation expense monthly and the write-off of capital values.

CPAIS interfaces with the GSA STAR billing website and electronically forwards the FRPP to GSA. CPAIS adheres to security, accessibility, and compliance policies governing Federal Government computer systems.

CPAIS also has the Discoverer reporting capability. Discoverer is third-party software that has been fitted into the CPAIS application. Discoverer is a reporting tool that allows the user to create customized reports directly from the CPAIS database. Reports generated through the CPAIS Reports tab are predefined with fixed formats; however, Discoverer allows users to change parameters, reorder the output table, and export the report results to an electronic file.ⁱⁱⁱ In addition, a report query tool was added to CPAIS in Q1 FY 08 that gives USDA an increased capability for data mining and developing customized reports.

In order to facilitate data entry for asset records, USDA added a query tool to CPAIS called the Explorer Tool. The Explorer Tool allows a CPAIS user to bring up targeted data fields in a Microsoft Excel spreadsheet format, make appropriate data changes, and then update CPAIS from the spreadsheet. This alternate view simplifies data entry efforts by eliminating the need to make changes individually at each form/screen level and streamlines the process of populating missing or inaccurate data in multiple locations within the system.

In order to enable users to more efficiently utilize the CPAIS system, in FY09, USDA created customized User Views within the CPAIS Query Tool. These User Views were created based on requests from a sub-group formed of agency CPAIS users. These User Views were created to help users assess progress meeting performance measure targets, assess agency inventory, and perform data validation.

For the FY 08 and FY 09 FRPP report, USDA was able to map its existing data elements in alignment with the 25 required FRPC data elements as follows:

- **Data Elements (25)** – Legal Interest, Status, Historical Status, Reporting Agency, Using Organization, Utilization, Mission Dependency, Main Location, Real Property Unique Identifier, City, State, Country, County, Congressional District, Zip Code, and Installation/Sub-Installation Identifier. Real Property Type, Real Property Use, Size, Value, Condition Index, Operating Costs, Restrictions, Disposition and sustainability.

USDA currently processes annual operating cost payments in FFIS/FMMI for the cost categories identified in the FRPC Data Dictionary, but these costs do not feed to CPAIS. Some agencies track their operating costs outside of FFIS/FMMI and can report actual outlays. For the other agencies, USDA has worked to define an acceptable methodology for allocating or estimating operating costs, which is outlined in greater detail in [Section 6.4.1](#).

4.1.1 Forest Service Infrastructure Database

The Forest Service currently uses two inventory systems for asset inventory management, the Infrastructure Database (INFRA) and CPAIS. The Forest Service developed INFRA beginning in 1992 to accomplish the vision of an integrated information management system for the Forest Service's infrastructure. INFRA became a mandatory application in November 1994 and reporting through INFRA began in the fall of 1996. INFRA is a transaction-based system built

around FS assets including different types of land, linear features, and constructed features. Specific asset modules within INFRA include buildings, water and wastewater systems, roads, travel routes, bridges and major culverts, dams, power systems, communication systems, recreation sites, trails, and range allotments.

CPAIS serves as the USDA subsidiary ledger for owned real property and the primary inventory reporting and portfolio management tool for all real property. When USDA first began development of CPAIS, FS responded to the original request for information and one of the options considered by the Department was deploying INFRA across all of the agencies. Instead, CPAIS was developed based largely on the INFRA system, while certain modules were not duplicated, as they were viewed as customizations specific to the Forest Service.

In May 2004, CPAIS was deployed and all USDA real property data was converted to CPAIS. All agencies were instructed that all real property data management would be accomplished within CPAIS with the exception of the Forest Service. Forest Service manages its owned and leased real property in INFRA in order to maintain the integrated operation within the FS INFRA platform. In turn, FS replicates the data to CPAIS daily ensuring that the two systems are in alignment, all real property data is ultimately located within one USDA corporate system, and for upward reporting purposes; i.e., FRPP Data entry for all FS-owned assets is at the field level through INFRA. Modules to accommodate information on leased assets are unique to CPAIS; therefore, data for leased assets is entered directly into CPAIS. INFRA interfaces with CPAIS to update records on a daily basis. The Forest Service is working with the Department to ensure its data fields and naming conventions are in alignment with the common government-wide terminology.

In the summer of 2005, the Forest Service launched I-Web, the web-based portal through which INFRA is now operated, eliminating the need for the client server version of INFRA. This consolidates the 132 servers previously in place under INFRA to a single server and allows for more flexible access to the system through the web interface.

4.1.2 Historic Preservation Requirements

To comply with the National Historic Preservation Act of 1966, as amended, and E.O. 11593, 13006, and 13287, USDA has developed appropriate memoranda, policy, and guidance documentation laying out the historic preservation requirements and processes. The documentation describes compliance responsibilities in support of applicable laws and Executive Orders, defines professional standards required by employees responsible for agency's preservation actions, and outlines processes, standards and approaches for effectively integrating Federal stewardship goals into the agency's real property asset management activities.

4.2 Asset Documentation

The CPAIS Real Property Management (RPM) subsystem provides one official, common point for control and maintenance of real property asset records. All owned, leased and trust

buildings and land have a unique record in CPAIS. Extensive data elements are captured and maintained about each asset.

USDA maintains key paper-based documentation for all real property assets at the agency level, frequently at field locations within the Department. The subsections that follow address how the agencies handle asset documentation files.

4.2.1 ARS Asset Documentation

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.

4.2.2 APHIS Asset Documentation

The APHIS Realty Team and Financial Systems and Reporting Branch coordinate to establish and maintain real property asset documentation. The Realty Team has responsibility for contractual documents including a copy of the contract for construction or leases, a copy of the title and closing documentation for all purchases, a copy of all transfer documentation, and disposal documents. The Financial Systems and Reporting Branch are responsible for documentation for financial transactions.

4.2.3 Forest Service Asset Documentation

The Forest Service does not have a centralized repository for real property asset documentation. Real property paper records files are typically maintained at the forest level.

The Forest Service has undertaken survey documentation of forest and land assets through the use of geospatial technology. Forest Service geospatial products include over 21,000 digital elevation models, over 54,000 digital orthophotos, over 10,500 primary-base series quads and 800 secondary-base forest visitor maps. The Forest Service continues to support geospatial surveying and it is being utilized over many agency operational areas such as wildfire management.

4.2.4 NRCS Asset Documentation

NRCS maintains real property asset documentation through the State Conservationists at the State Offices, which administer most real property leases and GSA assignments within the agency.

4.2.5 Non-Landholding Agencies Asset Documentation

All leasing asset documentation resides at the agency level. Specific building information resides at the building level. For the NCR, complete documentation on all space is managed and maintained by the Office of Operations, including the building operations and maintenance information for GSA delegated space within the USDA headquarters complex. A typical lease file includes all documentation necessary to complete rent payment reconciliation, to monitor

expiration or termination dates, to manage any maintenance or operations activities, and to monitor and adjust to escalation charges.

4.3 Asset Business Plans

CPAIS has a Facility Master Plan module. It provides fields to record the types and usages, square footage, cost per square foot, replacement value per square foot, deferred maintenance, condition index, and condition rating of structures within a facility. For each structure, the planning intent (retain, dispose, etc.), the planning action, and date to execute the intent are recorded.^{iv} This tool provides the basic structure for asset business planning within the Department.

USDA has recognized the importance of planning in the asset management process, highlighting planning as one of its six areas of focus for real property management initiatives. The planning and decision-making process is described in greater detail in [Section 2.6](#), Asset Management Decision Making Process. The Facilities Master Plan represents the common, multi-year planning process to be used consistently by all USDA agencies. Leveraging the strong planning processes already in place at several of the agencies, OPPM published a standard Department-wide process for multi-year planning in FY 2008.

The following subsections detail the current asset business planning processes utilized at the agencies that will be standardized in the overall asset management decision making process.

4.3.1 ARS Asset Business Plans

ARS has no agency-wide guidance for master planning. Some master plans exist for individual locations. These tend to be land/facility use development plans such as master plans required by the National Capital Planning Commission. ARS will be working with its eight (8) Areas to implement a master planning process at Mission Critical locations in which ARS owns both the land and facilities.

ARS does, however, have a process to review and prioritize construction, major repair, and recapitalization projects costing over \$25,000, and create an agency-wide 3-Year Capital Projects and Repair Plan. Appropriate Asset Management Review Boards (AMRB) at ARS Headquarters and Area levels have been established to annually validate and prioritize project requests into an ARS CPRP, taking into consideration mission and business goals, facility utilization, condition, deferred maintenance, mission criticality, operating and maintenance cost, and health and safety, etc.

4.3.2 APHIS Asset Business Plans

APHIS performs discrete components of asset business planning but does not currently document these in a single, formalized multi-year asset plan.

APHIS facility managers review the facility condition index, the adequacy index and overall quality index of buildings to set performance goals for assets and identify short and long term facility actions and funding requirements. Formal Asset Business Plans are being considered by the Program Managers and Engineering Services Branch as potential future initiatives.

As OPPM works to finalize common standards and format for facility master planning within USDA, APHIS will implement necessary processes to meet Departmental requirements.

4.3.3 Forest Service Asset Business Plans

The Forest Service performs two tiers of planning to provide a methodology to document and understand the current status and requirements of facility asset portfolios and to provide support for making strategic decisions about the portfolio that advance the goals of the agency's Asset Management Plan.

The top tier consists of either a Facilities Master Plan or a Recreation Site Facilities Master Plan (RS-FMP). Facilities Master Plans are to be completed for each National Forest, National Grassland, and Research Station. The Facilities Master Plan follows the direction established by the Forest Land and Resource Management Plan. It clarifies the existing Forest plan direction, and guides, in a general way, the continued use or disposal of the assets within the forest, grassland, or station for FA&O facilities. A Recreation Site Facilities Master Plan evaluates recreation sites apart from FA&O facilities. The plan incorporates all developed recreation facilities. Engineering Manual (EM) 7310-4 identifies the planning process for both facility types. In a letter dated May 22, 2002, 7310 Building and Related Facilities, Facilities Master Planning, further direction was provided to remove recreation sites from the FMP process and be evaluated on their own.

The second tier is a Site Development Plan. Site Development Plans have been completed for the administrative facilities, but are only partially done for the recreation facilities. The Site Development Plan consists of two parts, a site survey plat and a development plan. A site survey plat includes the basic site information and legal requirements, all existing natural and physical features, and existing site improvements, utilities, and other major and minor structures. A development plan provides conceptual and specific proposed improvements as well as existing and proposed uses of buildings.

4.3.4 NRCS Asset Business Plans

Since NRCS has a small portfolio of owned assets with very little change in program support needs, the agency maintains asset business plans on the local level on an as needed basis. For the Great Basin Plant Material Center, which is under construction in Nevada, NRCS developed a detailed asset plan addressing operational and functional requirements, the development specifications for the planned facility and site improvements, asset priorities, and projected operating costs.

4.3.5 Non-Landholding Agencies Asset Business Plans

Annually, each agency produces a Master Space Plan in compliance with USDA DR 1620-002. This report is used in conjunction with the forecasting of the GSA Rent Estimate (Rent Est) to provide guidelines and opportunities for looking over the entire USDA portfolio to identify any overlaps of demand or supply.

4.4 Periodic Evaluation of Assets

USDA guidance and policy requires the conduct of cyclical real property asset evaluations. These cyclical evaluations include the following:

Frequency of physical inventories. Physical inventories of all accountable real property, except land, are taken by each agency over a five-year period. More frequent inventories may be taken of particular types or kinds of property or of property in a particular activity when deemed essential for its control and protection. Land records are checked annually to determine that all dispositions or acquisitions have been accurately entered into the official property records of CPAIS.

Real Property Inventory Records form. Agencies use the GSA FRPP, Report of Real Property Owned or Leased by the United States. This form may be used for listing physical inventories and to certify persons accountable for the property. This data is certified in CPAIS using the "Agency Data Certification Form".

Reconciliation of Detailed Property Records and Physical Inventories. Official property records are reconciled with physical inventories immediately following each periodic and special inventory of property. Shortages of items revealed by physical inventories, which cannot be reconciled by rechecking inventories, posting to property records, etc., are referred to the Property Management Office (PMO) for appropriate determination in accordance with 104-50.108. Only CPAIS contains all the records required for the individual Physical Inventory Reports which are certified by each inventory's Accountable Property Officer using CPAIS.

Asset Valuation. USDA agencies track the value of its assets in several ways. The agencies track Plant Replacement Value (PRV) by appraising the inventory through a process that allows for every asset to be re-evaluated every five years in order to quantify the taxpayers' equity in the assets. It also tracks Original Acquisition Value as Book Value as an indication of the relative value of the portfolio.

Utilization. There are five categories of assets that need to be tracked individually for Utilization in the FRPC First Tier Performance Measures: Offices, Warehouses, Hospitals, Laboratories, and Housing. **Condition Assessments.** USDA agencies use condition assessments adopted from the government and private sectors. On an agency-determined schedule, at least once every five years, USDA associates or contractors inspect the asset to assess the current condition and reinvestment needs of the asset and document changes in condition over time using a series of questions contained in the physical condition assessment.

In 2008, USDA finalized the USDA Condition Assessment Process, which was a study that examined agency-specific condition assessment processes with the goal of standardizing condition assessments across the department. USDA found that, like many other large Federal Departments that have agencies/bureaus/offices with varied missions and types of assets, each USDA landholding agency utilizes different approaches that have been adapted to its portfolio for this function. USDA reached the conclusion that requiring agencies to change longstanding practices was impractical and would likely not result in improved management practices. Therefore, USDA's policy is to allow each agency to select its condition assessment method as

long as the scope of assessment is consistent with the FASAB definition for deferred maintenance and that results demonstrate accuracy.

Agency-specific processes for periodic evaluation of assets are discussed in the subsequent sections.

4.4.1 ARS Periodic Evaluation of Assets

ARS performs periodic reviews of its assets at several levels. Location and Area Offices perform reviews, which include input via spreadsheet for the tracking of repair and maintenance costs. Asset assessments are performed during Annual Resource Management Planning reviews and discussions, which lead to final recommendations for projects in the budgeting process. ARS also performs Program Reviews with both line administrators and National Program Staff to determine asset actions necessary to ensure the continued support of program goals by supporting real property assets.

ARS performs physical inventory and condition assessments in accordance with Departmental policy. ARS facility condition studies are performed by an Architectural and Engineering firm and include an inventory of existing functional, safety and health, and code-related building deficiencies.

For ARS building inventory, Whitestone Research has supported the ARS Facilities Division by completing logic tests on data, analyzing ARS current replacement values, and providing parametric estimates on operating costs and CI. In order to determine performance of ARS facilities, Whitestone inspected a sample of representative buildings from 28 ARS sites (roughly 50 percent of the total inventory) and used parametric models to estimate deferred maintenance (for calculating CI) and average annual operations. The 28 sites visited by Whitestone are Wyndmoor, PA; Athens, GA; Beltsville, MD; Clay Center, NE; Ames, IA; Stoneville, MS; Mississippi State, MS; Corvallis, CA; Dubois, ID; Peoria, IL; Boston, MA; Kearneysville, WV; Leetown, WV; Cheyenne, WY; Fargo, ND; Ft. Collins, CO; Logan, UT; Albany, CA; Salinas, CA; Canal Point, FL; Ft. Lauderdale, FL; Ft. Pierce, FL; Miami, FL; College Station, TX; El Reno, OK; Temple/Riesel, TX; Weslaco, TX; and Stillwater, OK. In addition to the FRPC performance measures, Whitestone has provided average annual sustainment and recapitalization costs per real property asset. These results were generalized to the entire population of ARS buildings (land, and deactivated or excess assets were not included).

A second task for Whitestone Research was to perform logic tests and gap analysis on CPAIS structure data. Where necessary, the contractor supplemented CPAIS to ensure that reasonable values are in the structure database for the following data are available: Current plant replacement value (PRV), location, acquisition date, size, quantity, and location. In addition, Whitestone provided estimates for sustainment and recapitalization of structures.

A third task is licenses and training for Maintenance and Repair Costs Forecast System (MARS). Whitestone Research provided the license and training for actual data that had been collected from the site assessments. MARS is a tool for managing real property portfolios. It is a relational database application designed to property assets and forecast the funding necessary to restore and maintain facilities. MARS database contains extensive baseline information of

facility and building inventory including current replacement costs, square footage, in-house staff details, major component inventories, deferred maintenance, and net asset value. MARS contains data on ARS facilities that were assessed by Whitestone when visiting the 11 sites.

4.4.2 APHIS Periodic Evaluation of Assets

ARS performs periodic reviews of its assets at several levels. Location and Area Offices perform reviews, which include input via spreadsheet for the tracking of repair and maintenance costs. Asset assessments are performed during Annual Resource Management Planning reviews and discussions, which lead to final recommendations for projects in the budgeting process. ARS also performs Program Reviews with both line administrators and National Program Staff to determine asset actions necessary to ensure the continued support of program goals by supporting real property assets.

ARS performs physical inventory and condition assessments in accordance with Departmental policy. ARS facility condition studies are performed by an Architectural and Engineering firm and include an inventory of existing functional, safety and health, and code-related building deficiencies.

For ARS building inventory, Whitestone Research has supported the ARS Facilities Division by completing logic tests on data, analyzing ARS current replacement values, and providing parametric estimates on operating costs and Condition Index (CI). In order to determine performance of ARS facilities, Whitestone inspected a sample of representative buildings from 37 ARS sites (roughly 54 percent of the total inventory) and used parametric models to estimate deferred maintenance (for calculating CI) and average annual operations. The 37 sites visited by Whitestone include: Albany and Salinas, CA; Ft. Collins, CO; Canal Point, Ft. Lauderdale, Ft. Pierce, and Miami, FL; Athens, GA; Dubois, ID; Ames, IA; Peoria, IL; Beltsville, MD; Boston, MA; Mississippi State and Stoneville, MS; Wyndmoor, PA; Clay Center, NE; Fargo, ND; El Reno and Stillwater, OK; Corvallis, OR; Charleston and Florence, SC; Big Spring, Bushland, College Station, Lubbock, Riesel, Temple, and Weslaco, TX; Logan, UT; . Kearneysville and Leetown, WV; Baraboo, Madison, and Praire Du Sac, WI; and Cheyenne, WY.

In addition to the FRPC performance measures, Whitestone has provided average annual sustainment and recapitalization costs per real property asset. These results were generalized to the entire population of ARS buildings (land, and deactivated or excess assets were not included).

A second task for Whitestone Research was to perform logic tests and gap analysis on CPAIS structure data. Where necessary, the contractor supplemented CPAIS to ensure that reasonable values are in the structure database for the following data are available: Current plant replacement value (PRV), location, acquisition date, size, quantity, and location. In addition, Whitestone provided estimates for sustainment and recapitalization of structures.

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maintain facilities. MARS database contains extensive baseline information of facility and building inventory including current replacement costs, square footage, in-house staff details, major component inventories, deferred maintenance, and net asset value. MARS contains data on ARS facilities that were assessed by Whitestone when visiting the 11 sites.

4.4.3 Forest Service Periodic Evaluation of Assets

The Forest Service conducts periodic evaluations of all constructed assets with a value over \$25,000. INFRA can accommodate data related to asset inspections. INFRA developers produce a quarterly status report on asset inspections that is provided to all program managers at the WO level. This report helps provide a connection between the forest level, where most inspections are executed, and the WO, where ultimate responsibility for overall program direction and upward reporting rests.

FS must conduct inspections on many of its assets in accordance with standards established by other Federal and state entities, in addition to requirements set forth in the FS Directives system. Descriptions of the evaluation requirements for the various asset categories are included below.

- **Facilities.** For facility assets, the periodic evaluation is performed through a Condition Index Survey. In accordance with Department policy, the Forest Service is working to complete Condition Index Surveys for all facilities every five years.
- **Roads.** As part of the Forest Service Highway Safety Program in accordance with the Federal Highway Administration (FHWA) regulations and guidance, it is the responsibility of the Forest Supervisor to ensure that trained personnel make periodic roadway safety inspections and reports^v. Periodic inspections of FS roads are required on maintenance level 3, 4, and 5 roads every five years.
- **Dams.** In accordance with the Forest Service Handbook and federal requirements, the Forest Service must perform three types of inspections on its dams: 1) special inspections, performed on an ad hoc basis following a specific weather event that may have caused particular damage to the structure of the dam; 2) O&M inspections, with a frequency of one to five years based upon the hazard classification of the dam; and 3) safety inspections, performed by a licensed professional engineer every five years to reevaluate the current hazard classification for any changes.
- **Bridges.** The Forest Service Manual and Handbook outline the inspection procedures, inspector qualifications, and inspection responsibilities and requirements for bridge assets in compliance with applicable Federal and State laws and standards. The Forest Service inspects its bridges on a two-year interval, entering the condition and appraisal rating given to a bridge during the routine inspection into the asset inventory record within INFRA.
- **Water and Wastewater Systems.** FS drinking water systems and wastewater systems are regulated by the Environmental Protection Agency (EPA) or the state and must complete two required evaluations: sanitary surveys, required on a not-to-exceed five year rotation, look at condition of infrastructure, regulatory

requirements, reporting, O&M needs, and other factors; and condition surveys, completed on a five year cycle, review current conditions and document maintenance and improvement needs for upward reporting.

4.4.4 NRCS Periodic Evaluation of Assets

NRCS assets are more than 95 percent leased. NRCS assesses the value of their assets based upon how the asset was acquired. Leases are evaluated against the market based upon a market survey of the area for comparable space type, amenities, etc. for the space being leased. For GSA delegated buildings, the assets are evaluated on a periodic basis for major building systems and daily by the occupants who call with issues or problems. As a fiduciary agent, NRCS performs cyclical evaluations of its real property assets every five years. Owned space is based upon current replacement value.

All states have to maintain the data in CPAIS for all of their leased and owned properties. The on-site inventories of the 25 data elements are to be performed across each State’s asset portfolio according to the following schedule:

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---------------------------------|--------|--------|--------|--------|--------|
| Percent of Facilities to Survey | 10% | 20% | 30% | 30% | 10% |

4.4.5 Non-Landholding Agencies Periodic Evaluation of Assets

For the delegated facilities in the NCR managed by OO, condition assessments are conducted for facilities and are used for near and long-term maintenance planning. The maintenance and operations for these facilities are handled by performance-based contracts. These contracts result in monthly reports on the status of all funding being utilized for the operations and maintenance of the facilities.

Annual updates verify backlog reductions, add any new deficiencies and identify substantive changes to facility conditions since the last update. In addition, they identify the need for immediate repairs and cases where preventive maintenance has not been accomplished on a scheduled basis. Based on the annual assessment, maintenance cost data is updated and replacement and repair costs are revised for budget purposes. Regular maintenance requirements are evaluated, planned, budgeted and executed using condition assessments.

4.5 Operations and Maintenance Plan

USDA operates and maintains its assets at the agency level. USDA relies upon the knowledge and experience of its facility managers in maintaining adequate information necessary for facility operations, maintenance, inspections and budgeting. At most agencies, this information has not been managed through a formal Operations and Maintenance (O&M) Plan.

As part of its overall initiative to improve asset planning processes across the Department, in FY 08 USDA formalized the requirements for O&M Planning for all agencies. with plan

requirements commensurate with the complexity and maintenance level of the asset being managed. Beginning in FY 09, agencies are required to implement an O&M planning process that will result in creation of facility O&M plans. Recognizing the different methodologies currently in use by the landholding agencies, the Departmental requirement is that agency plans must result in consistent data that will be used in formulating capital requirements to feed into the capital plan. The current provisions for O&M planning at the agencies are described in the following subsections.

4.5.1 ARS Operations and Maintenance Plan

ARS has, as one of its initiatives, the establishment of a formal Operations and Maintenance (O&M) plan requirement. An Agency O&M Policy and Procedure (P&P) 242.8, ARS Facility Operations and Maintenance, has been published in August 2009. This P&P requires development of an agency wide facility O&M plans within 3 years from the date of issuance of the P&P. Currently, costs that are associated with the basic operations of the location are planned for, managed, and monitored in the Indirect Research Accounts of each location. Costs for these items, characterized as items needed to “open the doors” of the location (utilities, facility operations, janitorial, communications, administrative support, repair and maintenance, etc.), are distributed across the research program areas housed by the facility.

A facility O&M plan is one of the most cost-effective methods for ensuring reliability, safety, and energy and water efficiency. Inadequate maintenance of energy-using systems is a major cause of system deterioration and energy waste. Energy losses from steam, water, and air leaks, un-insulated lines, maladjusted or inoperable controls, and other losses from poor maintenance are often considerable. Good maintenance practices will prevent pre-mature equipment failure, resulting in a decline of service calls and energy savings. Moreover, improvements to facility maintenance programs can often be accomplished immediately and at a relatively low economical cost. ARS O&M plans will need to address five parts – executive summary of the location, equipment inventory, preventative maintenance requirements, operational requirements, and administration and recordkeeping. Such plans should also identify both critical assets and critical systems.

In order to accurately measure if ARS assets are improving, locations need to capture O&M costs by asset as much as feasible, and enter these costs into CPAIS to meet Federal Real Property Profile reporting requirements.

4.5.2 APHIS Operations and Maintenance Plan

Operation and maintenance of owned program facilities is provided by the program facilities staff. Each Program Manager appoints Program Facility Managers and Program Facility Coordinators, who are responsible for teams that manage the day-to-day maintenance of an owned facility through APHIS staff or contracted services. For leased or GSA assigned properties, the operations and maintenance plans are provided by the landlord or, in the case of net leased facilities, through contracted services.

For specialized, major, or certain capitalized maintenance, the Engineering Services Branch (ESB) provides professional services of an architectural/engineering nature specifically in the

areas of planning, design, construction, utilities, alterations, repairs, and installation of fixed equipment in APHIS owned/leased buildings and facilities. These services enable the team to provide the buildings, utilities, alterations, and repairs needed to support APHIS' various programs and mission.

4.5.3 Forest Service Operations and Maintenance Plan

In accordance with FSH 7309.11, 42.04, it is the responsibility of the facility manager to develop an operations and maintenance plan as part of the maintenance and repair requirements for facilities. As outlined in the Handbook, facility operations and maintenance plans:

- State the purpose of the facility, its operating hours, its special characteristics, and any actions necessary to mitigate serious interruptions in operations.
- Cover groups of similar buildings or whole multi-building facilities, as practicable.
- Refer to complementary facility records and documents to reduce volume of data to the extent practicable.
- Identify the maintenance level of the building(s) and facilities covered in the plan.
- Include specific information for various building and utility systems, components, and equipment such as operation sequence, safety advice, and operation risks, as applicable.
- List building, system, and component maintenance data and recommended inspection, service, and replacement schedules.
- Be specific in identifying treatments of architecturally significant elements to be preserved.
- Explain allowable historic maintenance prescriptions for all listed, eligible, or potentially eligible buildings and include activities that are not acceptable.
- Explain the long-term historic preservation goals of individual buildings, groups of buildings, or entire sites.

Engineering Manual EM-7310-3, "Facilities Maintenance Management--A Framework for Efficient Maintenance of Buildings" specifies the recommended operation and maintenance plan format and development sequence.

4.5.4 NRCS Operations and Maintenance Plan

For its owned assets, NRCS maintains information and planning resources for basic operations and maintenance at the field level. A standardized O&M Plan is being established. At its leased sites nationwide, largely in USDA Service Centers, NRCS provides for basic operations and maintenance through the use of full-service leases that require the lessor to provide asset maintenance in accordance with applicable laws and standards.

4.5.5 Non-Landholding Agencies Operations and Maintenance Plan

The USDA non-landholding agencies operate a broad range of facilities throughout the United States in support of their missions. These facilities are managed through the use of full-service leases whereby the lessor plans for and provides asset maintenance in accordance with National, State, and Local Building Codes, the Life Safety Code, the National Fire Code, Occupational Safety and Health Administration (OSHA) regulations, and EPA regulations.

4.6 Annual Operating Costs Goal and Targets

The USDA goal and targets in support of the Annual Operating Costs performance measure are:

1. Definition: (for property other than leased) consist of the following:
2. Recurring maintenance and repair costs;
3. Utilities (includes plant operation and purchase of energy);
4. Cleaning and/or janitorial costs (includes pest control, refuse collection and disposal to include recycling operations); and
5. Roads/grounds expenses (includes grounds maintenance, landscaping and snow and ice removal from roads, piers and airfields).

4.6.1 Goal for USDA Assets

USDA works to achieve a level of annual operating cost that provides the necessary operations and services to maintain the Department's real property portfolio at a condition index of no less than 90 and ensure annual lease costs do not exceed the area industry standard cost at the time the lease is signed.

4.6.2 Target for Owned Buildings

USDA will track the cost per square foot of annual operating costs in owned buildings. These targets are published and updated in the *USDA Performance Measures, Goals and Targets*.

4.6.3 Target for Owned Structures

USDA tracks the cost to operate an average Developed Recreation Site and Roads and Bridges.

The Recreation program maintains a total of 14,960 recreation sites and has the capacity to serve the recreation needs of more than 331.5 million visitors annually. The recreation infrastructure has a current replacement value of almost \$2.6 billion. The target average annual operating costs for Developed Recreation Sites are published and updated in the *USDA Performance Measures, Goals and Targets*.

Another important asset in USDA is the Roads program which provides the resources necessary for management of the National Forest Road System (NFRS) through maintenance and capital improvements. The NFRS provides motor vehicle access needed to achieve the agency's strategic plan goals and objectives. It also provides the access necessary for management,

public use, and protection of National Forest System (NFS) lands. Virtually all activities on the lands require travel over the road system to destinations where activities take place. Over 90 percent of NFRS use is by recreationists, who annually make over 205 million visits to recreation opportunities accessed by the road system. On November 9, 2005, the final travel management rule was published. Over the next few years, most National Forests will engage the public and governmental agencies in travel planning to identify those roads, trails, and areas to be designated for motor vehicle use.

4.6.4 *Deferred Maintenance Strategy*

USDA does not anticipate that current funding levels will result in a reduction of the aggregate amount of deferred maintenance within the Department. An analysis of funding needs and current funding levels across USDA agencies shows that it is unlikely that USDA will be able to reduce the aggregate amount of deferred maintenance within the Department for three reasons. First, the amount of maintenance and repair funding USDA agencies receive is only 25% to 50% of the amount recommended by the Federal Facilities Council. This significant funding shortfall indicates that deferred maintenance will continue to increase even if all available funding is focused solely on deferred maintenance with no funds going to capital improvement work. Until maintenance and repair funding reaches the industry standard levels recommended by the Federal Facilities Council, required maintenance will not be funded as needed and deferred maintenance will increase as additional maintenance is deferred.

Second, USDA agencies have accumulated a significant backlog of deferred maintenance due to historic underfunding of maintenance and repair work. Reducing this backlog while simultaneously providing preventive maintenance and meeting immediate repair needs is not feasible at current funding levels. Third, USDA's asset portfolio is aged and maintenance and repair needs are likely to increase in future fiscal years as system components (HVAC, roofing, electrical, etc.) reach and exceed their useful life and must be replaced.

However, USDA works to limit the growth of the Department's deferred maintenance backlog in excess of the inflation rate published as the commercial standard for facilities as shown below. USDA prioritizes assets for maintenance funding as one of the six action items in USDA's Deferred Maintenance Strategy.^{vi} This document is found in [Section 8.9](#) of this document.

4.6.5 *Target for Leases*

USDA will decrease the number of operating leases where the average square foot costs exceed the accepted industry average for the respective market area.

The National Capital Region (NCR) Leasing Initiative completed Q1 FY 07 illustrates USDA's commitment to managing inventory at the right cost. USDA recently prepared an analysis of alternatives for replacing several expiring office leases in the NCR. A business case was developed to determine if consolidation was reasonable comparing four alternatives: 1) full consolidation into one building; 2) partial consolidation using two buildings; 3) retrofitting existing sites for better space utilization; and 4) maintaining the status quo. The final analysis recommended full consolidation of staff from seven different locations into a single lease for

approximately 400,940 square feet with a 15-year lease in Q3 or Q4 FY 09, as the best alternative. Occupancy is scheduled for January-February 2011. This option provides the most opportunities for improved space efficiency by 18 percent and offers the greatest potential cost avoidance of nearly \$78 million. A prospectus for this consolidation was approved by the General Services Administration, the Office of Management and Budget, and the House Committee on Public Works, Infrastructure and Transportation.

4.7 Plan for Basic Repair and Alterations Needs

USDA addresses needs for basic repair and alteration of assets at the agency level. Basic repair and alterations projects are designated as such because they do not exceed the prospectus threshold or are deemed as recurring in nature; i.e., cyclic painting or a minor repair of defective building systems. Planning for basic repair and alterations projects begins with an assessment of the condition of the asset. Once the deficiencies or planned work items have been identified, the facilities management discusses and prioritizes the work items for a given asset, considering the following technical criteria:

- Customer urgency
- Physical urgency based on building conditions (asset infrastructure needs, which can include Americans with Disabilities Act (ADA), seismic, asbestos abatement, Heating, Ventilation, and Air Conditioning (HVAC), fire-life health safety, security, roof repairs and elevators)
- Economic justification (in terms of financial return, life-cycle costs, and present value cost)
- Project timing and execution (ability to deliver the project)
- Historical significance and community considerations

The Department's initiatives to standardize asset planning and revisions to the capital planning process through implementation of the Departmental Facilities Master Planning Process (FMP), helps ensure consistency in prioritizing repair and alterations projects across all agencies and ensure that limited funds are applied to the most critical projects.

USDA is employing a phased approach for implementing the FMP process. The first phase will be to use functionality currently in the CPAIS Facilities Master Planning module to enter data for assets with already-completed FMPs. It provides fields to record the types and usages, square footage, cost per square foot, replacement value per square foot, deferred maintenance, condition index, and condition rating of structures within a facility. For each structure, the planning intent (retain, dispose, etc.), the planning action, and date to execute the intent are recorded. This module provides the basic structure for asset business planning within the Department.

The next step is for agencies to complete FMPs utilizing the standardized format contained in the FMP Process document for mission critical assets as they complete cyclical physical inventory and data validation. Following that, agencies will complete FMPs for mission

dependent assets on the basis of a set hierarchy of criteria such as mission importance, type or size. Agencies will determine the schedule and scope for FMPs for the latter set of assets.

The current processes for planning basic repair and alterations projects at the agencies are described in the following subsections.

4.7.1 ARS Plan for Basic Repair and Alterations Needs

For managing repair and maintenance of ARS facilities, the Agency has two appropriated funding sources: 1) an annual appropriation for the Repair and Maintenance of existing facilities and 2) research program funds used for the operation and maintenance of facilities, and the construction of limited, small research facilities to support the individual programs. ARS also utilizes ESPCs and UESCs to fund energy and water efficiency improvement projects.

Building R&M requirements and other deficiencies are identified by the Area Engineers and location facility and program management personnel as well as through facility condition assessments performed by contract Architect-Engineer (A-E) resources. Requirements for each location are then captured and consolidated in the ARS 3-year Capital Projects and Repair Plan (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 updating process scheduled to coincide with the Locations' development of their Annual Resource Management Planning.

ARS has re-evaluating the mission dependency of ARS facilities to determine which assets are currently considered mission critical to ARS. Mission critical assets will be given the highest priority for repair and maintenance funding. In addition, to further prioritize this funding, the remaining performance measures such as utilization rate, condition index, and operating costs of each will be used to analyze and prioritize projects

4.7.2 APHIS Plan for Basic Repair and Alterations Needs

Once APHIS buildings and other structures are evaluated with a FCI as part of the Facility Condition Assessment program, the assessor benchmarks the entire facility, comparing the relative condition of all the structures. This information provides APHIS Facility and Program Managers with information to plan and prioritize maintenance and capital improvement projects. Maintenance related to safety and immediate repair requirements are addressed first, followed by maintenance activities that will slow deterioration that has been identified during the assessment. Maintenance requirements are prioritized and included into the program and Facilities and Building Account budgets.

Prioritized maintenance requirements are funded through two primary sources: program funds and discretionary funds appropriated by Congress and managed by the Engineering Services Branch. Discretionary funds are programmed for basic repair and upgrades of APHIS facilities but are not "fenced" for specific projects or facilities. Due to the number of maintenance requirements and their cost, discretionary funds are normally available for the most critical

maintenance requirements. Program funds are required to support the remainder of required basic maintenance requirements of APHIS facilities.

4.7.3 Forest Service Plan for Basic Repair and Alterations Needs

The Forest Service generally tries to fund critical maintenance before funding long term deferred maintenance. Because current funding is insufficient to meet the current repair and maintenance needs of the FS asset portfolio, priority is placed on repairing or replacing structures or components of structures that do not meet laws and regulations or where critical health and safety issues exist. Through the RS-FMP process, forest recreation sites are ranked on a priority basis to utilize funds based upon need.

Recreation projects are frequently formulated at the Ranger District or Forest level consistent with a completed RS-FMP Program of Work. These sites are subsequently evaluated and prioritized at the Regional level. Because budget constraints focus attention on the alterations and repairs that are of most urgent need, prioritization of projects is relatively simple. Basic repair and alterations is carried out at the field level, where Forest Service personnel apply available funds against selected projects.

4.7.4 NRCS Plan for Basic Repair and Alterations Needs

Most field office properties are full service leases. Repairs are the responsibility of the lessor. Repair requests are handled at the State office level. Typically repair requests are transmitted from NRCS field personnel to the State office real property personnel through a letter or e-mail. The State office real property personnel then notifies lessor of the repair request.

For dedicated NRCS research facilities or Plant Material Centers, funds for basic repair and alterations are requested and received through the annual operating budgets of the facilities. The facility budgets are part of the budgets of the programs that are supported by the facility^{vii}.

4.7.5 Non-Landholding Agencies Plan for Basic Repair and Alterations Needs

Since USDA leased facilities are managed through full-service leases, the lessor is responsible for basic repair and alterations of facilities. The actual performance of repairs is the based upon the terms of the agreement for occupancy.

Funds for projects that are the responsibility of USDA (i.e., the delegated space managed by OO) are allocated based upon the size, age, type, and performance of their portfolio for the work items on their plan.

4.8 Capital and Operating Resource Requirements

The process for requesting and allocating funds associated with capital planning is discussed in greater length in [Section 3](#) of this document. USDA agencies annually develop and submit their operational and capital project budget requests through the agency leadership and the agency budget request. Project requests are accompanied by both initial and recurring cost estimates to understand the life cycle cost impacts.

The Department developed a strategy to address the deferred maintenance backlog. The four land-holding agencies comprised the RPC deferred maintenance working subgroup to develop strategies to focus reinvestment dollars on the performing assets in their portfolios. By focusing real property management efforts on divesting itself of excess assets, USDA continues to move toward an optimized portfolio of leased and owned assets that can cover its operating costs and reinvestment needs.

4.9 Operations and Maintenance Milestones

USDA is continuing to improve its operations and asset management efforts, resulting in a higher performing portfolio. Specific initiatives in support of Department goals include:

| Milestone | Date | Status | Results Achieved |
|--|------------|----------|--|
| Assess agency progress with completing physical inventories and data validation over a five-year cycle | Q1 Each FY | Ongoing | Provides Departmental oversight of the physical inventory and data validation process |
| Develop methodology for prioritizing assets for maintenance | Q1 Each FY | Ongoing | Will allow agencies to allocate scarce resources to its highest priority assets and defend funding allocation and deferred maintenance reduction |
| Assess NCR lease consolidation progress | Q2 Each FY | Ongoing | NCR lease consolidation on track with the established schedule |
| Incorporate the remaining changes necessary to report data in accordance with the 23 required FRPC data elements into CPAIS v1.3 | Q4 FY 06 | Complete | FY 2006 FRPP reflects complete and accurate inventory of USDA constructed assets |
| Complete NCR lease consolidation study | Q1 FY07 | Complete | NCR lease action submitted to GSA for implementation through prospectus process and reflects significant cost avoidance for consolidated NRC lease actions |
| Incorporate disposition data element number 24 and sub elements into CPAIS database | Q2 FY 07 | Complete | Updates CPAIS to accurately collect all 25 data elements as required by the FRPC |
| Finalize development of USDA strategy for reducing backlog of deferred maintenance | Q3 FY 07 | Complete | Determines a basis for either reducing or avoiding an increase of deferred maintenance to the overall portfolio and formalizes an organizational approach to managing and budgeting for deferred maintenance |
| Finalize real estate market surveys for six designated locations illustrating current market conditions | Q4 FY07 | Complete | Provides a beginning baseline for comparative analysis of current and future lease actions |
| Establish a Data Validation | Q4 FY 07 | Complete | Results in an accurate and |

| Milestone | Date | Status | Results Achieved |
|---|----------|----------|--|
| Protocol tied to the five-year physical inventory process to ensure reliable and accurate inventory and performance measure data for submission to the annual FRPP report | | | complete FRPP. Provides a tool to maintain accuracy of USDA inventory data for each annual FRPP report |
| Incorporate query tool into CPAIS to allow agencies to review and run reports against the database | Q1 FY 08 | Complete | Provides user-friendly mechanism to extract specific data from CPAIS to determine accuracy and completeness of data and provides management tools for use in day-to-day management of real property assets |
| Develop process and requirements for establishing O&M Plans commensurate with the maintenance level required for the asset being managed | Q2 FY 08 | Complete | Provides a critical benchmarking component to manage assets to optimal utilization, improve effectiveness and efficiency, and promote strategic operational decisions |
| Dates entered into CPAIS for assets that will be physically inventoried and data validated in FY 08 | Q3 FY 08 | Ongoing | Agencies will begin implementation of their five-year physical inventory and data validation cycle |
| Publish an addendum to the Leasing Manual that contains best practices to assist agencies in structuring future lease solicitations | Q4 FY08 | Complete | Agencies applying lessons learned and best practices accepted in performing a comparative analysis of current and future lease actions |
| Employ the O&M Plans in developing of agency budget exhibits | Q2 FY 09 | Complete | Provides standardized Department-wide categories in budget preparation |
| Consolidate multiple NCR leases | Q4 FY09 | Complete | Results in a reduction of multiple leases in multiple facilities and improves utilization and condition index along with lowering overall cost of leased facilities in the NCR |
| Develop methodology for tying future financial system operating and maintenance cost data to the constructed asset level and feeding to CPAIS | Q4 FY 10 | Ongoing | Provides mechanism in USDA's financial corporate system to collect and feed accurate operations and maintenance costs to each USDA constructed asset |

Table 4: Operations & Maintenance Milestones

Additionally, at the time of publication, USDA reported repair and alterations projects as part of its three-year rolling timeline of initiatives.

4.10 Infrastructure Projects

Operations & Maintenance

Total Number of Projects

| Agency | FY | | | Grand Total |
|--------------------|------|-----------|------|-------------|
| | 2008 | 2009 | 2010 | |
| ARS | | 22 | | 22 |
| Grand Total | | 22 | | 22 |

Total Amount Estimated/Budgeted (\$000)

| Agency | FY | | | Grand Total |
|--------------------|------|-------------|------|-------------|
| | 2008 | 2009 | 2010 | |
| ARS | | \$35 | | \$35 |
| Grand Total | | \$35 | | \$35 |

Total Cost Avoidance (\$000)

| Agency | FY | | | Grand Total |
|--------------------|------|----------------|------|----------------|
| | 2008 | 2009 | 2010 | |
| ARS | | \$1,981 | | \$1,981 |
| Grand Total | | \$1,981 | | \$1,981 |

ⁱ From <http://www.usda.gov/da/pmd/>

ⁱⁱ From USDA Corporate Property Automated Information System (CPAIS) Functional Requirements Analysis, version 1.0, June 13, 2003

ⁱⁱⁱ From CPAIS Chapter 3 Real Property Design Guide, May 5, 2004

^{iv} From CPAIS Chapter 3 Real Property Design Guide, May 5, 2004

^v FSM 7730.04c, item 6.

^{vi} USDA Deferred Maintenance Strategy Document, 03/09/2007

^{vii} From interviews with NRCS NHQ and State personnel

Section 5 Disposal of Excess Real Property

Disposal is a fundamental process employed in rightsizing the Department's asset portfolio. USDA has identified divestment of excess assets as one of its areas of real property management focus. USDA agencies employ evaluation of changing program requirements, asset performance, and facility condition that can lead to the decision that an asset is no longer needed in the USDA asset portfolio and should be disposed of. Disposal actions include removing the asset from service, reassignment to another program need, transitioning to a replacement if required, and final removal from the agency's property inventory. Disposal of complex assets or systems may involve a multi-year process requiring significant effort and funding to execute. Land and property specialists, hazardous material experts, archeologists, facility management specialists, line officers, and legal counsel may be involved with property disposal to ensure that actions conform to all applicable laws and policies.

5.1 Disposal and Rightsizing Goals and Targets

USDA has two performance measure goals and targets in support of this rightsizing effort. They are as follows:

5.1.1 Utilization Index

The Utilization Index is defined as the state of having been made use of, i.e., the rate of utilization. Utilization for each of the five Building Predominant Use categories, in accordance with the GSA data dictionary, is defined as follows:

- Offices - ratio of occupancy to current design capacity
- Hospitals – ratio of occupancy to current design capacity
- Warehouses – ratio of gross square feet occupied to current design capacity
- Laboratories – ratio of active units to current design capacity
- Housing – percent of individual units that are occupied.

The goal of utilization is to continue to improve the average utilization of the USDA portfolio. The utilization target is to reduce the number of under-utilized and not-utilized assets in the inventory by percentages as developed from baselines established in Q2 FY 07.

5.1.2 Mission Dependency

Mission Dependency is the value an asset brings to the performance of the mission as determined by the governing agency in one of the following categories:

- Mission Critical – without constructed asset or parcel of land, mission is compromised;

- Mission Dependent, Not Critical – does not fit into Mission Critical or Not Mission Dependent categories;
- Not Mission Dependent – mission unaffected.

The Department's goal of Mission Dependency is to reduce the number of not mission dependent assets in an effort to right-size the real property portfolio. The target is to dispose of not-mission dependent facilities by the numbers listed in the *USDA Performance Measures, Goals and Targets*.

Disposing of unneeded assets will eliminate deferred maintenance as also shown in the *USDA Performance Measures, Goals and Targets*.

5.2 FRPP Performance Tool Utilization

USDA utilizes the Federal Real Property Profile Performance Assessment Tool (FRPP-PA) to segment all facilities and assets within the six levels based on the disposition decision tree as depicted below. This disposition decision tree will be followed by a discussion of each step of the process that must be completed to categorize USDA assets within the six categories. It is critically important to ensure that all four performance measures are captured properly for each asset, as well as to ensure the status code (Active, Inactive, or Excess) is correct to get a true reflection of where each facility will fall in the six categories.

5.3 Disposition Decision Tree

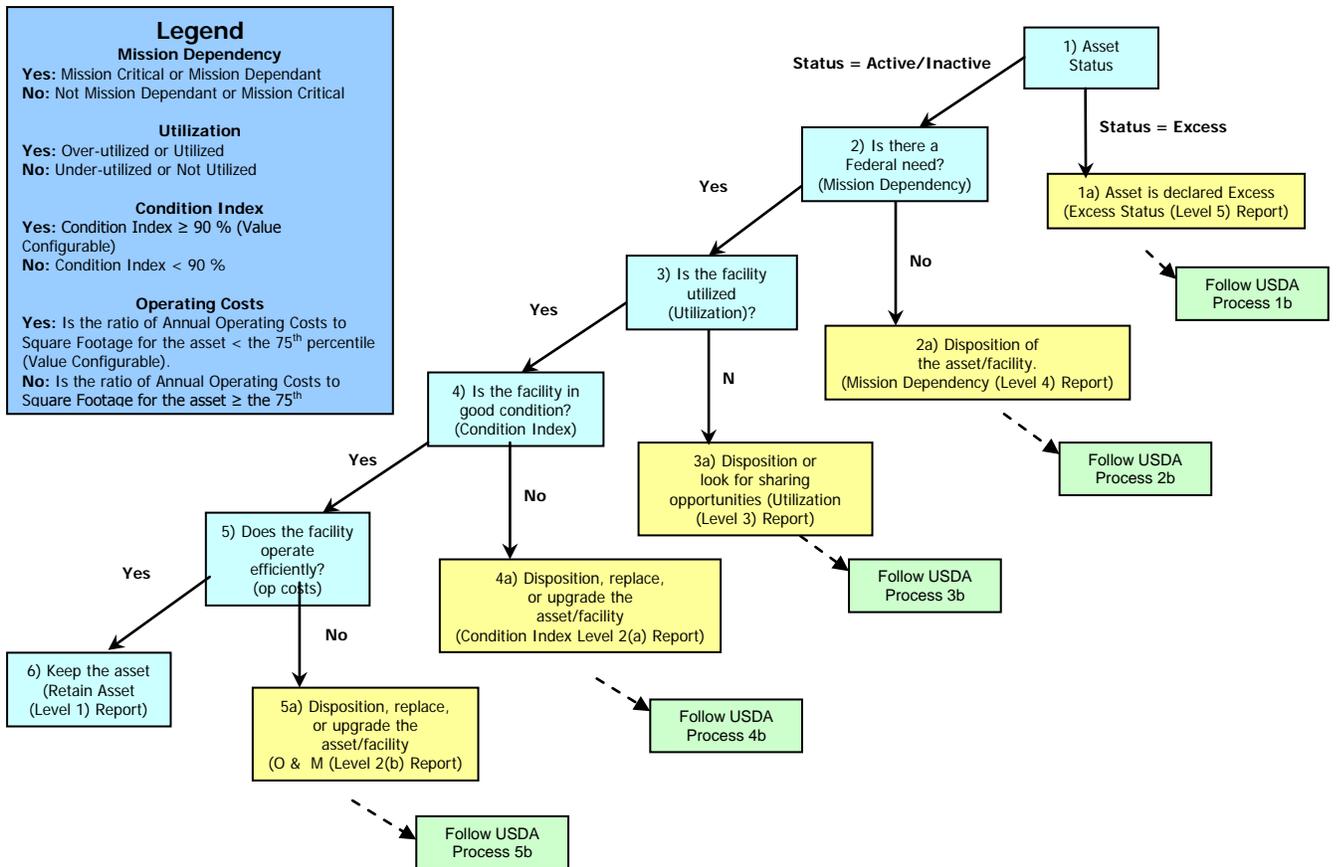


Figure 8: Disposition Decision Tree

The following section explains the steps of the disposition process in detail as they relate to each of the categories outlined on the disposition algorithm tree. For each general step, guidance is outlined as to procedures to follow. These general steps are then followed by specific instructions for USDA assets. For assets/properties that have fallen in categories 1a or 2a it will be imperative that each agency take a critical look at the asset. If an agency decides against disposing of an asset, the agency must provide appropriate justification for retaining the asset and list what steps will be taken to improve the performance measures of each asset. See the third series of boxes on the on the Decision Tree and follow the procedures outlined below for actions that must be undertaken.

- **Box 1 - Determine asset status.** If the asset is declared Excess, proceed to Box 1a and the process ends for this asset. If the status is declared Active or Inactive, proceed to Box 2 and determine if there is a Federal need for this asset based on Mission Dependency.

USDA Guidance: 1b) For properties that fall into the Excess Status (Level 5) report, follow the normal departmental internal screen process within 60 days of the results of the report. If it is

determined that there are no USDA agencies interested in the property, then declare the property excess to the Department and process the appropriate paperwork to submit the property to GSA for disposal by the end of the Fiscal Year (see AMP Section 5; FMR 102-75.115; AGPMR 110-75.115-5020 to 5045).

- Box 2 - If no and the Mission Dependency is determined to be Not Mission Dependent, then proceed to Box 2a to ascertain if the asset or facility is still needed. If the Mission Dependency is Mission Critical or Mission Dependent, then proceed to Box 3.

USDA Guidance: 2b) For properties that fall into the Mission Dependency (Level 4) report, if the property is determined to be “Not Mission Dependent” and the agency has no further use for the property, then follow the excess procedures outlined in **1b** above. However, if the agency determines that the 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

For the next three steps (Boxes 3-5), 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.

- Box 3 - To determine how the facility/asset falls in terms of Utilization, ask the question “Is the facility utilized?” If the response is no, and the facility is determined to be under-utilized or not utilized, then a determination as to disposition or to look for sharing opportunities must be undertaken (Box 3a). If the response is yes and the facility or over-utilized or utilized, then proceed to Box 4.

USDA Guidance: 3b) If there is no USDA need identified, submit the space to GSA for screening other Federal agency interest for sharing opportunities (see 1b). For properties that fall into the Utilization (Level 3) report, if the property is determined to be “not utilized” or “under-utilized,” but program requirements preclude sharing with other agencies, a justification for continuing to retain the asset must be provided to OPPM stating reasons and rationale as part of the fourth quarter submission of underperforming assets.

- Box 4 - To determine how the facility falls in terms of Condition Index, ask the question “Is the facility in good condition?” If the response is no and the Condition Index is < 90%, then a determination as to disposition, replacement, or upgrade of the facility must be undertaken (Box 4a). If the response is yes and the facility is > 90%, proceed to Box 5.

USDA Guidance: 4b) For properties that fall into the Condition Index (Level 2a) report, if the property is planned for disposal, outline the disposition timeframe (see 1b). If retaining, submit as part of the fourth quarter submission of underperforming assets.

- Box 5 - To determine how the facility falls in terms of operational efficiency, ask the question “Does the facility operate efficiently?” If no and the ratio of Annual Operating Costs to the Square Footage of the facility is > the 75th percentile, then a determination as to the disposition, replacement or upgrade of the facility must be undertaken (Box 5a). If the response is yes and the ratio of Annual Operating Costs to Square Footage is < the 75th percentile, proceed to Box 6.

USDA Guidance: 5b) For properties that fall into the Annual Operating Costs (Level 2b) report, if the operating and maintenance (O&M) costs of the asset exceeds USDA’s annual operating cost target and is to be retained, the agency must submit as part of the fourth quarter submission of underperforming assets.

This is the final categorization or segment of the disposition process resulting in retention of the asset.

PLEASE NOTE: Box 3 is applicable only for buildings with predominant use of: Office, Hospitals, Warehouses, Labs, and Housing.

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.

5.4 Tools to Support Decision Making

Decisions to dispose of real property assets are made within USDA at the agency level. USDA agencies utilize a number of planning tools and performance measures to identify assets for disposal. These agency tools are outlined in Section 5.4.1.

As part of its capital planning process as described in greater detail in [Section 2.5](#), USDA adopted the FRPC disposal decision tree and common criteria across all agencies for identifying assets for disposal. The FRPC disposal decision tree utilizes the First Tier Performance Measures in determining whether an asset fulfills a mission need and is performing efficiently, and USDA further refined its use to include USDA-specific guidance in Section 5.3. .

5.4.1 ARS Tools to Support Decision Making

ARS projects its building modernization requirements at the location level through the 3-Year CPRP Plan to reflect out year disposal action projections at each location. Using this document, the Area Offices can identify specific buildings to be removed from the inventory, including associated costs and disposal timetables. ARS has already identified disposal actions for FY 09, FY 10, and FY 11. The 3-Year CPRP Plan will be updated on an annual basis.

ARS tracks actual disposal actions as they occur in CPAIS. Disposal data is maintained by each Area Office. Headquarters can generate reports from CPAIS to fulfill annual Congressional reporting requirements on disposal activities. 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.

5.4.2 APHIS Tools to Support Decision Making

The primary tool that APHIS uses to identify owned assets for disposal is the periodic Utilization Survey performed by the Realty Team. In support of disposal decisions, APHIS Utilization Surveys achieve the following objectives:

- Document the type and level of utilization of each building and building component
- Document the purpose and criticality of the facility to the mission of APHIS and the specific program(s) supported
- If other needs for the facility are identified, to determine whether continuation of the current use or putting it to another use is in the best interest of APHIS or other Government programs

5.4.3 Forest Service Tools to Support Decision Making

The following tools are used to support disposal process decision making¹:

Facility Master Plan. This planning document, upon approval, identifies assets that are deemed no longer viable and that should be disposed.

Preliminary Project Analysis. This document identifies the most cost effective method to achieve the designated disposition for an individual asset. This analyzes all the issues of the asset decommission and recommends whether to keep, exchange, sell or dispose of the asset.

Project Financing and Funding Requirements. These requirements are documented in advance of a conveyance project approval to identify the estimated conveyance proceeds, the funds needed for construction, the funds required to process the sale or acquire any land, the funds to perform project design and/or construction, site cleanup costs, as well as who is providing and receiving funds.

Administrative Site Conveyance Implementation Schedule. This is a schedule for the conveyance of an administrative site through competitive or direct sale detailing; assignment of

¹ H.R. 2217-58

responsibility for task and associated costs; title/acreage/legal description verification, implementation strategy; National Environmental Policy Act Program (NEPA), Hazmat or National Historic Preservation Act (NHPA) concerns or issues; appraisal, bid invitation publication, auction, bid/sale processing, proceed collection and deed issuance timeframes; and minimum and maximum number of months required to finalize conveyance.

Schedule for Construction/Acquisition – A schedule detailing master plan approval, PPA (including A-94), Secretary approval if over \$250,000, NEPA compliance, land acquisition, design completion, construction contract bid publication, construction contract award, construction commencement and construction completion.

Maps and Pictures – Site maps showing each parcel and its associated buildings, as well as larger scale maps showing the parcels in relation to the forest. Pictures of each structure to be conveyed should also accompany any disposal project proposal.

5.4.4 NRCS Tools to Support Decision Making

For its owned assets, NRCS bases the decision to dispose of an asset upon the ability of the asset to support mission and research requirements. NRCS considers if the sites are providing long term applied research (7-10 year intervals). An example of this is the relocation of one of its plant material centers from Quicksand, Kentucky to Alderson, West Virginia because the site in Kentucky was flooding and the integrity of soil structure could not be maintained. Climatic conditions were different between the two locations and dictated the types of vegetation that could be grown.

NRCS is implementing USDA's decision making initiatives for disposals by:

- Developing tools for forecasting maintenance needs
- Developing an infrastructure across supporting state organizations
- Developing better energy cost monitoring infrastructure

5.4.5 Non-Landholding Agencies Tools to Support Decision Making

Upon notice of expiration of the GSA Occupancy Agreement or USDA lease, all Non-Landholding Agencies review the following factors in determining whether or not to extend the agreement/lease, or advertise for a new lease:

- Current and long range mission needs
- Community considerations and local planning objectives
- Stewardship issues such as historic preservation, and national policy (e.g., E.O.s 12072 and 13006)
- Collocation with another USDA agency
- Available alternative housing solutions

- Costs associated with retaining and operating specific buildings (using performance and building inventory data) versus relocating clients, acquiring new space, and disposing of the assets

Several agencies including ARS, OO and others, have developed standard practices in developing and reviewing the alternatives through the evaluation of financial factors determined from the cost of relocation of employees (such as in the case of the George Washington Carver Center consolidation), to the reduction of the overall utilization factors resulting from the consolidation of seven leases into a single facility (such as in the Strategic Space Planning Project-NCR).

5.5 Disposal Process

Real property identified as excess to agency requirements must be disposed of in the most economical manner consistent with the best interests of the Government. GSA is responsible for assisting all executive agencies in the screening and disposition of real property assets.

The identification and utilization of excess real and related property is prescribed in FMR 41 CFR Part 102-75. All agencies are directed to maintain their real property inventories at the minimum level needed for mission accomplishment and to promptly report to GSA property identified as excess. Because USDA has limited authority to handle disposals, most of the real property controlled by USDA must be disposed of through GSA.

Figure 10 illustrates the major steps in the USDA disposal process.

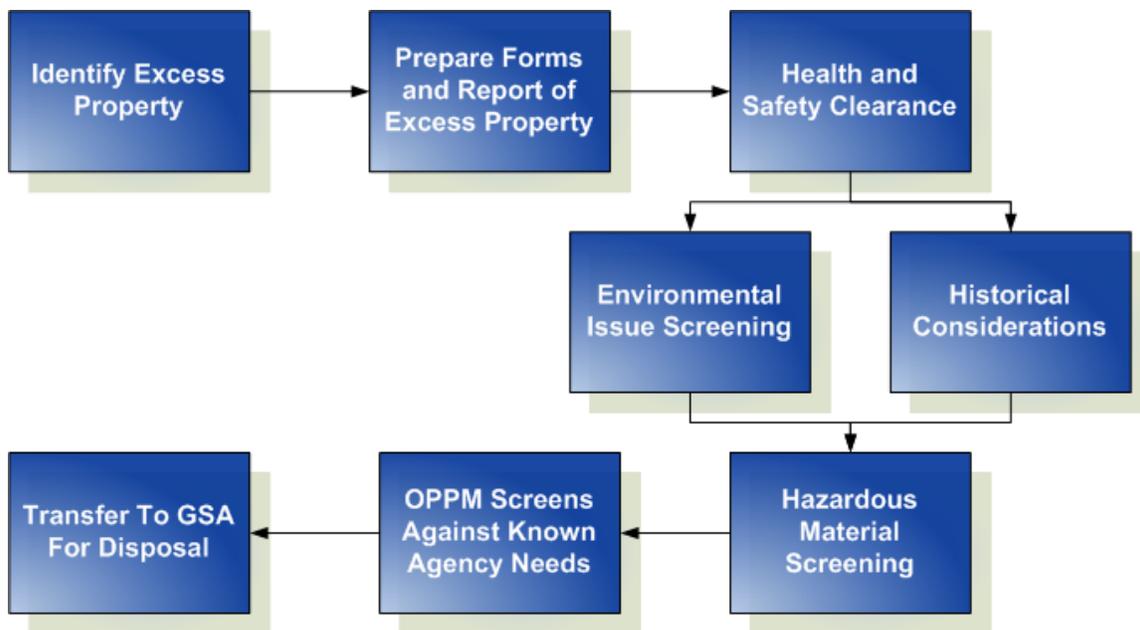


Figure 9: USDA Disposal Process

Identify Excess Property - The real property personnel determine that buildings, structures, and related personal property are excess to the agency when screening reveals no other need for the property.

Prepare Forms and Report of Excess Property - For buildings, structures, and related personal property, which have total estimated Fair Market Value (FMV), including all components of the property, in excess of \$50,000, clearance and approval is obtained from the Regional GSA office.

Health and Safety Clearance - 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.

Historical Considerations - Disposal of excess buildings or structures listed on the National Register of Historic Places are first cleared through the State Historic Preservation Officer (SHPO).

Environmental Issue Screening - 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.

Hazardous Materials Screening - 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, lead paint, asbestos, Polychlorinated Biphenyls etc.) are also reported, as are the existence of any underground storage tanks. OPPM requires the concurrence of the Environmental Management Division prior to disposing of property on behalf of the Department to ensure any known hazards have been corrected.

Screen Against Known Agency Needs - It is noted whether or not the property has been screened against the known needs of the holding agency. OPPM screens the property for use by other USDA agencies.

Transfer To GSA For Disposal - If another USDA agency does not have a need for the property, OPPM files a Report of Excess (ROE) with the appropriate GSA Regional Office for disposition. Once the package is under GSA's control they proceed with the standard disposal process. The landholding agency is responsible for custody and accountability until property is transferred.²

5.5.1 Specific Forest Service Legislative Authorities

One of the most specific disposal processes utilized within USDA is legislative authority for the Forest Service to convey property directly. In 2002, House Resolution (H.R.) 2217-58, section 329 granted the Forest Service legislative authority to sell up to ten pilot project sites per year deemed to be excess assets and use the proceeds for deferred maintenance or Capital Improvement Projects. Subsequent revisions to the legislation in FY 03, FY 04, and FY 05 added an additional ten sites each year, for a total of 40 authorized sites to be conveyed by September 2008.

² From [USDA Real Property Business Workflow](#), June 1, 2004

Additional nationwide legislative authority to sell excess capital assets and use the proceeds for capital asset acquisition or deferred maintenance was signed into law (P.L. 109-54³) on August 2, 2005 as Title V, Forest Service Facility Realignment and Enhancement Act (FSFREA) of 2005 of the FY2006 Appropriations for the Department of the Interior, Environment, and Related Agencies. The conveyance authority can only be used for certain types of administrative sites. This legislation is important for the FS as it provides useful tools for reducing the FS administrative site maintenance backlog and improves the ability to realign facilities to meet the needs of today's FS workforce and mission.

Projects identified for conveyance include sites with the following characteristics:

- Identified in Facility Master Plan for decommissioning
- Result in the conveyance of an entire site or combinations of sites/buildings
- Will result in a significant decrease in deferred maintenance
- Limited potential for disruption of employee productivity or customer service
- Property can be conveyed with minimum restrictions or reservations
- Project has support of local community and elected officials
- Conveyance will result in a significant positive net return of proceeds after expenses
- Property is not needed for resource protection, recreational or future administrative purposes

To exercise the conveyance authority granted by Congress to the Forest Service, the agency complies with the conveyance notice requirements to the required Congressional committees that includes a list of anticipated conveyances, a discussion of intended purposes of any new revenue, a presentation of accomplishments from the previous year, and a yearly report on description of all conveyances completed. The Forest Service may initiate conveyances under its conveyance authority through September 30, 2008. The proceeds derived from conveyance will remain in the region or station in which the sale occurs. The authority permits the use of proceeds to pay for costs associated with the conveyance and to perform preparatory work for subsequent conveyances.

The Forest Service follows the asset screening process required under the Code of Federal Regulations (CFR) Chapter 102 FMR, Part 102.75 – Real Property Disposal, as amended by the AGPMR. The agency has also established standards in screening real property assets with regard to their operating condition. The criteria for site screening are outlined below:

- **Overall site readiness:** Determine if the Facility Master Plan is complete; determine if the National Environmental Policy Act Program (NEPA) decision supporting the action is complete; determine if regional funds and staff are available to process the conveyance; and determine if the Civil Rights Impact Analysis (CRIA) is complete.

³ [Title V, Forest Service Facility Enhancement and Realignment Act of 2005](#)

- **The level of support from elected officials for site conveyance:** Determine the level of support from Federal, State, and local elected officials; and document any contacts, whether by phone or face-to-face.
- **Funds:** Provide an estimate of funds generated from the assets sold.
- **Impacts of site conveyance to local communities:** Understand the interests and concerns of Federal, State, and local agencies, and local community groups; and understand the benefits to the local community.
- **Site conveyance impact on heritage:** Verify the completion of the historic evaluation with determination of ineligibility or approved mitigation with the State Preservation Office (SHPO) clearance; and disposal of the property is in compliance with Section 106 of the NHPA.
- **Benefits to the Agency:** Report the reduction in deferred maintenance resulting from the conveyance; the amount of Gross Square Footage (GSF) removed from the building inventory; describe any hazards or liabilities that have been mitigated; and describe partnership opportunities created.
- **Construction Projects:** If proceeds from the conveyance will be used for construction, provide estimated construction cost; the purpose of the construction; and whether the project can be wholly funded with conveyance proceeds or if appropriated CMFC dollars are required. Also indicate the amount of appropriated CMFC dollars needed, if applicable.

The process for formulating multiyear conveyance projects follows the following guidance:

- **Target Conveyance Proceeds Amount.** Each Region and Research should strive to achieve a minimum of \$2 million to \$4 million estimated conveyance proceeds for each of the FY 06, FY 07, and FY 08.
- **Considerations for Construction Proceeds.** Projects on the FY 07 and subsequent major project lists (list of projects over \$250,000) can be funded wholly or in part with conveyance proceeds. Region/Station/Administrative Site should coordinate development of the conveyance project list and major project list for FY 07 and out-years to identify those projects funded by conveyance proceeds that will require appropriated funds for completion.
- **Considerations for Maintenance Proceeds.** The Forest Service will report how proceeds will be used to perform maintenance to Congress including the administrative unit(s) the funds will be used on and the type of maintenance work to be performed.
- **Disposal of Buildings with No Conveyance Value.** Conveyance proceeds can be used to dispose of excess buildings to eliminate deferred maintenance. Many of these buildings will be obsolete and not have any conveyance value. Buildings that exert a continuing demand for maintenance funds, which have a high dollar value of

deferred maintenance, and that present an inappropriate image to the public should be priorities for disposal.

5.6 Disposal Initiatives FY 2008-20010

USDA has taken a strategic approach to future disposal activity to focus inventory right-sizing efforts where there is the greatest potential to affect measurable change to the USDA asset inventory. The disposal initiatives are updated by agencies the third quarter of every year. A key example of this is the Forest Service Facility Realignment and Enhancement program. The Forest Service owns the largest asset portfolio within USDA, a portfolio that has been acquired over the course of its over 100-year history to meet the mission needs and goals of the agency throughout the decades. Attaining conveyance authority through Title V, Forest Service Facility Realignment and Enhancement Act of 2005 represents an immense step forward for the agency to convey assets that are no longer needed and retain the proceeds to enhance and better maintain facilities that align with the current Strategic Plan and mission.

Through the Facilities Master Planning process, the Forest Service has analyzed the viability of its entire facility portfolio and identified sites or buildings to be decommissioned and/or disposed of. Through the use of its legislated conveyance authority, the Forest Service will be able to affect significant change to the overall USDA asset portfolio, resulting in a considerable reduction in deferred maintenance backlog, a substantial concern for the agency.

The FS facility planning continues to be completed in accordance with the USDA FS Manual EM-73 10-4 Facilities Planning. Two keynote elements of the planning process are the Facility Master Plan (FMP) and the Preliminary Project Analysis (PPA) processes. These two processes help bring development of real property assets into alignment with mission goals and objectives by examining the feasibility and cost-effectiveness of a particular asset. The FMP module, which is located in the FS Infrastructure database (Infra), is fully cross-walked with the FRPP reporting requirement, and the real property disposal module that was developed by the FS for use by all of USDA.

At the time of publication, USDA reported the following disposal projects as part of its three-year rolling timeline of initiatives. USDA will continue to populate disposal projects in its three-year rolling timeline for periodic reporting to OMB. Other specific disposal initiatives in support of Department goals include:

| Milestone | Date | Status | Results Achieved |
|---|------------|----------|--|
| Report quarterly progress toward meeting USDA and Federal Government's disposal targets | Quarterly | Ongoing | Progress shows that agencies actively pursuing disposal of assets no longer needed for program delivery |
| Identify specific FY disposal actions | Q1 Each FY | Ongoing | Provides accurate list of USDA FY 09 disposal actions to OMB as part of right-sizing the USDA inventory |
| Confirm assets disposed of in previous FY | Q2 Each FY | Ongoing | Provides a list of confirmed assets that exited the USDA inventory in FY 09 |
| Establish USDA disposition targets for next FY (number and value of constructed assets) | Q4 Each FY | Ongoing | Provides a structured process for identifying assets subject to disposition and a consolidated listing of proposed dispositions of USDA assets in compliance with OMB deliverables. Continues the process of right-sizing the inventory divesting the Department of underutilized assets |
| Develop and Issue USDA guidance for applying the disposition algorithm to the inventory | Q4 FY 06 | Complete | Provides for utilization of all performance measures to measure progress and demonstrate quantifiable results toward right-sizing of USDA's real property portfolio |
| Submit a report to Congress of FY06 conveyances under the Facility Realignment and Enhancement Act of 2005 | Q1 FY 07 | Complete | Provides documentation of all FY 06 FS conveyances to Congress as required by the Facility Realignment and Enhancement Act of 2005. Reflects FS actions to right-size their inventory |
| Submit a list of proposed conveyance projects for FY08 under the Facility Realignment and Enhancement Act of 2005 | Q2 FY 07 | Complete | Provides documentation of all proposed FS FY 08 conveyance projects to Congress as required by the Facility Realignment and Enhancement Act of 2005. Reflects FS actions to right-size its inventory |
| Ensure agencies employ the disposition guidance and targets in updating the Three-Year Rolling Timeline and in determining assets suitable for disposal | Q3 FY 08 | Ongoing | Establishes and provides a standardized tool by which to determine which assets should be disposed of and provides mechanism to measure progress and demonstrate quantifiable results towards right-sizing USDA's portfolio |
| USDA participation in OMB pilot demonstration project | N/A | Ongoing | Provides evidence of USDA's commitment to dispose of unused or under-utilized properties and right-size and reinvest in its portfolio. |

Table 5: Disposal Milestones

5.7 Infrastructure Projects

Mission Dependency

Total Number of Projects

| Agency | FY | | | Grand Total |
|--------------------|------------|------------|------------|-------------|
| | 2008 | 2009 | 2010 | |
| ARS | 62 | 41 | 36 | 139 |
| FS | 166 | 388 | 506 | 1060 |
| Grand Total | 228 | 429 | 542 | 1199 |

Total Amount Estimated/Budgeted (\$000)

| Agency | FY | | | Grand Total |
|--------------------|----------------|----------------|----------------|-----------------|
| | 2008 | 2009 | 2010 | |
| ARS | \$390 | \$20 | \$35 | \$444 |
| FS | \$1,152 | \$3,209 | \$5,472 | \$9,832 |
| Grand Total | \$1,542 | \$3,228 | \$5,507 | \$10,277 |

Total Cost Avoidance (\$000)

| Agency | FY | | | Grand Total |
|--------------------|----------------|-----------------|-----------------|-----------------|
| | 2008 | 2009 | 2010 | |
| ARS | \$1,646 | \$296 | \$12,321 | \$14,263 |
| FS | \$4,077 | \$12,399 | \$10,790 | \$27,267 |
| Grand Total | \$5,723 | \$12,695 | \$23,111 | \$41,529 |

Utilization Index

Total Number of Projects

| Agency | FY | | | Grand Total |
|--------------------|-----------|----------|------|-------------|
| | 2008 | 2009 | 2010 | |
| AMS | | 1 | | 1 |
| APHIS | 1 | 2 | | 3 |
| FSIS | 1 | 2 | | 3 |
| GIPSA | 1 | 1 | | 2 |
| NAD | 1 | | | 1 |
| NRCS | 3 | 1 | | 4 |
| OO | 1 | 1 | | 2 |
| RD | 1 | | | 1 |
| ARS | 20 | 1 | | 21 |
| Grand Total | 29 | 9 | | 38 |

Total Amount Estimated/Budgeted (\$000)

| Agency | FY | | | Grand Total |
|--------------------|--------------|--------------|------|----------------|
| | 2008 | 2009 | 2010 | |
| AMS | | \$4 | | \$4 |
| APHIS | \$55 | \$467 | | \$522 |
| FSIS | \$10 | \$15 | | \$24 |
| GIPSA | | \$82 | | \$82 |
| NAD | \$15 | | | \$15 |
| NRCS | \$0 | \$0 | | \$0 |
| OO | \$1 | \$1 | | \$3 |
| RD | | | | |
| ARS | \$916 | \$215 | | \$1,131 |
| Grand Total | \$997 | \$784 | | \$1,781 |

Total Cost Avoidance (\$000)

| Agency | FY | | | Grand Total |
|--------------------|--------------|-------------|------|--------------|
| | 2008 | 2009 | 2010 | |
| AMS | | | | |
| APHIS | | | | |
| FSIS | | | | |
| GIPSA | \$387 | | | \$387 |
| NAD | | | | |
| NRCS | \$3 | \$0 | | \$3 |
| OO | \$1 | \$0 | | \$2 |
| RD | | | | |
| ARS | \$16 | \$13 | | \$29 |
| Grand Total | \$407 | \$14 | | \$420 |

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Section 6 Performance Measures and Continuous Monitoring

USDA has implemented the FRPC First Tier Performance Measures and has established the real property infrastructure to implement new performance measures and establish baseline targets as they are introduced. Utilization of these performance measures in decision making and monitoring of performance results forms the foundation to enable the Department to drive change resulting in the rightsizing of the USDA inventory (improved condition, operation within cost targets, and disposal of excess assets). The AMP has already discussed performance measures specific to operating costs and disposal of excess assets. This section focuses on improving the condition of facilities determined to be mission critical, as well as other on-going and continuous program activities.

6.1 Condition Index Goals and Targets

A common, Department-wide methodology to calculate and use performance measure data complements the Department's approach to budgeting wherein asset decisions are aligned with USDA's strategic goals and objectives. This approach also elevates awareness of our assets and facilitates monitoring asset performance through the entire life-cycle of an asset. The Department's initiatives will support standardizing the tracking and reporting of performance measures so that the agencies can improve their prioritization and effectiveness processes. For example, the Condition Index (CI) and Plant Replacement Value (PRV) calculations will provide key information in USDA's capital investment decisions as well as the prioritization of deferred maintenance funding. The Utilization Index will assist the Department in collocation decisions.

6.1.1 Definitions for Performance Measures

Utilization Definition: The condition index (CI) is a general measure of the constructed asset's condition at a specific point in time. CI is calculated as the ratio of Repair Needs to Plant Replacement Value (PRV). The formula is: $CI = (1 - \text{\$repair needs}/\text{\$PRV}) \times 100$.

Repair Needs: The amount necessary to ensure that a constructed asset is restored to a condition substantially equivalent to the originally intended and designed capacity, efficiency or capability.

Plant Replacement Value: (or functional replacement value) The cost of replacing an existing asset at today's standards.

6.1.2 Goal and Targets in Support of Performance Measures

The USDA goal and target in support of this performance measure is:

GOAL: USDA will increase the CI of its real property portfolio.

TARGET 1: USDA will increase the average CI of its overall portfolio of assets and track them by target year as listed in the *USDA Performance Measures, Goals and Targets*.

TARGET 2: USDA will focus on increasing the CI of its buildings determined to be critical to performing the essential functions of an agency in its delivery of designated programs to the American public. These buildings identified as mission critical will be brought to an average CI of ≥ 95 (based on the PA tool model) by FY 11.

USDA will establish specific targets and track them by target year as shown in the *USDA Performance Measures, Goals and Targets*

6.1.3 Annual Operating Costs

Definition: (for property other than leased) consist of the following:

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

GOAL for USDA Assets: USDA will work to achieve a level of annual operating cost that provides the necessary operations and services to maintain the Department's real property portfolio at a condition index of no less than 90 and ensure annual leased asset costs do not exceed the area industry standard cost at the time the lease is signed.

TARGET for Owned Buildings: USDA will track the cost per square foot of annual operating costs in owned buildings.

TARGET for Owned Structures: USDA will track the cost to operate an average Developed Recreation Site and Roads and Bridges.

TARGET for DM: USDA will work to limit the growth of the Department's deferred maintenance backlog in excess of the inflation rate published as the commercial standard for facilities as shown in the USDA Performance measures, Goals and Targets.

TARGET for Leases: USDA will decrease the number of operating leases where the average square foot cost exceeds the accepted industry average for the respective market area:

6.1.4 Utilization

Definition: The state of having been made use of, i.e., the rate of utilization.

Utilization rate for each of the five Building Predominant Use categories is defined as follows:

- Offices - ratio of occupancy to current design capacity
- Hospitals – ratio of occupancy to current design capacity
- Warehouses – ratio of gross square feet occupied to current design capacity
- Laboratories – ratio of active units to current design capacity

- Housing – percent of individual units that are occupied.

NOTE: See the GSA “data dictionary” dated June 23, 2008 for further information.

GOAL: Continue to improve the average utilization of the USDA portfolio.

TARGET: Reduce the number of under-utilized and not-utilized assets in the inventory by percentages shown in the *USDA Performance Measures, Goals and Targets*, as developed from baselines established in Q3 FY 07.

6.1.5 Mission Dependency

Definition: Mission Dependency is the value an asset brings to the performance of the mission as determined by the governing agency in one of the following categories:

1. Mission Critical – without constructed asset or parcel of land, mission is compromised;
2. Mission Dependent, Not Critical – does not fit into Mission Critical or Not Mission Dependent categories;
3. Not Mission Dependent – mission unaffected.

GOAL: USDA will reduce the number of not mission dependent assets in an effort to right-size the real property portfolio.

TARGET: Dispose of not mission dependent facilities by the number and value listed in the *USDA Performance Measures, Goals and Targets*.

6.2 Performance Accountability

Continuous monitoring of asset performance and performance measure data provides the framework for true accountability within USDA's real property program. USDA has sought ways to incorporate a greater level of headquarters oversight in monitoring asset performance, a responsibility that has traditionally been held at the agency level. USDA has established OPPM as the lead entity responsible for the overall performance of the Department in achieving the stated goals and objectives of the AMP. To this end, the Director of OPPM serves as the USDA SRPO.

In Q3 FY 05, USDA introduced an internal scorecard process, which outlines specific activities that must be performed by the agencies with associated deliverables in support of USDA's goals and objectives. The internal scorecard process is an essential monitoring tool for performance accountability within the real property initiative as the process provides an important monitoring role for OPPM and high visibility among senior leadership within the Department. USDA relies on the internal scorecard process to evaluate agency progress in fulfilling Departmental targets for improving asset inventory performance. Through the scorecard process, OPPM will work with any agency not meeting the goals and objectives in developing a strategy on how they may improve performance and meet the Department's performance goals.

To further enhance the monitoring value of the internal scorecards, the Department has adopted the Management Initiative Tracking System (MITS) to track agency progress in implementing

major programs such as real property asset management. Agency quarterly progress scores are processed through MITS and the results are reviewed by OPPM. **Figure 11** illustrates the data and process flow within MITS.

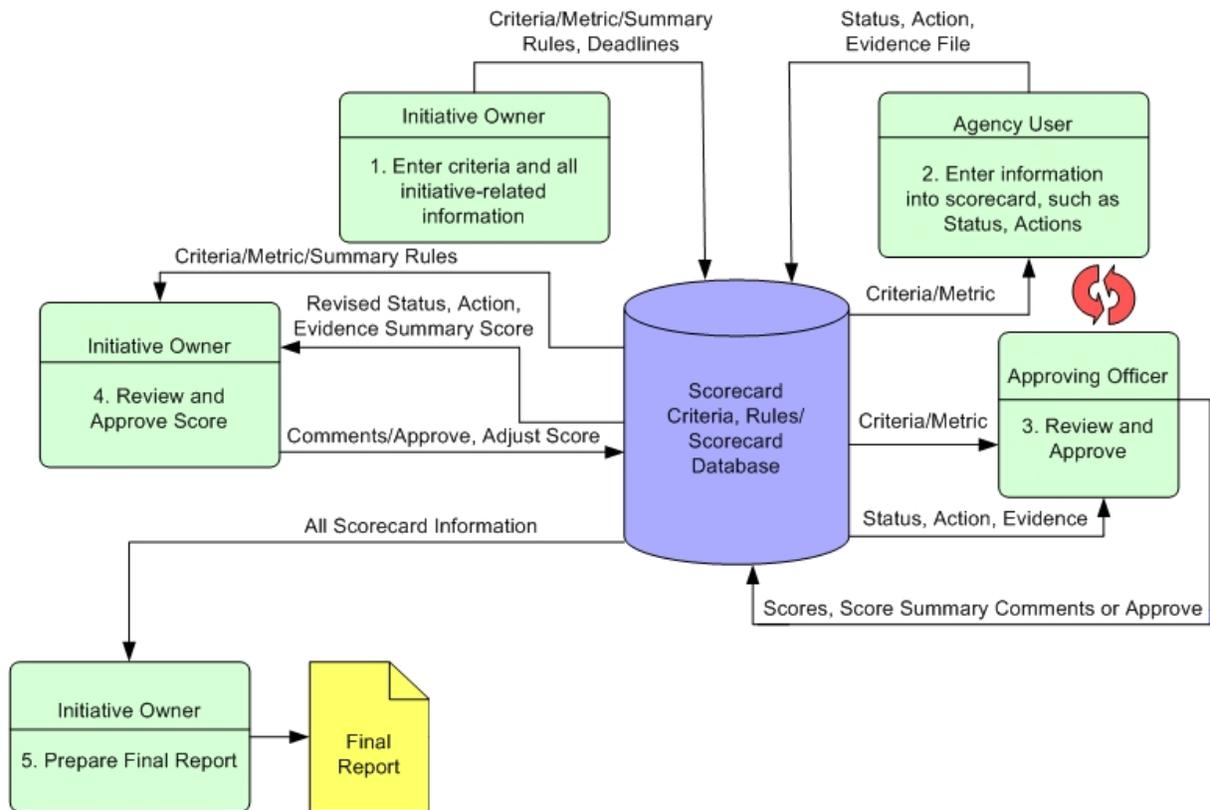


Figure 10: Management Initiative Tracking System

USDA rolled out MITS in Q3 FY 06, and the system has been used during the internal scorecard cycle ever since.

USDA ensures asset performance at the Department level through the use of the three-year rolling timeline for capital projects. USDA has developed its three-year rolling timeline which identifies prioritized capital projects submitted by the agencies in support of the Departmental commitments and priorities laid out in this AMP, representing an actionable agenda of activities over the next three years to right-size the USDA asset portfolio. Through the annual review and update of the three-year rolling timeline, OPPM will ensure consistent use of performance measure data in prioritizing projects.

In addition to the internal scorecard in MITS and three-year rolling timeline activities, USDA continues to examine best practices at other Federal Agencies, and in the private sector to identify new management initiatives and industry performance measures to incorporate into the USDA real property management program. Through the Real Property Council and its supporting subgroups, all agencies are now participating in reviewing the best practices study and identifying and developing solutions for the challenges associated with improving USDA real property performance measurement and asset management procedures.

6.3 Acquisition Performance Measures and Continuous Monitoring

USDA has been working with the agencies to develop standardized performance criteria and measures governing the acquisition phase of the asset life cycle. Each managing agency is to have a process for proposing, reviewing, and monitoring its real property investments; an AMRB responsible for recommending final investment decisions to the Agency Head and Secretary and overseeing the real property investment management process; for using relevant tools for supporting its real property investment management process; and having supporting documentation showing the ongoing operations of the process. The subsequent subsections identify agency-specific acquisition measures currently in place that will be reviewed for possible use throughout the entire Department.

6.3.1 ARS-Specific Acquisition Measures

In order to execute projects more effectively, ARS implemented several acquisition strategies, including the “Construction Manager (CM) At-Risk Approach” and the Design-Build Approach.

Construction Manager (CM) At-Risk Approach. The CM At-Risk Approach involves the construction contractor early in the design process to help provide verification of cost estimates during design, ensure that the most cost-effective materials and solutions are implemented in the design, and helping to make certain that the design will be feasible to construct. The CM At-Risk approach has accelerated the schedule of some ARS projects, allowing construction to start before the total design is 100% complete, thereby avoiding cost escalation. 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 than the GMP, 100 percent of the savings are returned to the Government. This approach allows for retained maximum control of the scope during the design process and is used by GSA, the Army Corps of Engineers, and many private sector organizations.

Design-Build approach. The Design-Build approachⁱ 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.

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.

6.3.2 APHIS-Specific Acquisition Measures

Construction Acquisition Measure. The APHIS Engineering Services Branch uses Design Build construction methodologies to measure the effectiveness and cost competitiveness of construction project acquisition deliveries. They are currently researching potential quantitative measures beyond such traditional measures as “on time – under budget” results. They have also compiled a record of contractors who have failed to meet construction criteria such as cost and schedules.

Leasing Acquisition Measure. The Realty Team uses various strategies to keep leasing costs at or below market levels, including comparing lease offers to industry benchmarks, using market surveys to comparison shop for best prices, and using published market sources from the BOMA to gain a better understanding of area markets and to ensure leasing costs are in line with the private sector market. The Realty Team also tracks all new lease and renewal acquisitions for timeliness in support of the APHIS mission.

6.3.3 Forest Service-Specific Acquisition Measures

Earned Value Management. The Forest Service uses an earned value method to track construction projects to ensure that they remain on schedule and on budget. Prior to beginning design, all projects have a completed schedule and budget. At the outset, a design prospectus is developed to guide the detailed design process. Design parameters are defined to ensure the project meets the intent and scope of work defined in the approved Preliminary Project Plan and NEPA documentation are detailed. The framework for acceptance or rejection of the final design is provided. Whether the final design is done with FS personnel or contracted through the A&E process, progress and expenditures are monitored to ensure timely and cost effective completion of the design.

Construction projects are contracted in two ways. Most contracts are advertised for bid and the contract awarded on a best value analysis performed by a Source Selection Team or awarded to set-aside contractors based on the added value of utilizing minority small businesses. Either way, they are awarded as fixed price contracts to minimize FS risk. Each project is monitored by procurement personnel, fiscal staff, and technical representatives to ensure performance meets expectations and any required changes are identified and resolved in a timely manner. The concepts of Earned Value Management involving project monitoring, performance evaluation, cost tracking, and schedule monitoring are used in the administration of the contracts.

In some cases, when design/build contracts have been deemed cost effective for a particular facility and are used, the project is monitored and administered similarly to a straight construction contract to ensure on time, on budget completion of the project.

For major acquisitions, an integrated project team is used for planning and procurement of the project. The team monitor’s progress of the project to ensure any deviation from the planned

project is documented and accomplished within acceptable risk and cost efficiency parameters. Progress and accomplishment for all projects is reported upward through the regional office.

6.3.4 NRCS-Specific Acquisition Measures

Since new acquisition and construction projects of owned assets are rare, NRCS does not utilize formal acquisition performance measures. The agency does, however, evaluate lessons learned for use in future projects.

Since the majority of NRCS leased assets are collocated with non-landholding agencies in USDA Service Centers, NRCS observes the acquisition performance measures outlined in Section 6.3.5 below for its leased assets.

6.3.5 Non-Landholding Agencies Acquisition Measures

The non-landholding agencies measure the effectiveness and cost competitiveness of project delivery for leasing projects through a series of measures that track project schedule, scope, and budget. These measures include:

Leasing Acquisition Measure. Non-landholding agencies use various strategies to keep leasing costs at or below market levels, including comparing lease offers to industry benchmarks and using market surveys to comparison shop for best prices. They also use published market sources, such as the Society of Industrial and Office Realtors (SIOR), CoSTAR and Torto Wheaton, to gain a better understanding of area markets and to ensure leasing costs are in line with the private sector market.

Customer Satisfaction Surveys/Measures. The OO conducts facility satisfaction and assessments surveys with tenants in their spaces. They utilize the Space Evaluation Survey Summary Report for delivering the results of the Post Occupancy Space Evaluation Surveys. The report provides a summary of the findings and the identification of the responsible parties who will be handling the outstanding items.

6.4 Operations and Maintenance Performance Measures and Continuous Monitoring

USDA and its agencies are committed to the ongoing development and use of balanced performance measures to improve efficiency in operating and maintaining its asset portfolio. The subsequent subsections address the key performance measures used to measure the effectiveness of the operations and maintenance phase of the life cycle of asset management including the FRPC's First Tier Measures and performance measures in use at the individual agencies.

6.4.1 Federal Real Property Council Operations and Maintenance Measures

In response to the Federal Real Property Council's First Tier Performance Measures for operations, the USDA Real Property Working Group established a Performance Measures Subgroup representing the major USDA landholding agencies to refine the calculation methods

for reporting the performance measures asset data. The resulting calculation report was reviewed and approved by the Department, which developed an overall data reporting strategy for creating the necessary data fields within CPAIS to accommodate performance measures data and data collection processes for the agencies to gather performance measures data at the constructed asset level. USDA is continuing efforts to improve data accuracy by incorporating requirements for granular data sets in the next generation financial system in order to ensure that financial data for annual operating costs will be available. This section discusses the USDA calculation method for each performance measure.

USDA continues to improve data accuracy by enforcing its Data Validation and Verification Protocol that institutionalizes a data verification as part of the physical inventory and data validation process. The physical inventory and data validation process requires that agencies physically touch each asset over a five-year cycle. Agencies are required to certify in CPAIS that the inventory has been completed and that data is accurate.

Utilization (Performance Measure #1)

FRPC guidance requires tracking and reporting on five categories of structures for Utilization: Offices, Warehouses, Hospitals, Laboratories, and Housing.

1. *Offices* – Defined as buildings primarily used for office space. The utilization measure for offices will be based upon the number of personnel that require workspace relative to total number of workstations available. Number of personnel and number of workstations are both data fields currently available in CPAIS. The equation is:

$$\text{Office Space Utilized (\%)} = (\text{Number of Personnel} / \text{Number of Workstations}) \times 100$$

- Number of Personnel = Includes full time and part time government employees, temporary/seasonal workers, volunteers and contract support personnel
- Workstation = A workstation is defined as an area available for personnel to work general administrative tasks. Specialized workstations that support functions such as data entry, geospatial mapping, and plotting equipment and are used by multiple individuals are excluded when the total number of workstations is calculated. All vacant government-controlled space that does not have workstations, but is available for workstations, is to be included by estimating the number of workstations (using existing workstation standards) that could be accommodated in that space.

2. *Warehouses* – ratio of occupied area to gross square feet. This includes buildings used for storage, such as ammunition storage, fire caches, paint storage areas, covered sheds, buildings used for storage or materials. It does not include automotive repair and maintenance shops, airport hangers, nor pump houses. The formula for warehouses will consist of the area (square feet) currently occupied for storage, vehicles, lumber, etc, as a percentage of the total gross area (square feet) of the warehouse. The formula is:

$$\text{Actual Utilization (\%)} = (\text{Storage Space in Use [SF]} / \text{Facility Design Capacity [SF]}) \times 100$$

3. *Hospitals* – Ratio of occupancy to current design capacity. Based upon the FRPC definition, there are no hospitals within USDA.

4. *Laboratories* – Ratio of occupied units or active research units to total research units available. This includes buildings used directly in basic or applied research in the sciences and engineering. Because of the diverse nature of research being conducted by USDA, combined with the differing space requirements for each type of research being conducted, this information will be determined by local research personnel. The intent of this measure is to convey to other agencies that space may be available for collocation. The formula is:

$$\text{Lab Utilization (\%)} = (\text{Occupied Units}/\text{Design Capacity}) \times 100$$

- Occupied Units = the number of research units being used
- Design Capacity = total number of research units existing in a laboratory facility

5. *Housing* – Percent of individual units occupied. Buildings used as dwellings for government employees and their families. Includes apartment houses, single houses, row houses, public housing, federal employee housing, and housing for institutional employees. This item does not include dormitories, barracks or bunkhouses that provide housing without families or dependents. The equation is:

$$\text{Housing Utilization} = (\text{Number of Units Utilized}) / (\text{Total Units Available}) \times 100$$

- Number of Units Utilized = Units housing personnel
- Total Units Available = Total units available.

Condition Index (Performance Measure #2)

The Condition Index (CI) is a general measure of constructed asset condition at a specific point in time. It is the ratio of repair needs to plant replacement value. It is calculated as:

$$(1 - \text{\$repair needs}/\text{\$PRV}) \times 100$$

- \$ Repair Needs = Includes all repairs needed on the building = Deferred Maintenance
- \$PRV = Plant Replacement Value (PRV). PRV determined from appraisals or RS Means or other qualified approach = CRV or Current Replacement Value

OPPM has required agencies to report for assets greater than \$25,000 with a life over 5 years. Agencies may optionally report for assets less than \$25,000 if desired. For inventory purposes all properties regardless of size or acquisition cost are captured in CPAIS. USDA will report only on owned assets. USDA leases are generally full service leases, thus USDA is not responsible for maintaining the condition of the asset.

Mission Dependency (Performance Measure #3)

The FRPC Data Dictionary defines mission dependency as the value an asset brings to the performance of the mission as determined by the governing agency in one of the following categories:

- Mission Critical – without constructed asset or parcel of land, mission is compromised;

- Mission Dependent, Not Critical - does not fit into *Mission Critical* or *Not Mission Dependent* category;
- Not Mission Dependent – mission unaffected.

To provide an objective basis for the determination of Mission Dependency, the following questions were developed and will be used for all USDA agencies. Mission Dependency for each constructed asset will be determined based upon the answers to these four basic questions.

1. If this asset were eliminated, could the agency's goals and objectives still be met?
Yes or No
2. If this asset were eliminated, would the health and safety of the public or agency employees be at substantially increased risk? Yes or No
3. Can the function/mission performed at this asset be done through a more cost-effective or efficient process (e.g., contracted out) or at a more cost-effective facility?
Yes or No
4. Is this asset's primary purpose to provide emergency services or national/local security purposes (e.g., serve as an Emergency Relocation Facility), perform a designated essential function as defined in the agency's COOP Plan, or fall into one of the mission critical facility categories (a-j) defined below? Yes or No
 - a. BLS-3 laboratories conducting research involving biohazardous materials
 - b. Laboratories and other facilities which must remain operational to protect the nation's food supply
 - c. Facilities housing valuable germplasm collections which cannot be easily replaced and are needed for critical research and testing
 - d. Laboratories in foreign countries
 - e. Departmental computer centers responsible for payroll, program and vendor payments
 - f. USDA offices in the National Capital Region
 - g. Facilities housing more than 450 employees
 - h. COOP sites under Federal Procedures Circular 65
 - i. Air Tanker Bases
 - j. High Hazard Dams

Categorization into one of the three elements will be determined as follows:

- Mission Critical – A “No” answer to Question 1; and “Yes” answer to either Questions 2 or 4.
- Mission Dependent (Not Critical) – A “No” to all four questions.
- Not Mission Dependent – A “Yes” answer to Questions 1 or 3.

The questions above are general in nature and apply to all USDA agencies' constructed assets. Because of the great diversity in the individual missions of the agencies within USDA, agencies are permitted to add questions to further refine the answers for their assets.ⁱⁱ

The mission dependency questions outlined above were added to CPAIS in v1.3, and released in June 2006.

Annual Operating Costs (Performance Measure #4)

The FRPC Data Dictionary defines annual operating and maintenance costs to include:

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

USDA currently tracks annual operating cost payments in FFIS/FMMI for the identified components in the data dictionary, but these costs do not feed to CPAIS. Many of these services are generally provided through site-wide contracts, and can therefore only be tracked at the site level. Likewise, many USDA agencies employ mission-based management practices and therefore track operating costs by program.

For FY 06 and FY 07, USDA extracted operating costs data from the FFIS/FMMI Financial Data Warehouse. Costs were reported in the following tiered hierarchy based on the granularity of data available by cost category and asset type:

- *Tier 1: Actual operating costs that are identifiable to a constructed asset.* Actual costs will be reported against the individual asset for buildings where the installation consists of a single building. Actual costs are not available for structures.
- *Tier 2: Actual costs prorated to the constructed asset level.* Actual operating costs identifiable at the aggregate installation level will be prorated to the constructed asset based on gross square footage. This method will be used for the majority of buildings and some structures.
- *Tier 3: Engineered cost estimates at the constructed asset level.* Where actual cost data is not available, USDA will create engineered cost estimates for constructed assets based on generally accepted industry standards (e.g., International Facility Management Association). This method will be used for some buildings and almost all structures.

Operating costs for land cannot be distributed into the above tiers. USDA report basic grounds maintenance costs for lands. For leases USDA report annual lease costs since USDA leases are fully serviced.

USDA is in the process of procuring a replacement for its entire accounting system and for this reason has decided not to make significant and costly changes to FFIS/FMMI to gather

operating costs at the constructed asset level. OPPM is assisting with requirements development of the new system to ensure that operating cost data is collected in a manner that supports reporting by constructed asset. Once the new financial system is in place, beginning with a phased implementation agency by agency in late 2009, USDA will directly link the financial system and CPAIS to update asset operating costs.

6.4.2 ARS-Specific Operations and Maintenance Measures

ARS measures the effectiveness of its real property asset management operations through a series of measures that track financial performance, asset condition, and operating efficiency. These measures include:

Financial Performance. ARS has several key performance measures designed to track financial performance. ARS examines its operating expenses on a building-by-building or program-by-program basis. ARS also measures the return each asset is achieving based upon its value to ensure that the taxpayer's equity is being put to highest and best use.

Operating Efficiency. Each location tracks energy consumption as a measure of operational efficiency. By tracking the BTU consumption over the 1990 baseline established by the National Energy Conservation Policy Act, as amended, and E.O. 13123 for Industrial, Laboratory, Research and other Energy Intensive Facilities, each location is able to maintain a close handle on the operational efficiencies of its buildings.

ARS has identified covered facilities and facility energy managers for each of them. ARS is performing energy and water audits and retro commissioning of at least 25% of covered facilities annually so that all covered facilities are surveyed at least every four years. This is being accomplished using the services offered by utilities, UESCs, ESPC, agreements with other agencies, engineering firms, and in house resources. Cost effective energy and water efficiency projects are being performed with appropriated funds and performance contracts funded with private financing.

ARS is purchasing utilities from alternative sources where advantageous to provide the best rates including GSA DESC and third parties.

6.4.3 APHIS-Specific Operations and Maintenance Measures

Asset Condition. In 2000, the APHIS Engineering Services Branch embarked on a comprehensive Facilities Condition Assessment program to better understand the condition of APHIS facilities in order to: strategically maintain them by identifying deficiencies and funding, stabilize the repair backlog, prepare more credible budget requests, and predict future maintenance needs. To date, 16 of the 23 major APHIS facilities have been assessed to determine the Current Replacement Value (CRV) and a Facility Condition Index.

The CRV represents the estimated cost to replace an asset in kind. The FCI represents the total sum of all identified deficiencies divided by the CRV. Three categories for the FCA score have been developed according to industry standards and modeled after the President's Management Agenda scorecard:

| FCI RANGE | COLOR CODE RATING |
|-----------------|-------------------|
| 0.00 to 0.10 | Green |
| 0.101 to 0.20 | Yellow |
| 0.201 and above | Red |

APHIS has found that the overall FCI for the surveyed facilities is 32%, which corresponds to a Red score. From the data collected and analyzed during the assessments, it is estimated that it will require \$109 million in operations and maintenance funding over the next twenty years to maintain the current FCI of 32%. However, through strategic planning and funding, it is estimated that spending \$102 million over the next 20 years will reduce the APHIS FCI to 10% over the next ten years and will also maintain the facilities for the remaining ten years of the 20 year study period.ⁱⁱⁱ

6.4.4 Forest Service-Specific Operations and Maintenance Measures

Because proper management and stewardship of the National Forests and the real property assets contained therein is at the core of the FS mission, several of the specific performance measures outlined in the USDA Forest Service Strategic Plan for Fiscal Years 2004-2008 relate to the operations and maintenance performance of these assets. These measures will be reviewed and incorporated in the Program Assessment Rating Tool (PART).

6.4.5 NRCS-Specific Operations and Maintenance Measures

Utilization. NRCS performs utilization surveys to determine if its existing assets are sufficient to support space requirements or identify opportunities for space consolidation.

6.4.6 Non-Landholding Agencies-Specific Operations and Maintenance Measures

Across the board, USDA Non-Landholding Agencies measure and report on the average utilization rate of occupied space based upon the space standard of 150 square feet per person as well as the level of utilization using design capacity for office, warehouse, laboratory, housing and hospital predominant use categories. Also, the agencies verify the market rates for space in the areas requested and for the space acquisition method (i.e., GSA Assignments or direct leasing or sharing space based upon the reimbursed rates quoted by the lead agency). These measures include:

Utilization. The utilization measure serves many purposes, including the determination of best alternatives for space consolidations (Strategic Space Planning initiative), and for determining new space requirements for supply and demand forecasting based upon headcount projections.

Financial Performance. Financial information is gathered by the managing agency for each assignment or commercial lease it manages. Information is based upon the leasing rates (and services included in the leasing rates) at the time of expiration of the GSA Occupancy Agreement or commercial lease. This information is used to complete a financial analysis of the alternatives for the acquisition of space to meet the mission requirements. The final decision among alternatives is made based upon the financial analysis and the ability of the space to meet the mission requirements.

6.5 Disposal Performance Measures and Continuous Monitoring

USDA is committed to identifying and divesting itself of excess real property assets. Most USDA agencies do not currently utilize formal disposal performance measures. A notable exception is the Forest Service, which has incorporated a number of disposal performance measures (as outlined in Section 6.5.2) in association with its conveyance authority and Facilities Realignment and Enhancement Act program. In support of effective disposal practices throughout the entire Department, USDA has adopted the FRPC disposal performance measures to address consistent prioritization of assets for disposal and timely, efficient disposal execution, respectively.

The Forest Service has embarked on a new approach for prioritizing assets using a standardized process developed by the American Society of Transportation and Materials (ASTM) entitled “Asset Priority Index” (API). This process ranks assets across asset types for the purpose of identifying the relative importance of individual assets in achieving the agency mission. The primary reason the agency is pursuing development of an API approach is the need to provide greater resolution for use in guiding budgeting and analysis of assets. Additionally, adoption of an API approach will provide a means to assess the relative importance of the backlog of Deferred Maintenance (DM) currently on the agency books. The process is first being used on a subset of assets managed by the agency and, once perfected, is expected to be expanded for use on all other agency assets. The trial process will initially rank the following assets; buildings, research stations, dams and recreation sites. Subsequent to development of a viable API approach, a process will be developed to help assess the importance and criticality of DM within and between asset types.

6.5.1 Federal Real Property Council Disposal Measures

Disposal Index. As FRPC and OMB further define the disposal index, USDA will work to ensure consistency with the FRPC standards.

Disposal Decision Tree. USDA has adopted the FRPC disposal decision tree, which factors in the First Tier Performance Measures in identifying and prioritizing assets for disposal.

6.5.2 Forest Service-Specific Disposal Measures

The performance metrics for the conveyance project that are monitored on an annual basis are:

- Time in months to complete the disposal compared to the projected time
- Estimated sales price compared to the actual sales price obtained
- Reduction in maintenance backlog costs in dollars

Percent reduction in “Deferred Maintenance Backlog” is a stated measure of performance in the conveyance authority legislation. It is measured and reported annually.

6.6 Energy Initiatives

On January 24, 2007, the President George W. Bush signed Executive Order (E.O.) 13423: *“Strengthening Federal Environmental, Energy, and Transportation Management.”* The Order requires each Federal Agency to comply with the Guiding Principles for Federal Leadership in High Performance and Sustainable Buildings set forth in the Federal Leadership in High Performance and Sustainable Buildings Memorandum of Understanding (2006).

In accordance with OMB Guidance issued on June 29, 2007, the USDA Sustainable Buildings Implementation Plan (SBIP) addresses how USDA will implement the following E.O. 13423 objectives:

- Ensure all new facilities and major renovation projects implement design, construction, and operations and maintenance practices in support of the sustainable design/high-performance buildings goals of E.O. 13423, as well as, statutory requirements; and
- Ensure that a minimum of 15 percent of the existing Federal capital asset building inventory of USDA as of the end of fiscal year 2015 incorporates the sustainable design practices in the Guiding Principles.

Some of the results that the Department envisions as it implements its SBIP range from reduced life-cycle costs of facilities to improved energy efficiency to enhanced safety, health and productivity of USDA employees. The USDA SBIP is not intended to replace any existing policy but to augment such established policies using new metrics and reporting criteria, in accordance with E.O. 13423. See [Section 8.10](#) for more details.

On October 5th, 2009 President Obama signed Executive Order (E.O.) 13514, *“Federal Leadership in Environmental, Energy, and Economic Performance,”* requires that the Federal Government lead by example to create a clean energy economy, promote energy security, and safeguard the environment. Federal agencies must apply sustainable building strategies throughout their portfolio for all construction and major and minor renovations over 5,000 square feet in size, and for existing building operations as well.

6.7 Performance Measures and Continuous Monitoring Milestones

USDA is committed to enhance use of performance measures and continuous monitoring to improve asset management. Specific initiatives in support of Department goals include:

| Milestone | Date | Status | Results Achieved |
|--|---------|----------|---|
| Implement the Management Information Tracking System to electronically track agency performance. | Q3 FY06 | Complete | Provides standardized, electronic system to measure progress and demonstrate quantifiable results to USDA senior management mid-quarter in anticipation of quarterly OMB scorecard and Proud-To-Be deliverables |
| Develop acquisition performance | Q3 FY06 | Complete | As established in USDA’s Asset |

| Milestone | Date | Status | Results Achieved |
|---|------------|----------|---|
| measures throughout the Department and determine baselines for agency performance tracking. | | | Management Plan, provides standardized baseline for measuring progress against acquisition performance measures |
| Develop operations and maintenance performance measures throughout the Department and determine baselines for agency performance tracking. | Q3 FY06 | Complete | As established in USDA's Asset Management Plan, provides standardized baseline for measuring progress against operations and maintenance performance measures |
| Develop disposal performance measures throughout the Department and determine baselines for agency performance tracking. | Q3 FY06 | Complete | As established in USDA's Asset Management Plan, provides standardized baseline for measuring progress against disposal performance measures |
| USDA memo to GSA requesting all future acquisitions incorporate sustainable design features | Q1 FY07 | Complete | As one of the signatory agencies to the 1/24/06 MOU on Federal Leadership in High Performance and Sustainable Buildings, the memo to GSA on 12/22/06 requests GSA's support to USDA's commitment to pursuing environmental stewardship and energy efficiency in all GSA assignments |
| Provide annual FRPP Report to GSA | Q1 Each FY | Ongoing | Provides complete and accurate inventory of USDA portfolio on an annual basis |
| Document Departmental Umbrella Buildings Electric Metering plan/Guidance as well as specific metering plans for the landholding agencies. | Q2 FY07 | Complete | In accordance with the requirements of the Energy Policy Act of 2005, USDA provided its Umbrella Plan to DOE in August 2006; developed and issued guidance via OPPM, Energy and Environment Division's webpage in December 2006 as part of OMB semi-annual scorecard deliverable; agencies must develop specific plans by 03/31/07 |
| New Build-to-suit lease solicitations for USDA (initiated by GSA) will include criteria encouraging sustainable design and development, energy efficiency, and verification of building performance to improve the operational effectiveness of these buildings | Q1 FY08 | Complete | As one of the signatory agencies to the 1/24/06 MOU on Federal Leadership in High Performance and Sustainable Buildings, in a 12/22/06 memo USDA solicited GSA's support to USDA's commitment to pursuing environmental stewardship and energy efficiency in all GSA assignments. Provides baseline for all future GSA assignments to incorporate sustainable design and energy efficiency. |

| Milestone | Date | Status | Results Achieved |
|---|----------|----------|--|
| Develop a process for performing condition assessments on various asset categories within the inventory and develop a planning process for securing sufficient funding for assessment activities, including: review existing status of condition assessment; develop cost-effective solution based on parametric models and statistical sampling; establish a reporting vehicle and update schedule; estimate cost and develop a budget package; and develop draft policy documents | Q3 FY08 | Ongoing | Provides the basis for complete multi-year life-cycle planning for all USDA's real property asset initiatives from planning and budgeting to acquisition, utilization and operation, to final disposal actions |
| Compile and submit (to OMB) a list of all new building projects starting design phase in FY2008 that are subject to Section 109 of the Energy Policy Act of 2005. | Q3 FY 08 | Ongoing | Based on the Federal Buildings Performance Standards contained in Section 109 of the Energy Policy Act of 2005. OPPM has included an energy survey for agencies to complete as part of the 2008 3-yr rolling timeline data call. OPPM will analyze the energy survey data; and submit a list of Section 109 projects as part of OMB's Energy Management Scorecard semi-annual deliverable. |
| Agency specific plans will be updated to address the results of a metering infrastructure survey, a list of specific buildings in which advanced electric meters will be installed, and a timeline for metering covered buildings. | Q4 FY08 | Ongoing | Provides survey of current infrastructure metering for USDA assets and planned future actions to electric meter specific designated facilities in accordance with the requirements of the Energy Policy Act of 2005 along with providing facility managers accurate information on energy consumption and the results of energy saving initiatives implemented |
| Implement common Federal screening process | Q1 FY 09 | Complete | Facilitates data sharing between Federal agencies |
| Establish electrical metering priority list of buildings based on square footage | Q2 FY 09 | Complete | Based on USDA electric metering guidance document, sets priority list to accomplish metering by 09/30/2012 in compliance with the requirements of the Energy Policy Act of 2005. Facilities with the greatest return on investment will be targeted for implementation first. |
| Employ process for performing condition assessments | Q3 FY 09 | Complete | Agencies utilize a standardized and defensible process to determine condition of their assets |

| Milestone | Date | Status | Results Achieved |
|---|----------|--------|--|
| Report on efforts to meet the FY 09 government-wide target for the condition index of buildings | Q1 FY 10 | | Assesses progress toward meeting this target |

Table 24: Performance Measures & Continuous Monitoring Milestones

6.8 Infrastructure Projects

Condition Index

Total Number of Projects

| Agency | FY | | | Grand Total |
|--------------------|-----------|----------|----------|-------------|
| | 2008 | 2009 | 2010 | |
| FS | 2 | 2 | 4 | 8 |
| ARS | 10 | 1 | 1 | 12 |
| Grand Total | 12 | 3 | 5 | 20 |

Total Amount Estimated/Budgeted (\$000)

| Agency | FY | | | Grand Total |
|--------------------|-----------------|----------------|-----------------|-----------------|
| | 2008 | 2009 | 2010 | |
| FS | \$38,163 | \$8,816 | \$14,395 | \$61,374 |
| ARS | \$234 | | | \$234 |
| Grand Total | \$38,397 | \$8,816 | \$14,395 | \$61,608 |

Total Cost Avoidance (\$000)

| Agency | FY | | | Grand Total |
|--------------------|-----------------|----------------|-----------------|-----------------|
| | 2008 | 2009 | 2010 | |
| FS | \$16,811 | \$6,544 | \$11,349 | \$34,704 |
| ARS | \$34 | \$14 | \$14 | \$62 |
| Grand Total | \$16,845 | \$6,558 | \$11,363 | \$34,766 |

ⁱ <http://www.afm.ars.usda.gov/fd/fcb/fdpolicy-list.htm> The Design Build Approach

ⁱⁱ From the FRPP REPORT INSTRUCTIONS August 31, 2005 – Instructions for utilizing the new version 1.1 release of CPAIS

ⁱⁱⁱ APHIS Engineering Services Branch presentation, July 2005

Section 7 Acronym List

| Acronym | Definition |
|----------------|---|
| A&E | Architectural and Engineering |
| ABT | Asset Business Teams |
| ADA | Americans with Disabilities Act |
| AFM | Administrative and Financial Management |
| AGPMR | Agriculture Property Management Regulation |
| AMP | Asset Management Plan |
| AMRB | Asset Management Review Board |
| AMS | Agricultural Marketing Service |
| APHIS | Animal and Plant Health Inspection Service |
| APO | Accountable Property Officer |
| AQM | Acquisition Management |
| ARS | Agricultural Research Service |
| ASA | Assistant Secretary for Administration |
| BBP | Building Block Plan |
| BEA | Bureau of Economic Analysis |
| BOC | Budget Object Classification |
| BOMA | Building Owners and Managers Association |
| BPM | Budget and Program Management Staff |
| BSL-3 | Bio-Safety Level 3 |
| CAD | Computer-Aided Design |
| CAP | Capital Asset Plan |
| CCC | Commodity Credit Corporation |
| CI | Condition Index |
| CICA | Competition in Contracting Act of 1984 |
| CNPP | Center for Nutrition Policy & Promotion |
| CPAIS | Corporate Property Automated Information System |
| CPIC | Capital Program and Investment Control |
| CPI | Consumer Price Index |
| CPIP | Capital Program Investment Process |
| DAM | Deputy Administrator for Management |

| Acronym | Definition |
|----------------|---|
| DM | Departmental Management |
| DOI | Department of the Interior |
| DR | Departmental Regulation |
| E.O. | Executive Order |
| ERS | Economic Research Service |
| FAS | Federal Asset Sales |
| FAS | Foreign Agricultural Service |
| FASAB | Federal Accounting Standards Advisory Board |
| FCA | Facility Condition Assessment (APHIS program) |
| FCI | Facility Condition Index |
| FCIC | Federal Crop Insurance Corporation |
| FFAS | Farm and Foreign Agriculture Services |
| FFIS | Foundation Financial Information System |
| FMMI | Financial Management Modernization Initiative |
| FMP | Facilities Master Plan |
| FMR | Federal Management Regulations |
| FMV | Fair Market Value |
| FNCS | Food, Nutrition and Consumer Services |
| FNS | Food and Nutrition Service |
| FRPC | Federal Real Property Council |
| FRPP | Federal Real Property Profile |
| FRV | Functional Replacement Value |
| FS | Forest Service |
| FSA | Farm Service Agency |
| FSFREA | Forest Service Facility Realignment and Enhancement Act |
| FSIS | Food Safety and Inspection Service |
| FRV | Functional Replacement Value |
| FY | Fiscal Year |
| GAO | Government Accountability Office |
| GIPSA | Grain Inspection, Packers & Stockyards Administration |
| GRP | Grassland Reserve Program |
| GSA | General Services Administration |
| GSAM | General Services Acquisition Manual |

| Acronym | Definition |
|----------------|---|
| GSF | Gross Square Footage |
| H.R. | House Resolution |
| HRPLA | Head of the Real Property Leasing Activity |
| HUD | Housing and Urban Development |
| HVAC | Heating, Ventilation, and Air Conditioning |
| IAS | Integrated Acquisition System |
| INFRA | Infrastructure System for Real Property Management |
| I-Web | Forest Service Infrastructure System for Real Property Management |
| IQC | Indefinite-Quantity Contracts |
| KSA | Knowledge, Skills, and Abilities |
| LEEDS | Leadership in Energy and Environmental Design |
| MITS | Management Initiative Tracking System |
| MRP | Marketing and Regulatory Program |
| MRPBS | Marketing and Regulatory Programs Business Services |
| NAD | National Appeals Division |
| NASS | National Agriculture Statistics Service |
| NCR | National Capital Region |
| NFC | National Finance Center |
| NIFA | National Institute of Food and Agriculture |
| NOI | Net Operating Income |
| NPS | National Program Staff |
| NRE | Natural Resources & Environment |
| NRCS | Natural Resources Conservation Service |
| O&M | Operations & Maintenance |
| 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 |
| OO | Office of Operations |
| OPPM | Office of Procurement and Property Management |
| OSHA | Occupational Safety and Health Association |
| PART | Program Assessment Rating Tools |

| Acronym | Definition |
|----------------|---|
| PBS | Public Building Service |
| PMD | Property Management Division |
| PMIS | Property Management Information System |
| PMO | Property Management Office |
| POR | Program of Requirements |
| PRCH | Purchase Order System |
| PRV | Plant Replacement Value |
| QMIS | Quarters Management Information System |
| R&A | Repair and Alterations |
| R&D | Research and Development |
| RD | Rural Development |
| REE | Research, Education & Economics |
| REWO | Real Estate Warrant Officer |
| RFP | Request for Proposal |
| RMA | Risk Management Agency |
| ROE | Report of Excess |
| RPAD | Real Property Accounting Steward |
| RPC | Real Property Council |
| RPIR | Real Property Investment Report |
| RPLO | Real Property Leasing Officer |
| RPMB | Real Property Management Branch (ARS division) |
| RPWG | Real Property Working Group |
| SF | Standard Form |
| SHPO | State Historic Preservation Officer |
| SIOR | Society of Industrial and Office Realtors |
| SRPO | Senior Real Property Officer |
| UAI | Unique Asset Identifier |
| STAR(S) | Streamlined Technology Acquisition Resources (for Services) |
| U.S.C | United States Code |
| USDA | United States Department of Agriculture |
| WIP | Work In Progress |
| WO | Washington Office |

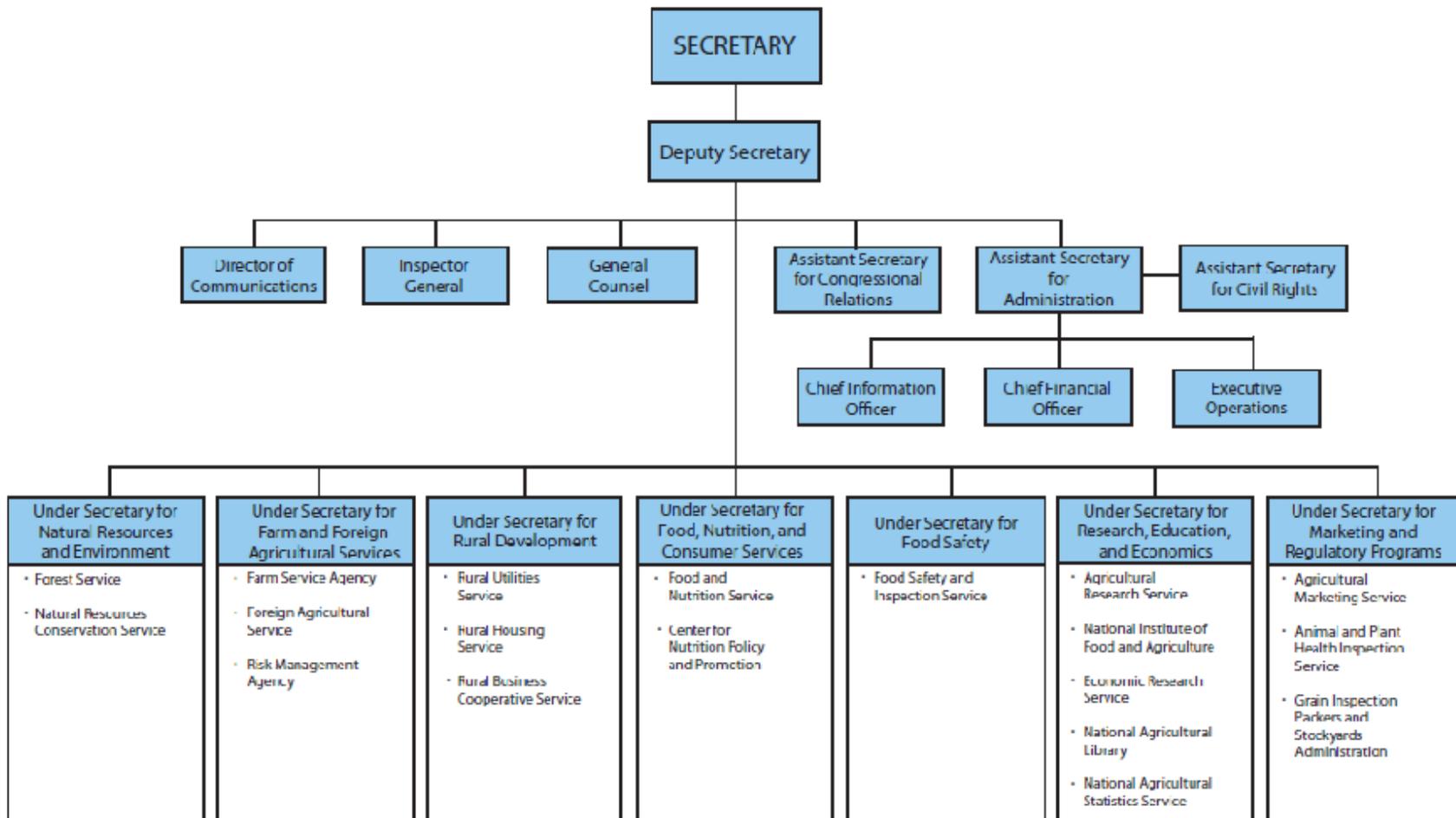
Section 8 Attachments

8.1 USDA Non-Landholding Agencies' Missions

| Mission Area/Agency | Acronym | Description |
|---|---------|--|
| Agricultural Marketing Service | AMS | AMS facilitates the strategic marketing of agricultural products in domestic and international markets while ensuring fair trading practices and promoting a competitive and efficient marketplace. AMS constantly works to develop new marketing services to increase customer satisfaction. |
| Center for Nutrition Policy and Promotion | CNPP | CNPP works to improve the health and well-being of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers. |
| Economic Research Service | ERS | ERS is USDA's principal social science research agency. Each year, ERS communicates research results and socioeconomic indicators via briefings, analyses for policymakers and their staffs, market analysis updates, and major reports. |
| Farm & Foreign Agricultural Services | FFAS | Farm and Foreign Agricultural Services helps to keep America's farmers and ranchers in business as they face the uncertainties of weather and markets. They deliver commodity, credit, conservation, disaster, and emergency assistance programs that help improve the stability and strength of the agricultural economy. |
| Farm Service Agency | FSA | FSA aids farmers and ranchers as it works to stabilize income through its efforts to conserve resources, provide credit and relieve operations from the effects of disaster. |
| Food and Nutrition Service | FNS | FNS increases food security and reduces hunger in partnership with cooperating organizations by providing children and low-income people access to food, a healthy diet, and nutrition education in a manner that supports American agriculture and inspires public confidence. |
| Food Safety | FS | Food Safety ensures that the Nation's commercial supply of meat, poultry, and egg products is safe, wholesome, and properly labeled, and packaged. This mission area also plays a key role in the President's Council on Food Safety and has been instrumental in coordinating a national food safety strategic plan among various partner agencies including the Department of Health and Human Services and the Environmental Protection Agency. |
| Food Safety and Inspection Service | FSIS | FSIS enhances public health and well-being by protecting the public from food borne illness and ensuring that the nation's meat, poultry and egg products are safe, wholesome, and correctly packaged. |
| Foreign Agricultural Service | FAS | FAS works to improve foreign market access for U.S. products. This USDA agency operates programs designed to build new markets and improve the competitive position of U.S. agriculture in the global marketplace. |
| Grain Inspection, Packers and Stockyards Administration | GIPSA | GIPSA facilitates the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products. It also promotes fair and competitive trading practices for the overall benefit of consumers and American agriculture. GIPSA ensures open and competitive markets for livestock, poultry, and meat by investigating and monitoring industry trade practices. |

| Mission Area/Agency | Acronym | Description |
|--|---------|--|
| Marketing and Regulatory Programs | MRP | Marketing and Regulatory Programs facilitates domestic and international marketing of U.S. agricultural products and ensures the health and care of animals and plants. MRP agencies are active participants in setting national and international standards. |
| National Agricultural Library | NAL | NAL ensures and enhances access to agricultural information for a better quality of life. |
| National Agricultural Statistics Service | NASS | NASS serves the basic agricultural and rural data needs of the country by providing objective, important and accurate statistical information and services to farmers, ranchers, agribusinesses and public officials. This data is vital to monitoring the ever-changing agricultural sector and carrying out farm policy. |
| National Institute of Food and Agriculture | NIFA | In partnership with land-grant universities, and other public and private organizations, NIFA provides the focus to advance a global system of extramural research, extension, and higher education in the food and agricultural sciences. |
| Natural Resources and Environment | NRE | Natural Resources and Environment ensures the health of the land through sustainable management. Its agencies work to prevent damage to natural resources and the environment, restore the resource base, and promote good land management. |
| Research, Education and Economics | REE | Research, Education and Economics is dedicated to the creation of a safe, sustainable, competitive U.S. food and fiber system, as well as strong communities, families, and youth through integrated research, analysis, and education. |
| Risk Management Agency | RMA | RMA helps to ensure that farmers have the financial tools necessary to manage their agricultural risks. RMA provides coverage through the Federal Crop Insurance Corporation, which promotes national welfare by improving the economic stability of agriculture. |
| Rural Development | RD | Rural Development is committed to helping improve the economy and quality of life in all of rural America by providing financial programs to support essential public facilities and services as water and sewer systems, housing, health clinics, emergency service facilities and electric and telephone service. Rural Development promotes economic development by providing loans to businesses through banks and community-managed lending pools, while also assisting communities to participate in community empowerment programs. |

8.2 USDA Organizational Chart



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8.3 USDA AMP Implementation Plan

This attachment summarizes the major initiatives and milestones that USDA has undertaken as a part of overall efforts to implement the principles and objectives of E.O. 13327 within the Department. USDA uses these milestones as an actionable implementation plan for the Asset Management Plan and the Asset Management Initiatives and Three-Year Timeline.

Strategic Planning and Human Capital Milestones:

| Milestone | Date | Status | Results Achieved |
|---|------------|----------|---|
| Provide input and monitor USDA's internal scorecard via Management Initiative Tracking System (MITS) | Quarterly | Ongoing | Provides USDA senior managers a means to assess agency and departmental progress. |
| Assess progress toward meeting performance measure goals and targets | Q2 Each FY | Ongoing | Provides feedback on efforts to dispose of unneeded assets and gauge progress in meeting performance measure targets for retained assets |
| Update USDA AMP | Q2 Each FY | Ongoing | Provides agencies with latest USDA real property asset management plans, processes and procedures to be used in getting to green in the initiative. |
| Update the USDA Performance Measures Goals and Targets document | Q3 Each FY | Ongoing | Facilitates progress toward achieving a portfolio that contains the right assets in the right places and in the right condition at the right price |
| Update USDA Three Year Rolling Timeline | Q3 Each FY | Ongoing | Provides a consolidated roadmap of USDA planned actions for rightsizing the USDA portfolio |
| Agencies submit the FRPP-PA Tool reports, identifying those that will be disposed of and those the agencies wish to retain and plans for improving scores | Q4 Each FY | Ongoing | Provides Departmental oversight of agencies' portfolios and plans for under-performing assets |
| Formalize executive review committees into asset | Q1 FY07 | Complete | Establishes a department-wide multi- |

| Milestone | Date | Status | Results Achieved |
|---|---------|----------|---|
| management review boards | | | level review process involving senior agency and departmental officials. |
| Demonstrate steps taken toward implementation of asset management plan as stated in yellow standards | Q4 FY07 | Complete | Meeting established deadlines in Three-Year Timeline; meeting prioritized management improvement actions; maintaining appropriate amount of holdings; and estimating and optimizing cost levels |
| Develop a Department-wide process for multi-year planning | Q2 FY08 | Complete | Provides a budget process to establish funding requirements for all real property asset activities within USDA and provides senior leadership a tool to help determine the right level of investment in the Department's portfolio. |
| Use accurate and current asset inventory information and asset maximization performance measures routinely in management decisions | Q3 FY08 | Ongoing | Reduce the amount of unneeded and underused properties |
| Achieve management of agency property assets consistent with USDA's strategic plan; USDA's AMP; and FRPC-established performance measures as stated in E.O. 13327 | Q3 FY08 | Ongoing | Improved management of USDA real property assets |
| Rewrite current real and personal property position descriptions to focus more on overall asset and portfolio management | Q1 FY09 | Complete | Standardizes employee skill sets that align with requirements for effective portfolio management |

Planning and Acquisition Milestones:

| Milestone | Date | Status | Results Achieved |
|---|-------------|---------------|---|
| Update USDA AMP | Q2 Each FY | Ongoing | Provides agencies with latest USDA real property asset management plans, processes and procedures to be used in getting to green in the initiative. |
| Assess progress toward meeting performance measure goals and targets | Q2 Each FY | Ongoing | Provides feedback on efforts to dispose of unneeded assets and gauge progress in meeting performance measure targets for retained assets |
| Update USDA Three Year Rolling Timeline | Q3 Each FY | Complete | Provides a consolidated roadmap of USDA planned actions for rightsizing the USDA portfolio |
| Update the USDA Performance Measures Goals and Targets document | Q3 Each FY | Ongoing | Facilitates progress toward achieving a portfolio that contains the right assets in the right places and in the right condition at the right price |
| Agencies submit the FRPP-PA Tool reports, identifying those that will be disposed of and those the agencies wish to retain and plans for improving scores | Q4 Each FY | Ongoing | Provides Departmental oversight of agencies' portfolios and plans for under-performing assets |
| Formalize executive review committees into asset management review boards | Q1 FY07 | Complete | Establishes a department-wide multi-level review process involving senior agency and departmental officials. |
| Demonstrate steps taken toward implementation of asset management plan as stated in yellow standards | Q4 FY07 | Complete | Meeting established deadlines in Three-Year Timeline; meeting prioritized management improvement actions; maintaining appropriate amount of holdings; and estimating and optimizing cost levels |
| Develop a Department-wide process for multi-year planning | Q2 FY08 | Complete | Provides a budget process to establish funding requirements for all real property asset activities within USDA and provides senior |

| Milestone | Date | Status | Results Achieved |
|---|-----------|----------|--|
| | | | leadership a tool to help determine the right level of investment in the Department's portfolio. |
| Use accurate and current asset inventory information and asset maximization performance measures routinely in management decisions | Q3 FY08 | Ongoing | Reduce the amount of unneeded and underused properties |
| Achieve management of agency property assets consistent with USDA's strategic plan; USDA's AMP; and FRPC-established performance measures as stated in E.O. 13327 | Q3 FY08 | Ongoing | Improved management of USDA real property assets |
| Rewrite current real and personal property position descriptions to focus more on overall asset and portfolio management | Q1 FY09 | Complete | Standardizes employee skill sets that align with requirements for effective portfolio management |
| Provide input and monitor USDA's internal scorecard via Management Initiative Tracking System (MITS) | Quarterly | Ongoing | Provides USDA senior managers a means to assess agency and departmental progress. |

Operations and Maintenance Milestones:

| Milestone | Date | Status | Results Achieved |
|---|-------------|---------------|--|
| Incorporate the remaining changes necessary to report data in accordance with the 23 required FRPC data elements into CPAIS v1.3 | Q4 FY 06 | Complete | FY 2006 FRPP reflects complete and accurate inventory of USDA constructed assets |
| Complete NCR lease consolidation study | Q1 FY07 | Complete | NCR lease action submitted to GSA for implementation through prospectus process and reflects significant cost avoidance for consolidated NRC lease actions |
| Incorporate disposition data element number 24 and sub elements into CPAIS database | Q2 FY 07 | Complete | Updates CPAIS to accurately collect all 25 data elements as required by the FRPC |
| Finalize development of USDA strategy for reducing backlog of deferred maintenance | Q3 FY 07 | Complete | Determines a basis for either reducing or avoiding an increase of deferred maintenance to the overall portfolio and formalizes an organizational approach to managing and budgeting for deferred maintenance |
| Finalize real estate market surveys for six designated locations illustrating current market conditions | Q4 FY07 | Complete | Provides a beginning baseline for comparative analysis of current and future lease actions |
| Establish a Data Validation Protocol tied to the five-year physical inventory process to ensure reliable and accurate inventory and performance measure data for submission to the annual FRPP report | Q4 FY 07 | Complete | Results in an accurate and complete FRPP. Provides a tool to maintain accuracy of USDA inventory data for each annual FRPP report |
| Incorporate query tool into CPAIS to allow agencies to review and run reports against the database | Q1 FY 08 | Complete | Provides user-friendly mechanism to extract specific data from CPAIS to determine accuracy and completeness of data and provides management tools for use in day-to-day management of real property assets |
| Develop process and requirements for establishing O&M Plans commensurate with the maintenance level required for the asset being managed | Q2 FY 08 | Complete | Provides a critical benchmarking component to manage assets to optimal utilization, improve effectiveness and efficiency, and promote strategic |

| Milestone | Date | Status | Results Achieved |
|---|----------|----------|--|
| | | | operational decisions |
| Assess NCR lease consolidation progress | Q2 FY 08 | Complete | NCR lease consolidation on track with the established schedule |
| Dates entered into CPAIS for assets that will be physically inventoried and data validated in FY 08 | Q3 FY 08 | Ongoing | Agencies will begin implementation of their five-year physical inventory and data validation cycle |
| Publish an addendum to the Leasing Manual that contains best practices to assist agencies in structuring future lease solicitations | Q4 FY08 | Complete | Agencies applying lessons learned and best practices accepted in performing a comparative analysis of current and future lease actions |
| Assess agency progress with completing physical inventories and data validation over a five-year cycle | Q1 FY 09 | Complete | Provides Departmental oversight of the physical inventory and data validation process |
| Develop methodology for prioritizing assets for maintenance | Q1 FY 09 | Complete | Will allow agencies to allocate scarce resources to its highest priority assets and defend funding allocation and deferred maintenance reduction |
| Assess NCR lease consolidation progress | Q2 FY 09 | Complete | NCR lease consolidation on track with the established schedule |
| Employ the O&M Plans in developing of agency budget exhibits | Q2 FY 09 | Complete | Provides standardized Department-wide categories in budget preparation |
| Consolidate multiple NCR leases | Q4 FY09 | Complete | Results in a reduction of multiple leases in multiple facilities and improves utilization and condition index along with lowering overall cost of leased facilities in the NCR |
| Develop methodology for tying future financial system operating and maintenance cost data to the constructed asset level and feeding to CPAIS | Q4 FY 10 | Ongoing | Provides mechanism in USDA's financial corporate system to collect and feed accurate operations and maintenance costs to each USDA constructed asset |
| Assess agency progress with completing physical inventories and data validation over a five-year cycle | Q1 FY 10 | | Provides Departmental oversight of the physical inventory and data validation process |
| Assess process for prioritizing assets for maintenance | Q1 FY 10 | | Will determine effectiveness of agencies allocating scarce resources to its highest priority assets and defending funding allocation and deferred maintenance reduction |

Disposal Milestones:

| Milestone | Date | Status | Results Achieved |
|---|-------------|---------------|--|
| Develop and Issue USDA guidance for applying the disposition algorithm to the inventory | Q4 FY 06 | Complete | Provides for utilization of all performance measures to measure progress and demonstrate quantifiable results toward right-sizing of USDA's real property portfolio |
| Identify specific FY 07 disposal actions | Q1 FY 07 | Complete | Provides accurate list of USDA FY 06 disposal actions to OMB as part of right-sizing the USDA inventory |
| Submit a report to Congress of FY06 conveyances under the Facility Realignment and Enhancement Act of 2005 | Q1 FY 07 | Complete | Provides documentation of all FY 06 FS conveyances to Congress as required by the Facility Realignment and Enhancement Act of 2005. Reflects FS actions to right-size their inventory |
| Identify, where known, initial FY08 disposal actions | Q2 FY 07 | Complete | Provides consolidated list of USDA planned FY 08 disposal actions to OMB as part of right-sizing the USDA inventory |
| Submit a list of proposed conveyance projects for FY08 under the Facility Realignment and Enhancement Act of 2005 | Q2 FY 07 | Complete | Provides documentation of all proposed FS FY 08 conveyance projects to Congress as required by the Facility Realignment and Enhancement Act of 2005. Reflects FS actions to right-size its inventory |
| Establish USDA disposition targets including identification of specific agency assets subject to disposition | Q3 FY 07 | Complete | Provides a structured process for identifying assets subject to disposition and a consolidated listing of proposed dispositions of USDA assets in compliance with OMB and Proud-To-Be deliverables. Continues the process of right-sizing the inventory divesting the Department of underutilized assets |
| Identify specific FY 08 disposal actions | Q1 FY 08 | Complete | Provides accurate list of USDA planned FY 08 disposal actions to OMB as part of right-sizing the USDA inventory |
| Ensure agencies employ the disposition guidance and targets in updating the Three-Year Rolling Timeline and in determining assets suitable for disposal | Q3 FY 08 | Ongoing | Establishes and provides a standardized tool by which to determine which assets should be disposed of and provides mechanism to measure progress and demonstrate quantifiable results towards right-sizing USDA's portfolio |
| Establish USDA disposition targets for FY 09 (number and value of constructed assets) | Q4 FY 08 | Complete | Provides a structured process for identifying assets subject to disposition and a consolidated listing of proposed dispositions of USDA assets in compliance with |

| Milestone | Date | Status | Results Achieved |
|---|----------|----------|--|
| | | | OMB and Proud-To-Be deliverables. Continues the process of right-sizing the inventory divesting the Department of underutilized assets |
| Identify specific FY 09 disposal actions | Q1 FY 09 | Complete | Provides accurate list of USDA planned FY 09 disposal actions to OMB as part of right-sizing the USDA inventory |
| Report quarterly progress toward meeting USDA and Federal Government's disposal targets | Q1 FY 09 | Complete | Progress shows that agencies actively pursuing disposal of assets no longer needed for program delivery |
| Confirm assets disposed of in FY 08 | Q2 FY 09 | Complete | Provides a list of confirmed assets that exited the USDA inventory in FY 08 |
| Report quarterly progress toward meeting USDA and Federal Government's disposal targets | Q2 FY 09 | Complete | Progress shows that agencies actively pursuing disposal of assets no longer needed for program delivery |
| Report quarterly progress toward meeting USDA and Federal Government's disposal targets | Q3 FY 09 | Complete | Progress shows that agencies actively pursuing disposal of assets no longer needed for program delivery |
| Establish USDA disposition targets for FY 10 (number and value of constructed assets) | Q4 FY 09 | Complete | Provides a structured process for identifying assets subject to disposition and a consolidated listing of proposed dispositions of USDA assets in compliance with OMB and Proud-To-Be deliverables. Continues the process of right-sizing the inventory divesting the Department of underutilized assets |
| Report quarterly progress toward meeting USDA and Federal Government's disposal targets | Q4 FY 09 | Complete | Progress shows that agencies actively pursuing disposal of assets no longer needed for program delivery |
| USDA participation in OMB pilot demonstration project | N/A | Ongoing | Provides evidence of USDA's commitment to dispose of unused or under-utilized properties and right-size and reinvest in its portfolio. |
| Identify specific FY 10 disposal actions | Q1 FY 10 | | Provides accurate list of USDA planned FY107 disposal actions to OMB as part of right-sizing the USDA inventory |
| Report quarterly progress toward meeting USDA and Federal Government's disposal targets | Q1 FY 10 | | Progress shows that agencies actively pursuing disposal of assets no longer needed for program delivery |
| Confirm assets disposed of in FY 09 | Q2 FY 10 | | Provides a list of confirmed assets that exited the USDA inventory in FY 09 |

| Milestone | Date | Status | Results Achieved |
|---|----------|--------|--|
| Report quarterly progress toward meeting USDA and Federal Government's disposal targets | Q2 FY 10 | | Progress shows that agencies actively pursuing disposal of assets no longer needed for program delivery |
| Report quarterly progress toward meeting USDA and Federal Government's disposal targets | Q3 FY 10 | | Progress shows that agencies actively pursuing disposal of assets no longer needed for program delivery |
| Establish USDA disposition targets for FY 11 (number and value of constructed assets) | Q4 FY 10 | | Provides a structured process for identifying assets subject to disposition and a consolidated listing of proposed dispositions of USDA assets in compliance with OMB and Proud-To-Be deliverables. Continues the process of right-sizing the inventory divesting the Department of underutilized assets |

Performance Measures and Continuous Monitoring Milestones:

| Milestone | Date | Status | Results Achieved |
|--|-------------|---------------|--|
| Implement the Management Information Tracking System to electronically track agency performance. | Q3 FY06 | Complete | Provides standardized, electronic system to measure progress and demonstrate quantifiable results to USDA senior management mid-quarter in anticipation of quarterly OMB scorecard and Proud-To-Be deliverables |
| Develop acquisition performance measures throughout the Department and determine baselines for agency performance tracking. | Q3 FY06 | Complete | As established in USDA's Asset Management Plan, provides standardized baseline for measuring progress against acquisition performance measures |
| Develop operations and maintenance performance measures throughout the Department and determine baselines for agency performance tracking. | Q3 FY06 | Complete | As established in USDA's Asset Management Plan, provides standardized baseline for measuring progress against operations and maintenance performance measures |
| Develop disposal performance measures throughout the Department and determine baselines for agency performance tracking. | Q3 FY06 | Complete | As established in USDA's Asset Management Plan, provides standardized baseline for measuring progress against disposal performance measures |
| USDA memo to GSA requesting all future acquisitions incorporate sustainable design features | Q1 FY07 | Complete | As one of the signatory agencies to the 1/24/06 MOU on Federal Leadership in High Performance and Sustainable Buildings, the memo to GSA on 12/22/06 requests GSA's support to USDA's commitment to pursuing environmental stewardship and energy efficiency in all GSA assignments |
| Provide annual FRPP Report to GSA | Q1 Each FY | Ongoing | Provides complete and accurate inventory of USDA portfolio on an annual basis |
| Document Departmental Umbrella Buildings Electric Metering plan/Guidance as well as specific metering plans for the landholding agencies. | Q2 FY07 | Complete | In accordance with the requirements of the Energy Policy Act of 2005, USDA provided its Umbrella Plan to DOE in August 2006; developed and issued guidance via OPPM, Energy and Environment Division's webpage in December 2006 as part of OMB semi-annual scorecard deliverable; agencies must develop specific plans by 03/31/07 |
| New Build-to-suit lease | Q1 FY08 | Complete | As one of the signatory agencies |

| Milestone | Date | Status | Results Achieved |
|---|----------|----------|--|
| solicitations for USDA (initiated by GSA) will include criteria encouraging sustainable design and development, energy efficiency, and verification of building performance to improve the operational effectiveness of these buildings | | | to the 1/24/06 MOU on Federal Leadership in High Performance and Sustainable Buildings, in a 12/22/06 memo USDA solicited GSA's support to USDA's commitment to pursuing environmental stewardship and energy efficiency in all GSA assignments. Provides baseline for all future GSA assignments to incorporate sustainable design and energy efficiency. |
| Develop a process for performing condition assessments on various asset categories within the inventory and develop a planning process for securing sufficient funding for assessment activities, including: review existing status of condition assessment; develop cost-effective solution based on parametric models and statistical sampling; establish a reporting vehicle and update schedule; estimate cost and develop a budget package; and develop draft policy documents | Q3 FY08 | Ongoing | Provides the basis for complete multi-year life-cycle planning for all USDA's real property asset initiatives from planning and budgeting to acquisition, utilization and operation, to final disposal actions |
| Compile and submit (to OMB) a list of all new building projects starting design phase in FY2008 that are subject to Section 109 of the Energy Policy Act of 2005. | Q3 FY 08 | Ongoing | Based on the Federal Buildings Performance Standards contained in Section 109 of the Energy Policy Act of 2005. OPPM has included an energy survey for agencies to complete as part of the 2008 3-yr rolling timeline data call. OPPM will analyze the energy survey data; and submit a list of Section 109 projects as part of OMB's Energy Management Scorecard semi-annual deliverable. |
| Agency specific plans will be updated to address the results of a metering infrastructure survey, a list of specific buildings in which advanced electric meters will be installed, and a timeline for metering covered buildings. | Q4 FY08 | Ongoing | Provides survey of current infrastructure metering for USDA assets and planned future actions to electric meter specific designated facilities in accordance with the requirements of the Energy Policy Act of 2005 along with providing facility managers accurate information on energy consumption and the results of energy saving initiatives implemented |
| Implement common Federal screening process | Q1 FY 09 | Complete | Facilitates data sharing between Federal agencies |
| Establish electrical metering | Q2 FY 09 | Complete | Based on USDA electric metering |

| Milestone | Date | Status | Results Achieved |
|---|----------|----------|---|
| priority list of buildings based on square footage | | | guidance document, sets priority list to accomplish metering by 09/30/2012 in compliance with the requirements of the Energy Policy Act of 2005. Facilities with the greatest return on investment will be targeted for implementation first. |
| Employ process for performing condition assessments | Q3 FY 09 | Complete | Agencies utilize a standardized and defensible process to determine condition of their assets |
| Report on efforts to meet the FY 09 government-wide target for the condition index of buildings | Q1 FY 10 | | Assesses progress toward meeting this target |

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8.4 USDA Real Property Educational, Training, and Core Competencies

A change has been implemented in the educational requirements of the Real Property Leasing Officer (RPLO) Warrant System. Effective June 1, 2010, all applicants for a RPLO warrant, regardless of job series, must meet the educational requirements listed below. Employees who are warranted prior to June 1, 2010, are considered to have met the educational requirements for their existing warrant.

- 1) Applicants at grades 5 through 12: Applicants for permanent warrants above the simplified acquisition level must have completed a four year course of study leading to a bachelor's degree or 24 semester hours in any combination of the designated business fields below (item #3). These requirements apply to all candidates for permanent warrants, regardless of job series.
- 2) Applicants at grades 13 and above: Applicants for permanent warrants above the simplified acquisition level must have completed a 4-year course of study leading to a bachelor's degree that included or was supplemented by at least 24 semester hours in any combination of the designated fields below (item #3). The applicant must demonstrate significant analytical and decision-making capabilities, an acceptable job performance record, and qualifying experience.
- 3) The designated educational fields are: Accounting, Business, Finance, Law, Contracts, Purchasing, Economics, Industrial Management, Marketing, Quantitative Methods, Organization and Management.

This policy applies to all candidates above the Level 1 Warranted Leasing Officer level (Leasing/Simplified Acquisition - \$100,000) as specified in Departmental Regulation (DR) 5100-002, Real Property Leasing Officer Warrant System. The DR version dated June 7, 2007, is currently under revision to reflect these educational changes. In addition, all agency warrants must be updated to reflect the completion of a minimum of 80 continuous learning hours every two years. Course requirements/training changes will also be reflected in the revised version of DR 5100-002.

Research and discussion with the General Services Administration's legal counsel, as well as realty subject matter experts, and a review of the direction contained in the Office of Management and Budget's, Office of Federal Procurement Policy (OFPP) Policy Letter 05-01, indicates that this requirement does apply to all RPLOs (above Level 1) as well as Contracting Officers within the GS-1102/1105 job series.

In addition, USDA has adapted the core competencies and skill sets developed by the Federal Real Property Advisory Group's Interagency Working Group to the appropriate real property positions within the Department. This section includes the major competencies and skill sets defined for the following managerial positions: Facility Manager, Real Property Leasing Officer, Project Manager, and Realty Specialists.

| Title | Competencies/Skills | Levels of Competencies | Recommended Training |
|-------------------------------|---|--|---|
| Facility Manager | <ul style="list-style-type: none"> • Communication • Financial Analysis • Analytical • Diplomacy • Computer Systems Knowledge • Organization Knowledge • Commercial Real Estate Knowledge • Leadership Ability • Writing Skills • Problem Solving • Conflict Resolution • Decision Making • Federal Budget Process • Knowledge of Regulations • Ability to work individually or as part of a team • Time Management • Development and Construction • Leasing Processes • Project Management • Planning • Presentation Skills • Appraisal Principles • Team Building • Knowledge of Procurement Procedures | <p><u>Entry Level:</u></p> <ul style="list-style-type: none"> • Communication • Writing Skills • Computer System Knowledge • Analytical • People Skills • Ability to work individually or as part of a team <p><u>Intermediate Level:</u></p> <ul style="list-style-type: none"> • Federal Budget Process • Financial Analysis • Organization Knowledge • Appraisal Principles • Time Management • Knowledge of Regulations • Project Management • Leasing Processes <p><u>Journeyman Level:</u></p> <ul style="list-style-type: none"> • Diplomacy • Development and Construction • Knowledge of Procurement Procedures • Decision Making • Conflict Resolution • Leadership Ability • Commercial Real Estate Knowledge • Planning • Problem Solving • Team Building • Presentation Skills | <p><u>Entry Level:</u></p> <ol style="list-style-type: none"> 1. Customer Service Training 2. Ability to Communicate in Writing 3. Effective Writing 4. Beginning Microsoft Project 5. Microsoft Excel 6. Beginning Microsoft Word 7. Basic Analyst Training <p><u>Intermediate Level:</u></p> <ol style="list-style-type: none"> 1. Basic Appraisal 2. Financial Analysis Training 3. Time Management Training 4. Basic Project Officer 5. Federal Real Property Leasing 6. Federal Budget Process Training <p><u>Journeyman Level:</u></p> <ol style="list-style-type: none"> 1. Introduction to Federal Contracting 2. Basic Commercial Construction 3. Real Estate Principles 4. Conflict Resolution 5. Covey Training 6. Managing Diversity 7. Personnel Management 8. Basic Leadership Skills 9. Basic Supervisory Training |
| Real Property Leasing Officer | <ul style="list-style-type: none"> • Administration & Management • Arithmetic • Attention to Detail • Building & Construction • Contracting/Procurement • Cost Benefit Analyses • Customer Service • Creative Thinking • Decision Making • Facility Management • Flexibility • Influencing/ | <p><u>Entry Level:</u></p> <ul style="list-style-type: none"> • Arithmetic • Cost Benefit Analyses • Customer Service • Flexibility • Integrity/Honesty • Interpersonal Skills • Knowledge of Computers/Organization • Learning • Problem Solving • Reasoning • Self-esteem • Stress Tolerance • Teamwork <p><u>Intermediate Level:</u></p> <ul style="list-style-type: none"> • Attention to Detail | <p><u>Entry Level:</u></p> <ol style="list-style-type: none"> 1. Basic Project Officer 2. Writing Statement of Work 3. Budget Estimating Techniques 4. Emergency Response (snow, floods, etc.) 5. Ability to Communicate in Writing 6. Effective Writing 7. Beginning Microsoft Project 8. Microsoft Excel 9. Beginning Microsoft Word 10. Waste Communication 11. Asbestos Operations |

| Title | Competencies/Skills | Levels of Competencies | Recommended Training |
|-----------------|---|---|--|
| | <ul style="list-style-type: none"> Negotiating Skills • Information Management • Integrity/Honesty • Interpersonal Skills • Knowledge of: • Computer Systems • Organization • Regulations, E.O., Statutes • Leadership • Learning • Mechanical Systems • Memory • Mental Visualization • Oral Communication • Planning and Evaluating • Problem Solving • Reading Blue Prints, Diagrams & Schematics • Reasoning • Self-esteem • Self-Management • Stress Tolerance • Teamwork • Technical Competencies • Vision • Writing | <ul style="list-style-type: none"> • Creative Thinking • Facility Management • Information Management • Knowledge of Regulations, E.O., Statutes • Mechanical Systems • Oral/Written Communication • Reading Blue Prints, Diagrams & Schematics <u>Journeyman Level:</u> • Building & Construction • Contracting/Procurement • Decision-Making • Influencing/Negotiating Skills • Leadership • Memory • Mental Visualization • Planning and Evaluating • Self-Management • Technical Competencies • Vision | <ul style="list-style-type: none"> and Maintenance 12. Basic Analyst Training 13. Cost and Price Analysis of Lease Proposals 14. Federal Real Property Lease Law 15. Techniques of Negotiating Leases <u>Intermediate Level:</u> 1. BOMA Real Property ADM 2. Asbestos Operations and Maintenance Refresher 3. Advance Project Officer 4. Technical Writing Skills 5. Construction Management Course 6. Federal Real Property Leasing <u>Journeyman Level:</u> 1. Performance-Based Service Contracting 2. Project Management 3. Facilities Management 4. Conflict Resolution 5. Real Estate Appraisal Principles <u>Leadership:</u> 1. Tough Positive Management 2. Managing Diversity 3. Personnel Management 4. Basic Supervisory Training 5. Orientation Basic Leadership Skills 6. Supervising the Troubled Employee |
| Project Manager | <ul style="list-style-type: none"> • Administration & Management • Arithmetic • Attention to Detail • Budget Principles • Building & Construction • Contracting/Procurement • Cost Benefit Analyses • Customer Service | <ul style="list-style-type: none"> <u>Entry Level:</u> • Arithmetic • Oral Communication • Customer Service • Flexibility • Integrity/Honesty • Interpersonal Skills • Knowledge of Computers/Organization • Learning • Reasoning • Self-starter | <ul style="list-style-type: none"> <u>Entry Level:</u> 1. Basic Project Officer 2. Writing Statement of Work 3. Budget Estimating Techniques 4. Ability to Communicate in Writing 5. Effective Writing 6. Report Writing 7. Basic Statistics 8. Beginning Microsoft |

| Title | Competencies/Skills | Levels of Competencies | Recommended Training |
|--------|---|--|--|
| | <ul style="list-style-type: none"> • Creative Thinking • Decision Making • Facility Management • Flexibility • Independence/Self-Management • Influencing/Negotiating Skills • Information Management • Integrity/Honesty • Interpersonal Skills • Knowledge of: <ul style="list-style-type: none"> • Computer Systems • Organization • Regulations, E.O., Statutes • Leadership • Learning • Mechanical Systems • Memory • Mental Visualization • Oral Communication • Planning and Evaluating • Problem Solving • Reading Blue Prints, Diagrams and Schematics • Reasoning • Self-starter • Stress Tolerance • Teamwork • Technical Competencies • Vision • Written Communication | <ul style="list-style-type: none"> • Stress Tolerance • Teamwork <p><u>Intermediate Level:</u></p> <ul style="list-style-type: none"> • Attention to Detail • Budget Principles • Cost Benefit Analyses • Creative Thinking • Facility Management • Information Management • Knowledge of: <ul style="list-style-type: none"> • Computer Systems (CAD) • Regulations, E.O., Statutes • Mechanical Systems • Problem Solving • Reading Blue Prints, Diagrams & Schematics • Written Communication <p><u>Journeyman Level:</u></p> <ul style="list-style-type: none"> • Building & Construction • Contracting/Procurement • Decision-Making • Independence/Self-Management • Influencing/Negotiating Skills • Leadership/Vision • Memory • Mental Visualization • Planning and Evaluating • Technical Competencies | <p>Project</p> <ol style="list-style-type: none"> 9. Microsoft Excel 10. Beginning Microsoft Word 11. Oral Communications Course 12. Asbestos Operations and Maintenance 13. Basic Analyst Training <p><u>Intermediate Level:</u></p> <ol style="list-style-type: none"> 1. BOMA Real Property ADM 2. Asbestos Operations and Maintenance Refresher 3. CAD Formal Training 4. Effective Team Building Course 5. Getting What you Want Through Negotiations 6. Advanced Project Officer 7. Bldg. Mgt. Technical Training (electrical & mechanical systems) 8. Technical Writing Skills 9. Construction Management Course <p><u>Journeyman Level:</u></p> <ol style="list-style-type: none"> 1. Performance-Based Service Contracting 2. Project Management 3. Motivational Techniques 4. Managing Multiple Projects 5. Facilities Management 6. Conducting Effective Meetings 7. PowerPoint Presentation 8. Conflict Resolution <p><u>Leadership:</u></p> <ol style="list-style-type: none"> 1. Tough Positive Management 2. Managing Diversity 3. Personnel Management 4. Basic Supervisory Training 5. Orientation Basic Leadership Skills |
| Realty | <ul style="list-style-type: none"> • Administration & | <u>Entry Level:</u> | <u>Entry Level:</u> |

| Title | Competencies/Skills | Levels of Competencies | Recommended Training |
|------------|--|--|--|
| Specialist | <ul style="list-style-type: none"> Management • Attention to Detail • Building & Construction • Cost Benefit Analyses • Contracting/Procurement • Customer Service • Creative Thinking • Decision Making • Facility Management • Flexibility • Influencing/Negotiating Skills • Information Management • Integrity/Honesty • Interpersonal Skills • Knowledge of: <ul style="list-style-type: none"> • Computer Systems • Organization • Regulations, E.O., Statues • Leadership • Learning • Math • Mechanical Systems • Memory • Mental Visualization • Oral Communication • People Skills • Planning and Evaluating • Problem Solving • Reading Blue Prints, Diagrams and Schematics • Reasoning • Self-esteem • Self-Management • Space Management Principles • Stress Tolerance • Teamwork • Technical Competencies • Writing | <p>Customer Service</p> <p>Flexibility</p> <p>Integrity/Honesty</p> <p>Interpersonal Skills</p> <p>Learning</p> <p>Math</p> <p>Memory</p> <p>People Skills</p> <p>Reasoning</p> <p>Self-esteem</p> <p>Stress Tolerance</p> <p>Teamwork</p> <p><u>Intermediate Level:</u></p> <p>Attention to Detail</p> <p>Cost Benefit Analyses</p> <p>Creative Thinking</p> <p>Facility Management</p> <p>Information Management</p> <p>Knowledge of Organization, Regulations, Executive Orders, Statutes</p> <p>Mechanical Systems</p> <p>Oral/Written Communication</p> <p>Reading Blue Prints, Diagrams & Schematics</p> <p>Space Management Principles</p> <p><u>Journeyman Level:</u></p> <p>Administration & Management</p> <p>Building & Construction</p> <p>Contracting/Procurement</p> <p>Decision-Making</p> <p>Influencing/Negotiating Skills</p> <p>Leadership</p> <p>Mental Visualization</p> <p>Planning and Evaluating</p> <p>Problem Solving</p> <p>Self-Management</p> <p>Technical Competencies</p> | <ol style="list-style-type: none"> 1. Basic Project Officer 2. Writing Statement of Work 3. CAD Formal Training 4. Customer Service Training 5. Budget Estimating Techniques 6. Metric Conversion Training 7. Ability to Communicate in Writing 8. Effective Writing 9. Beginning Microsoft Project 10. Microsoft Excel 11. Beginning Microsoft Word 12. Asbestos Operations and Maintenance 13. Basic Analyst Training <p><u>Intermediate Level:</u></p> <ol style="list-style-type: none"> 1. BOMA Real Property ADM 2. Asbestos Operations and Maintenance Refresher 3. CAD Module Training 4. Advance Project Officer 5. Building Management Technical Training 6. Technical Writing Skills 7. Construction Management Course 8. Design Operations Maintenance Building Systems <p><u>Journeyman Level:</u></p> <ol style="list-style-type: none"> 1. Performance-Based Service Contracting 2. Project Management 3. Facilities Management 4. Conflict Resolution <p><u>Leadership:</u></p> <ol style="list-style-type: none"> 1. Tough Positive Management 2. Managing Diversity 3. Personnel Management 4. Orientation Basic Leadership Skills 5. Basic Supervisory Training |

3/12/09

USDA ASSET MANAGER POSITION DESCRIPTIONS

The Department of Agriculture (USDA) decided that there is a need for asset managers that could consider aspects for both real and personal property when making decisions about USDA offices nationwide. To meet this need, an asset manager position was created in Departmental Administration, Office of Procurement and Property Management (OPPM), Property Management Division (PMD).

Likewise, USDA agencies are following OPPM's lead and creating similar asset manager positions within their organizational structure. Following are summaries of duties of the asset manager in OPPM and examples from the Agricultural Research Service (ARS) and the Forest Service (FS).

OPPM-PMD Asset Manager Position (GS-1101-14)

On behalf of the Director, OPPM, the Assistant Secretary for Administration, and the Secretary, the incumbent provides leadership and oversight in developing, improving and maintaining USDA's real and personal property programs to include property acquisition, utilization and disposal. The incumbent interprets and/or develops policy, and provides oversight, advice and guidance on the above areas to customer agencies and serves as liaison between USDA agencies, Office of Management and Budget, General Services Administration, Government Accountability Office, and other Federal agencies. The incumbent provides program assessment and evaluation activities on USDA's progress reports for the Presidential Management Initiative and OMB scorecard for Real Property Asset Management (E.O. 13327) and the OMB scorecard for E.O. 13423, Strengthening Federal Environmental, Energy, and Transportation Management and the Energy Independence and Security Act (EISA) of 2007 as they relate to facility management and sustainability requirements.

As an expert asset manager for the most complex real and personal property portfolios across USDA nationwide, makes recommendations and decisions regarding the management of Department and agency facilities and property at the strategic asset and portfolio levels. Provides expert level portfolio and asset management, planning, analysis, and guidance for major assets, actions, strategic plans, business objectives/direction, as well as program analysis of portfolio and asset management activities across the Department of Agriculture. Formulates, develops, amends, modifies, recommends, and administers policies, systems, methods and/or procedures for the effective and economic management of USDA owned and leased assets. Identifies significant issues, reconciles various points of view, and solves problems that would otherwise inhibit the timely and effective completion of the identified missions and goals.

Manages classes of assets that are especially complex, extensive, and/or sensitive, with extremely high dollar values in terms of operating budgets and fair market value. Utilizes an expert understanding of the impact of current and projected demand for space among the USDA's customers and the local real estate marketplace. Develops strong working relationships

with senior representatives of USDA agencies, as well as state and local governments and officials. In addition, understands and works with numerous stakeholders who may have competing interests in USDA assets and projects. Stakeholders may include high-level agency officials, Office of Management and Budget officials, and Congressional members and staff.

Manages a diverse personal property portfolio, including IT equipment and software, motor vehicles, and aircraft. Develops and analyzes policies, standards, techniques, and procedures for the efficient management of personal property acquisition, utilization, and disposal. Provides technical advice to USDA activities at all levels; represents the Department throughout the Federal government and assists in development of government-wide rules, regulations and policies; participates in inter/intra-governmental task forces on a variety of personal property matters.

Serves as a liaison, advisor, representative, and presenter for high-ranking programs. Provides authoritative advice, guidance and leadership to Departmental and agency management officials and staff, and to senior agency field management officials on major portfolio and asset related strategic, planning, business and financial issues, emerging trends and highly complex problems for the sustainability of the agency assets.

Serves as a liaison between high-ranking program officials within the Department to provide authoritative advice and guidance and to identify problems and develop solutions related to the Department's real estate and personal property portfolio and associated program areas. Conveys information regarding program activities, policies, and goals. Clarifies procedures, interprets directives and other governing regulations, and recommends and/or makes decisions regarding classes of assets, the owned and leased portfolios, and portfolio management programs. Works with and obtains the approval of high-ranking Department and agency officials and Office of Management and Budget, on strategic portfolio and asset management decisions.

Reviews and prepares technical reports and delivers presentations on important and complex matters which influence not only the immediate work group, but have widespread impact in terms of current and future programs.

Serves as a coordinator and representative for key management officials for major portfolio and asset related issues. Leads and/or participates in the review of program activities to identify problems and recommend corrective measures or alternative approaches for implementation by Department and agency management officials. Interacts with other recognized technical experts within USDA to develop a coordinated approach to unique problems or areas in which USDA or other Federal agencies have previously not been involved or concerned. Leads and/or participates in studies of national and USDA significance or of outstanding importance to portfolio management.

USDA Agencies' Asset Manager Positions (Examples)

ARS Asset Manager (GS-301-13)

The function of this position is to support the research mission of ARS by serving as Area Asset Manager, managing infrastructure capital assets to minimize the total cost of ownership and operation while ensuring customer needs are met, providing leadership and technical expertise in the following areas: facilities design, construction and retrofit; asset management; facilities management, operations and maintenance; physical security (perimeter security and access control); safety, health and environmental management; and real and personal property.

The three primary broad areas of responsibility are further described below:

I. Federal Real Property Asset Management:

Serves as the Area asset management subject matter expert. Establishes, implements, coordinates, and oversees the acquisition, leasing, utilization, reporting and disposition of the Areas' controlled real property. Member of the Area's Asset Management Review Board.

II. Facilities Management, Operation and Maintenance, Safety and Health:

Establishes, implements, coordinates and oversees a complex asset management program that links national research program priorities with long-range facilities investment planning, utilization and operational management.

Uses facility life-cycle costing and alternative analysis to advise on investment decisions. Establishes and coordinates Area-wide energy management, environmental management system (EMS), safety, physical security and operations and maintenance programs.

Advises and provides technical assistance to Area and location management officials and supervisory personnel regarding safety and health.

III. Facilities Design, Construction and Retrofit:

Establishes, implements and oversees the Area-wide facilities design, construction and retrofit projects, either as a COR or as the project manager utilizing the services of professional architect and engineering construction firms through ARS awarded contracts. Projects cover a wide range of specialized facilities including animal and plant research laboratories, greenhouses and head houses, quarantine and containment facilities and research irrigation and water management systems.

FS Asset Manager (GS-1101-14)

The Forest Service Asset Manager position will be responsible for coordinating activities relating to the management of assets (property) within the Forest Service. This person will also be responsible for assuring accurate reporting for the Federal Real Property Profile (FRPP) and all related coordination with USDA.

Serves as a liaison, advisor, and representative on sensitive and complex issues. Provides advice, guidance, and leadership to management officials and staff on complex asset portfolios that involve sensitive issues. Serves as a liaison between USDA and FS offices, providing advice and guidance on sensitive and complex issues. Responsible for the accuracy and timely reporting of the Forest Service's Federal Real Property Profile. Identifies problems and develops solutions for the FS Asset Management Program. Coordinates with all program areas within FS and provides comprehensive support to all mission areas. Serves as an agency/Division/Region representative to local industry and community groups related to portfolio management activities.

As an expert asset manager for the most complex property portfolios in the FS, makes recommendations and decisions regarding the management of Federal agency headquarters facilities at the strategic asset and portfolio levels. Provides expert level portfolio and asset management, planning, analysis, and guidance for major assets, actions, strategic plans, business objectives/direction, as well as program analysis of portfolio and asset management activities in the region. Formulates, develops, amends, modifies, recommends, and administers policies, systems, methods and/or procedures for the effective and economic management of agency/regional owned and leased assets. Identifies significant issues, reconciles various points of view, and solves problems that would otherwise inhibit the timely and effective completion of the identified missions and goals.

Provides overall coordination between all FS staff areas that have a vested interest in asset management. Maintains the FS Asset Management Plan and Building Block Plan. In addition, understands and works with numerous stakeholders who may have competing interests in agency/region assets and projects. Stakeholders may include high-level USDA FS officials, Office of Management and Budget officials, and Congressional members and staff.

Serves as a liaison, advisor, representative, and presenter for high-ranking programs. Provides authoritative advice, guidance and leadership to management officials and staff, and to senior USDA FS management officials on major portfolio and asset related strategic planning, business and financial issues, emerging trends and highly complex problems for the sustainability of USDA FS assets.

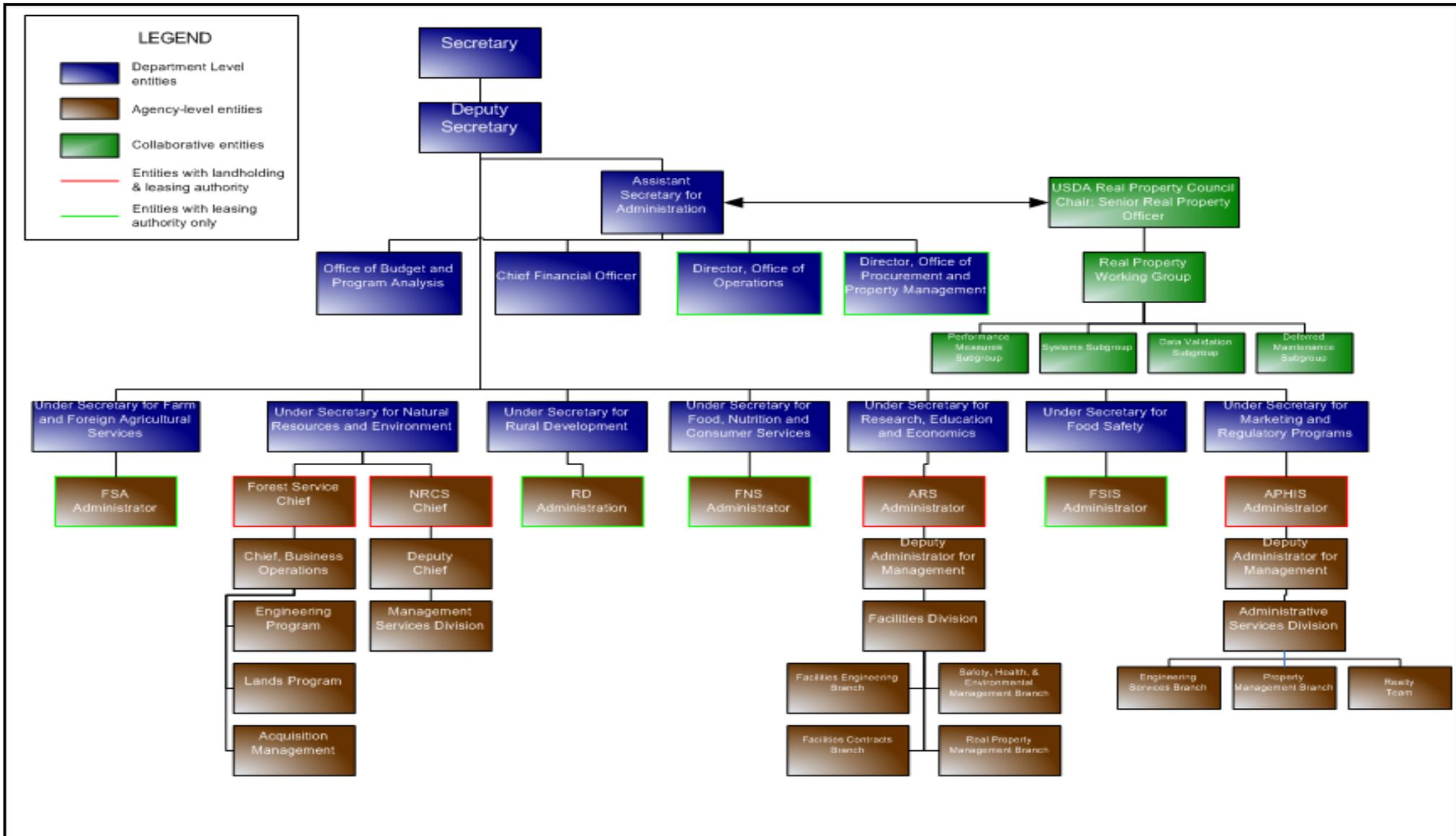
Serves as a liaison between high-ranking program officials within the region and national office to provide authoritative advice and guidance and to identify problems and develop solutions related to the region's real estate portfolio and associated program areas. Conveys information regarding program activities, USDA FS policies, and goals. Clarifies procedures, interprets directives and other governing regulations, and recommends and/or makes decisions regarding classes of assets, the owned and leased portfolios, and portfolio management programs. Works with and obtains the approval of high-ranking agency and client agency officials and

Congressional Committees, on strategic portfolio and asset management decisions.

Reviews and prepares technical reports and delivers presentations on important and complex matters which influence not only the immediate work group, but have widespread impact in terms of current and future programs.

Serves as an expert asset manager in realty portfolio and asset management, providing advice, analysis, guidance, policy development, and planning for USDA FS assets. Manages classes of assets that are especially complex, extensive and/or sensitive, with extremely high dollar values in terms of operating budgets, fair market value, and ratio of net worth and revenue produced. Makes recommendations regarding the management of Federal agency headquarters facilities at the strategic asset and portfolio levels. Provides expert level portfolio and asset management, planning, analysis and guidance for major assets, actions, strategic plans, business objectives/direction, as well as financial analysis of portfolio and asset management activities in the region. Formulates, develops, amends, modifies, recommends, and administers policies, systems, methods and/or procedures for the effective and economic management of agency/regional owned and leased assets. Identifies significant issues, reconciles various points of view, and solves problems that would otherwise inhibit the timely and effective completion of the identified missions and goals.

8.5 USDA Real Property Organizational Chart



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8.6 Departmental Asset Management Review Board Charter



The United States Department of Agriculture (USDA)

**Departmental Real Property Asset Management
Review Board (AMRB) Charter**

Version 1.1

March 20, 2007

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1.0 Purpose

The purpose of this Charter is to define the authority, membership, roles and responsibilities of the Departmental Real Property Asset Management Review Board (AMRB), and its relationships to other internal and external bodies.

2.0 Background

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 Department to oversee management of the extensive USDA asset portfolio. To meet this goal, USDA is building its process around the Capital Programming and Investment Process (CPIP) guidance based on the Office of Management and Budget Capital Programming Guide, supplement to Part 7 of Circular A-11. Utilizing the CPIP instructions to evaluate all real property investments will provide the Department and the agencies with the ability to manage risks and returns of real property assets throughout their lifecycle to ensure that USDA's investments are well-conceived, cost-effective, and support strategic mission and business goals. All investments will be articulated in a business case, the requirements for which will be commensurate with the cost and impact of the investment on the organization.

The Departmental Real Property Asset Management Review Board is established pursuant to the requirements of Executive Order (E.O.) 13327, Federal Real Property Asset Management, which set expectations and requirements 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 . . ." E.O. 13327 states that the executive branch departments and agencies of the Federal government "...shall recognize 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."

To implement this initiative, the Department has included, as part of its Strategic Plan, a management initiative regarding Real Property. This initiative, along with the Department's Asset Management Plan (AMP), established the USDA Real Property Council (RPC), and appointed the USDA Senior Real Property Officer (SPRO). Additionally, internal performance measures reflecting the President's Management Agenda scorecard have been developed to evaluate compliance at the Departmental and Agency level. The AMRB is established as an integral component of USDA's ongoing effort to implement E.O. 13327.

3.0 Authority

The following directives authorize the establishment of this AMRB:

- E.O. 13327, Federal Real Property Asset Management, dated February 4, 2004.
- USDA Asset Management Plan (AMP), Version 6.1, dated April 14, 2006.

4.0 Membership

The AMRB consists of the membership of the USDA Real Property Council. The Assistant Secretary for Administration (ASA) will serve as the AMRB Chair and the USDA SRPO will serve as the Executive Secretary.

5.0 Roles and Responsibilities

For Major level projects, the Departmental AMRB provides recommendations on Agency proposed capital investments affecting the USDA portfolio to the Budget and Performance Integration Board (BPIB), which consists of the Deputy Secretary and Office of Budget and Program Analysis (OBPA). It is also responsible for setting performance goals, assessing how well investments meet the goals, and how Agencies are meeting performance measure targets. The Departmental AMRB is chaired by ASA.

The Departmental AMRB provides oversight of Significant and Non-Major level investments utilizing the Three-Year Timeline to:

- Evaluate and provide recommendations to Agencies regarding Real Property projects, which will create a USDA Real Property portfolio that best supports the Department's missions and program delivery processes.
- Assemble a consolidated USDA Real Property portfolio using a standard set of criteria.
- Ensure the Department's Asset Management Plan is followed by USDA Agencies.
- Assure that the Department's Real Property program remains in compliance with E.O. and implementing directives.

AMRB authorities for projects within the CPIP process are based upon the value of the project as shown in Table 1 below.

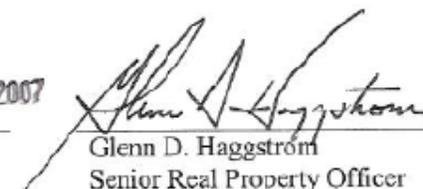
| Investment Type | Project Value | Required Review Documentation | Review Authority | Approval Authority |
|-----------------|-----------------------------------|--------------------------------------|---|---|
| Major | ≥ \$10M or High Risk | Capital Asset Plan | Departmental Asset Management Review Board will review agency documentation and provide recommendations to the Budget and Performance Integration Board | Secretary |
| Significant | ≥ GSA prospectus level to < \$10M | Real Property Investment Report | Agency Headquarters/Agency Asset Management Review Board | Agency Headquarters |
| Non-Major | < GSA prospectus level | As determined by Agency Headquarters | Agency Headquarters will determine asset management review authority | Agency Headquarters may delegate approval authority |

Table 1: Investment Review and Approval Levels of Authority for the Department

6.0 Meetings

The Departmental AMRB will hold meetings annually based on the reporting requirements of the USDA CPIP process or more frequently subject to the call of the Chair. These meetings will be held in conjunction with the USDA budget submission process and schedule.

7.0 Ratification

| | | | |
|---|-------------|--|--------|
|  | MAR 07 2007 |  | 3.7.07 |
| Boyd K. Rutherford Assistant Secretary for Administration | DATE | Glenn D. Haggstrom Senior Real Property Officer | DATE |

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8.7 FRPC Strategic Plan

May 1, 2007

Federal Real Property Asset Management

Scope: Federal Real Property Asset Management

Overall Goal: To improve Federal asset management practices and rightsize the Federal portfolio of assets.

Focus: The Administration's goal is to improve asset management by fully utilizing mission critical and mission dependent assets and managing those assets in the right condition and at the right cost. Unneeded assets should be disposed, with a goal of reducing the size of the Federal real property inventory by \$9 billion by 2009, through the disposition of surplus or excess assets. To meet this goal, the Federal Real Property Council and Federal agencies will:

1. continually update available inventory and performance data necessary to make sound asset management decisions,
2. establish and achieve an aggressive set of goals for disposing of unneeded or underutilized assets.
3. implement key reform initiatives through rigorous analysis, a legislative agenda and inter and intra agency coordination.

Background: The Federal Government currently owns more 1.2 million real property assets with a replacement value of more than \$1.2 trillion. In addition, the government also owns or manages one in every four acres of land in the United States.

In an effort to improve the Federal Government's real property asset management, the President signed Executive Order 13327, on February 4, 2004, to promote the efficient and economical use of America's real property assets and to assure management accountability for implementing Federal real property management reforms. The executive order directed all major agencies to:

1. Establish the position of a Senior Real Property Officer (SRPO), who will be held accountable for the effective management of agency real properties;
2. Determine what the agency owns, what it needs, and how and what it costs to manage its real properties;
3. Develop and implement asset management plans;
4. Develop and monitor real property performance measures; and

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5. Dispose of properties that are not needed.

The Executive Order also created an interagency Federal Real Property Council (FRPC) to develop guidance, serve as a clearinghouse for best practices, and facilitate the efforts of the SRPOs.

In conjunction with the Executive Order, the Administration added a new program initiative to the President's Management Agenda (PMA). The Federal Real Property Asset Management initiative applies to the largest Federal landholding agencies that are scored on the status and progress of their real property management improvement efforts on the quarterly PMA scorecard.

Results to date: Under the leadership of the Federal Real Property Council, Federal agencies have made significant progress in implementing the tools necessary to drive improvements that lead to tangible results.

1. December 2004: FRPC issued guidance identifying required components for all agency asset management plans as well as 23 data elements, including four performance measures, to be reported on all constructed assets in the Federal portfolio.
2. December 2005: The first Government-wide inventory of Federal real property assets is completed. Agencies reported more than 1.2 million assets with a replacement value of more than \$1.2 trillion.
3. June 2006: All PMA agencies received OMB approval for the agency asset management plan.
4. September 2006: Agencies report Fiscal Year (FY) 2004 through FY 2006 disposals totaling more than \$3.5 billion.
5. December 2006: The second Government-wide inventory of Federal real property assets is completed.

Strategic Vision for the Future

Asset Management Reform Activities

To support the implementation of the Executive Order and the Real Property Asset Management initiative, the Federal real property community has undertaken a series of improvement efforts intended to strengthen key areas of asset management and thus help ensure success. *Reform Activities* underway include the following initiatives:

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1. Decision Analytics,
2. Legislative Agenda,
3. Inter- and Intra- Agency Coordination

This Strategic Plan addresses these activities, or pillars, in greater detail, highlighting for each initiative, the Strategic Goal, Interim Objectives, and Priority Actions to be undertaken over the next two years.

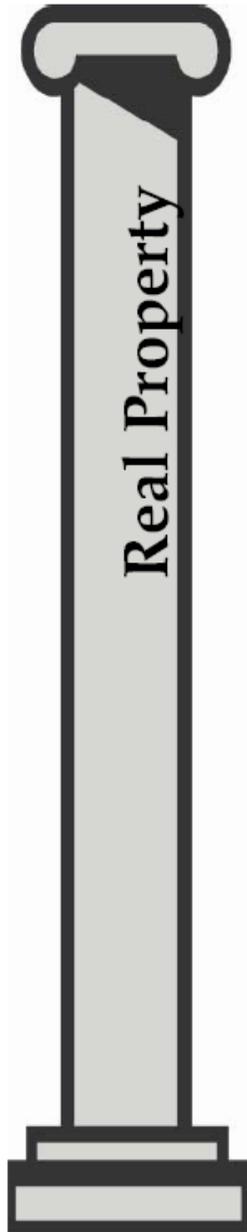
Asset Management Core Activities

The *Core Activities* represent the foundation for holding the overall structure in place. In short, the core activities represent the universe of day-to-day activities that the Federal asset management community, both the FRPC and Federal agencies, must undertake to effectively manage the resources of the Federal Government. The *Core Activities* include:

1. Asset Management Planning,
2. Inventory and Performance Measure Data, and
3. Best Practices.

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Decision Analytics



STRATEGIC GOAL:

- All agencies utilize available and reliable inventory and performance data to improve decision-making.

INTERIM OBJECTIVES:

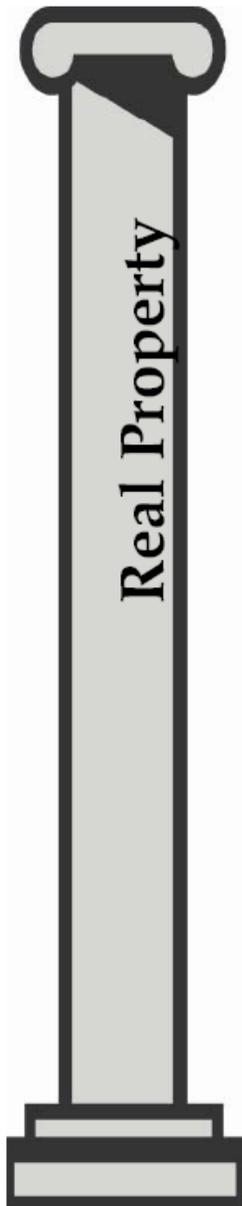
- Expand data validation processes to ensure that inventory and performance data is accurate and reliable.
- Review available inventory and performance data to determine the business questions that can be answered and which may be beneficial to agency management in decision-making.

PRIORITY ACTIONS:

- Identify excess and surplus assets by agency and the 100 most eligible properties for sale in accordance with Section 408 of the DC Lands Act.
- Increase sharing of information among Executive agencies on unneeded assets.
- Establish a more mechanized framework for validating data submissions to the FRPP.
- Expand agency specific data quality assurance and quality control procedures.
- Ensure that agencies use asset specific performance data in their decision-making process.
- Incorporate the Performance Assessment Tool (PAT) or approved equivalent into agency protocols as one part of the process for portfolio management decision-making.
- Agencies prioritize condition improvement investment actions based upon FRPP and agency specific data.

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Legislative Agenda



STRATEGIC GOAL:

- Enact legislative remedies or other reforms to encourage business – like decisions throughout the lifecycle of real property assets as well as methods for streamlining the asset disposition process.

INTERIM OBJECTIVES:

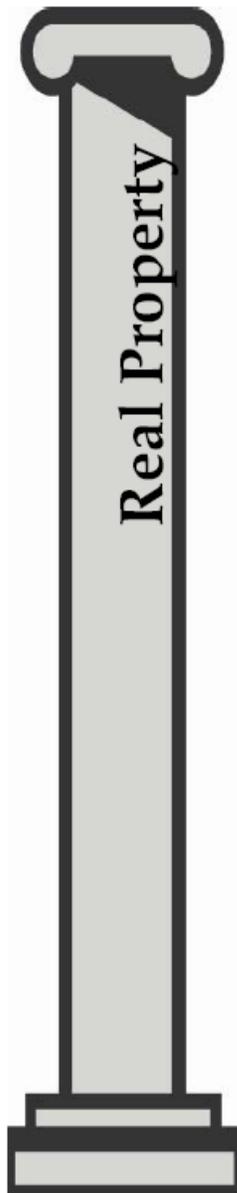
- Obtain legislative authority to reform asset management and disposition, including the retention of sales proceeds.

PRIORITY ACTIONS:

- Enact the President's legislative proposal to allow Executive agencies to retain a portion of the net proceeds of sale which would be directed toward the agency's real property capital asset needs.
- Capture disposal results of agency specific disposal authorities already in place.
- Develop processes for identifying those unneeded assets suitable for disposition through an enacted President's disposal pilot.
- Analyze real property budget scoring issues.
- Identify potential remedies to streamline both the Federal transfer process and the application of the McKinney-Vento Act and National Environmental Policy Act.

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Inter and Intra Agency Coordination



STRATEGIC GOAL:

- Improve coordination of crosscutting real property activities within and among Federal agencies.

INTERIM OBJECTIVES:

- Increase coordination of Federal Councils and Committees with real property related responsibilities including, Interagency Security Council, Advisory Council on Historic Preservation, and the National Capital Planning Commission.
- Identify and share, as appropriate, FRPC Government-wide asset management activities with other Governmental bodies that may leverage the guidance or activities.

PRIORITY ACTIONS:

- Identify other real property related requirements, (e.g. historic preservation, inventory, and reporting, environmental stewardship including sustainable design) and review for opportunities to increase coordination.
- Assist the Interagency Security Council in their efforts to establish risk management policies and measures.
- Assist agency Chief Information Officers in their efforts to coordinate and implement initiatives on physical access to facilities.
- Encourage other government organizations to leverage FRPC definitions and reporting schema to meet other Government-wide real property related needs.
- Formulate economic development case studies showing the benefits that third party stakeholders can receive through the disposal of unneeded and underutilized real property.
- Review FRPC approved guidance to determine what information can be shared with a wider audience.

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Core Activities:**1. Asset Management Planning**

- a. Complete annual updates of all approved Agency Asset Management Plans.
- b. Establish a Memorandum of Agreement among all FRPC member agencies to continue improvement efforts established by the FRPC.

2. Inventory and Performance Measure Data and Use

- a. Update the FRPC guidance to include a more detailed emphasis on:
 1. Using information and tools such as the Federal Real Property Profile (FRPP) data and data available through the agency financial and asset management systems. Establishment of the FRPP Performance Assessment tool (or other more sophisticated agency specific model) and integration with the agencies' missions, business processes and budget requests.
- b. Report inventory data at the individual, constructed asset level in the first quarter of each FY.
- c. Establish an FY 2007 Government-wide disposal target.
- d. Complete an assessment of FRPP database, in coordination with GSA, and establish a comprehensive protocol for reviewing requests for access to the data maintained in the FRPP data.
- e. Expand the agency specific quality assurance/quality control processes in place to ensure reliable and accurate inventory and performance data is available for decision-making.

3. Identification and Replication of Best Practices

- a. Sharing "Green" agency their best practices with other Federal agencies.
- b. Develop a best practice approach to the development of agency budget requests for major rehabilitation projects, integrating the use of performance data in the decision-making process.
- c. Identify additional case studies, in coordination with GSA, that further support the FRPC's 10 Guiding principles.
- d. Engage private sector organizations to identify best practices in asset management planning appropriate for possible adoption into Federal asset management practices.

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- e. Establish a reference book of agency real property asset management systems and the associated agency point of contact.

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| Reform or Core Activity | Responsible Body | Major Milestones | Date | Performance Measures |
|---|--|--|--|---|
| Core Activity: Asset Management Planning | All Agencies | Agencies complete annual updates to the Asset Management Plans. (PMA) | Ongoing | Annual Asset Management Plan updates. |
| Reform Activity: Legislative Agenda | OMB and FRPC member agencies | Continue efforts to advance the Administrations legislative proposal to streamline the disposition process and provide appropriate incentives for disposition. | Ongoing | N/A |
| Core Activity: Asset Management Planning | Asset Management Planning Committee and FRPC member agencies | Memorandum of Agreement among Federal Agencies. | Q2 FY 2007 | N/A |
| Core Activity: Inventory and Performance Measures Data | All Agencies | Agencies report annual inventory data to the Federal Real Property Profile (FRPP) database. | Q1 FY 2007 Q1 FY 2008 Q1 FY 2009 (annually) | (1) Number of agencies providing accurate and timely submission to the FRPP. (2) Increase in the constructed asset level reporting of data to the FRPP. (3) Agencies establish baseline for FRPC Performance Measures or measure progress on FRPC Performance Measures relative to the agency baselines established in the Q1 FY 2006 reporting. (4) Number of waiver requests for the disposition data element. |

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| Reform or Core Activity | Responsible Body | Major Milestones | Date | Performance Measures |
|--|--|---|------------|--|
| Reform Activity: Decision Analytics | Asset Management Planning Committee | All agencies implement the Performance Assessment Tool (or other agency specific tool). (PMA) | Q2 FY 2007 | N/A |
| Core Activity: Best Practices | Asset Management Planning and Systems Committees | Establish a reference book of agencies that currently have a real property data system and points of contact | Q2 FY 2007 | Publication of the reference book highlighting agency systems and points of contact. |
| Core Activity: Inventory and Performance Data | All Agencies | Agencies identify FY 2007 disposal targets. (PMA) | Q2 FY 2007 | Agency specific disposal targets for FY 2007. |
| Reform Activity: Legislative Agenda | OMB | Transmit Administrations legislative proposal to streamline the disposition process and provide appropriate incentives for disposition. | Q2 FY 2007 | N/A |
| Reform Activity: Inter- and Intra-Agency Coordination | Inventory and Performance Measures and Asset Management Planning Committee | Develop procedures to increase the sharing of data on underutilized and excess assets across agencies. | Q2 FY 2007 | Development of all necessary procedures. |

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| Reform or Core Activity | Responsible Body | Major Milestones | Date | Performance Measures |
|--|---|---|------------|--|
| Core Activity: Inventory and Performance Measures Data | Inventory and Performance Measures Committee | Finalize any revisions to the FY 2007 FRPC Inventory and Performance Measure guidance documents. | Q2 FY 2007 | Guidance developed. |
| Reform Activities: Inter- and Intra-Agency Coordination Decision Analytics | Asset Management Planning and Inventory and Performance Measures Committees (OMB submits the report to Congress) | Issue reports to Congress on sharing of data on assets available for transfer and information on surplus assets. (Per DC Lands Act) | Q3 FY 2007 | Report on procedures for sharing between Federal agencies and information on surplus assets. |
| Reform Activity: Decision Analytics | OMB, OGP, and Inventory and Performance Measures Committee | Establish a more mechanized framework for validating agency data submissions to the FRPP | Q3 FY 2007 | Framework established. |
| Reform Activity: Legislative Agenda | Asset Management Planning Committee | Develop guidance to assist agencies and the FRPC in determining which excess assets should be used for the disposal pilot proposed in the President's Budget. | Q3 FY 2007 | Guidance developed. |

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| Reform or Core Activity | Responsible Body | Major Milestones | Date | Performance Measures |
|--|--|---|------------|--|
| Core Activity: Inventory and Performance Measure Data | Inventory and Performance Measures Committee | Complete a comprehensive assessment of the FRPP database and establish a comprehensive protocol for reviewing requests for access to the data maintained in the FRPP data. | Q3 FY 2007 | Protocol established. |
| Core Activity: Best Practices | Inventory and Performance Measures Committee | Host a series of "Best Practices Days" to review agency-specific performance measures and methods for improving condition and cost management. | Q4 FY 2007 | N/A |
| Reform Activity: Decision Analytics | All agencies | All agencies establish or expand quality assurance/quality control processes to ensure reliable and accurate inventory and performance data is available for decision-making. | Q4 FY 2007 | Established or expanded agency processes. |
| Reform Activity: Inter- and Intra-Agency Coordination | Asset Management Planning Committee | Review existing FRPC guidance and determine suitability for sharing with a broader audience. | Q4 FY 2007 | Final determination and release of suitable guidance documents |

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| Reform or Core Activity | Responsible Body | Major Milestones | Date | Performance Measures |
|---|--|--|------------|--|
| Core Activity: Best Practices | Inventory and Performance Measures Committee | Review and analyze how various agencies are using the FRPP inventory data to improve internal asset management planning processes. | Q4 FY 2007 | N/A |
| Reform Activity: Inter- and Intra-Agency Coordination | Inventory and Performance Measures Committee | Work with the Department of Homeland Security's HSPD-7 initiative, leveraging the FRPP as needed/appropriate. | Q1 FY 2008 | N/A |
| Core Activity: Best Practices | Asset Management Planning Committee | Develop additional case studies relating to FMR Bulletin 2006-B5, "Asset Management Guiding Principles". | Q1 FY 2008 | Issuance of update to FMR Bulletin 2006-B5 |
| Core Activity: Inventory and Performance Measures Data | Inventory and Performance Measures Committee | Review proposed enhancements to the Performance Assessment tool for Agency use and implement any approved enhancements. | Q2 FY 2008 | Plan for FRPC approved enhancements. |

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| Reform or Core Activity | Responsible Body | Major Milestones | Date | Performance Measures |
|--|--|--|------------|--|
| Reform Activity: Decision Analytics | Asset Management Planning Committee | Formulate economic development case studies on the third party benefits of disposal of unneeded and underutilized Federal real property. | Q2 FY 2008 | N/A |
| Core Activity: Inventory and Performance Measure Data | Inventory and Performance Measures Committee | Agencies develop strategies to improve performance measure data collection and accuracy, specifically for facility condition and operating cost data categories, based upon best practices review. | Q4 FY 2008 | (1) Agency QA/QC processes incorporate results of best practice reviews. (2) Improvement in data collection and accuracy. |

United States Department of Agriculture Sustainable Buildings Implementation Plan December 31, 2009



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I. Executive Summary, Background and Issues

Executive Summary

Facilities consume approximately 68 percent of the energy produced in electrical power plants in the United States, and even more of all energy obtained from burning fossil fuels. Natural resource inputs are required throughout, in a building's construction, operations and maintenance, and disposal phases. Buildings account for a large measure of that which leads to greenhouse gas emissions, and are the places where energy and water are expended, where green electronics, solid waste and recycling, and environmentally-preferred products are used. Beyond environmental integrity, human health depends upon positive indoor environmental quality. Because these issues depend upon building sustainability, it is essential that the Federal government lead in designing, constructing, and operating Sustainable Buildings.

The executive office directs that agencies achieve specific sustainability measures in designing, constructing and operating buildings. As a matter of policy, Federal agencies must increase energy efficiency, reduce greenhouse gas emissions, and operate Buildings in a sustainable manner. The recently-signed Executive Order (E.O.) 13514, "Federal Leadership in Environmental, Energy, and Economic Performance," requires that the Federal Government lead by example to create a clean energy economy, promote energy security, and safeguard the environment. Federal agencies must apply sustainable building strategies throughout their portfolio for all construction and major and minor renovations over 5,000 square feet in size, and for existing building operations as well. E.O. 13423, "Strengthening Federal Environmental, Energy, and Transportation Management," signed in early 2007, requires that the Federal government lead in these three distinct areas. OMB evaluates and tracks agency performance and progress, in three areas, using a scorecard.

The USDA agencies, which hold property, include the Forest Service (FS), Agricultural Research Service (ARS), Natural Resources Conservation Service (NRCS), and the Animal and Plant Health Inspection Service (APHIS.) These property holding agencies, which are generally USDA's largest, are achieving sustainable building measures using strategies similar to those sought by other government agencies, and those encouraged in the U.S. Green Building Council's (USGCB's) Leadership in Energy and Environmental Design (LEED[®]) rating system.

Background and issues

Building and operating facilities consume most of the fossil fuel energy produced in the United States. Buildings also require natural resources and other inputs. Exhibit 1 summarizes energy and natural resource usage for U.S. buildings.

**Exhibit 1
Energy and Natural Resource Impacts of U.S. Buildings**

| Resource | Impact |
|---------------|---|
| Energy | 37 percent of primary energy use |
| | 68 percent of all electricity use |
| Materials Use | 60 percent of non-food/fuel raw materials use |
| Waste | 40 percent of non-industrial solid waste or 136 million tons of construction and demolition debris per year |
| | 31 percent of mercury in municipal solid waste |
| Water | 12 percent of potable water use |
| | 36 billion gallons of water use per day |
| | 20 percent loss of potable water in many urban systems due to leakage |
| Air Quality | 35 percent of carbon dioxide emissions |
| | 49 percent of sulfur dioxide emissions |
| | 25 percent of nitrous oxide emissions |
| | 10 percent of particulate matter emissions |

Source: Office of the Federal Environmental Executive,
The Federal Commitment to Green Building: Experiences and Expectations

USDA is steward of a 58.7 million gross square foot building footprint. A total of 36.9 million square feet are in 2,743 buildings over 5,000 gross square feet. Because the recent Executive Order (E.O.) 13514, “Federal Leadership in Environmental, Energy, and Economic Performance,” mandates that Federal agencies apply sustainable strategies to all new buildings, major and minor renovations over 5,000 square feet in size, USDA is analyzing and reporting to the executive branch on these 2,743 buildings.

The Executive Office of the President directs that agencies achieve specific sustainability measures in designing, constructing and operating buildings. E.O. 13514 requires that the Federal Government lead by example to create a clean energy economy, promote energy security, and safeguard the environment. As a matter of policy, Federal agencies must increase energy efficiency, reduce greenhouse gas emissions, and operate Buildings in a sustainable manner. E.O. 13423, “Strengthening Federal Environmental, Energy, and Transportation Management,” from 2007, requires that Federal government agencies leads in these three distinct areas. Under the Bush administration, OMB created a scorecard system to evaluate and track agency progress in these three areas.

II. Policy and Purpose for the Sustainable Buildings Implementation Plan

Policy

President Obama's new sustainability E.O. 13514, "Federal Leadership in Environmental, Energy, and Economic Performance," and existing E.O. 13423 establish aggressive goals for Federal buildings. E.O. 13423 requires that Federal agencies follow the five Guiding Principles for Federal Leadership in High Performance and Sustainable Buildings — the "*Guiding Principles* — in constructing and renovating all Federal buildings. E.O. 13423 set specific goals and requirements in sustainable building actions, as well as in acquiring goods and services, in operating and maintaining facilities energy efficiently, in generating renewable energy, conserving water, reducing the acquisition, use, and disposal of toxics and hazardous chemicals, recycling, electronics stewardship, and operating fleets.

Additionally, at least 15 percent of existing buildings of 5,000 gross square feet or more must incorporate sustainable practices by the end of fiscal year 2015. Federal agencies must demonstrate annual progress towards meeting the 15 percent goal to meet the OMB end-of-year reporting requirements. Therefore, the USDA is assessing its existing building inventory for buildings 5,000 gross square feet or greater, as required, to determine which facilities follow sustainable principles and practices and report to OMB.

The United States Department of Agriculture (USDA) will implement the following objectives:

- 1) Ensure all new facilities and major renovation projects implement design, construction, and operations and maintenance practices in support of the sustainable design/high-performance buildings goals of E.O. 13514 and 13423, as well as statutory requirements of the Energy Independence and Security Act (EISA) and Energy Policy Act 2005 (Epact); and
- 2) Ensure that a minimum of 15 percent of the existing Federal capital asset building inventory of USDA as of the end of fiscal year 2015 incorporates the sustainable design practices in the Guiding Principles.

Purpose

The Council on Environmental Quality issued "Instructions for Implementing E.O. 13423" on March 29, 2007. Agencies are required to submit an annual Sustainable Buildings Implementation Plan (SBIP) to the OMB. OMB, on June 29, 2007, issued the Sustainable Buildings Implementation Plan Guidance, with detailed objectives, requirements and guidance to agencies. That is the purpose for this plan. The 2009 SBIP seeks to update the 2007 SBIP, the first plan USDA developed, and to detail both past accomplishments and future goals.

III. USDA Goals and Objectives

The USDA seeks to build new buildings, and renovate, operate, and maintain existing buildings sustainably, with a view towards resource conservation and effective environmental land management. Sustainable Building strategies address the *Guiding Principles* in all building life cycle stages:

- Siting,
- Design,
- Construction,
- Operations and maintenance, and
- Disposal and deconstruction.

The USDA places a high priority on using integrated building concepts and high performance green building standards, enhancing occupant welfare, and protecting mission critical assets. USDA agencies enhance building condition through financial decisions weighted towards those that provide the greatest return on investment (ROI). Investment Decisions affect all Real Property over the Capital Asset Threshold^{xxxviii}. Initiatives to secure the greatest ROI on agency resources in sustainable buildings practices include:

- Using known data and characteristics to select potentially sustainable buildings, and creating a survey to evaluate and assess all USDA existing buildings, and measure and validate the extent to which these buildings meet the *Guiding Principles*,
- Promoting and adhering to sustainable practices by writing solicitations to include the *Guiding Principles*, and
- Using a third-party certification system, such as the U.S. Green Building Council's LEED system, to measure sustainability.

IV. Sustainable Buildings Actions

The USDA furthered progress in measuring and reporting on building sustainability in FY 2009. The Environmental Management Division (EMD) is assessing all buildings' sustainability, in response to Executive Branch requirements, with agency-wide use of an internal measurement system. USDA is reporting accurately on sustainability of its portfolio, and remains on track for 15 percent Sustainable Buildings in 2015. In 2009, the Department continues to execute sustainable buildings goals and to initiate goals in keeping with current priorities. These include creating individual agencies' sustainability policies and strategies. USDA staff are achieving several sustainable buildings measures such as initiating a measurement and reporting system, and starting a USDA Sustainable Buildings SharePoint site, to share information and to raise awareness of Sustainable Building accomplishments, both within the Department, and to recognize agency achievements in sustainable building design, construction and operation.

USDA is moving towards reaching the 15 percent sustainable buildings goal in 2015 using these strategies:

- “Raise the bar” and strive to further agency sustainable buildings accomplishments within the Facilities Work Group forum by setting goals, sharing successes and lessons learned,
- Continue to use LEED, or another 3rd-party certification process, as a USDA-wide design and construction, and leasing standard, for all new construction and leasing actions,
- Follow green procurement methods and using green contract language in leasing, constructing, repairing, altering, and operating and maintaining facilities, like methods and contract language used in contracting for Biopreferred products,
- Raise performance in offices, laboratories, farm and forest buildings through increasing levels of sustainable design and energy and water conservation,
- Refine internal systems to track sustainability characteristics, and develop new systems with increased capabilities,
- Measure, recognize, and reward positive sustainable building performance within USDA,
- Share information and raising awareness of USDA sustainable building practices by creating training presentations and internet-based tools such as the Sustainable Buildings SharePoint site,
- Cooperate with energy conservation, Biopreferred, environmental management system (EMS), and green procurement programs to reach environmental objectives, such as showcasing Biopreferred products in USDA sustainable buildings and gathering facility environmental management data for sustainable building reports, and
- Form research and interest groups to pilot projects in sustainable sites/ sustainable land management, alternative energy, and water conservation and Low Impact Development (LID) technologies.

The USDA follows the process illustrated in Exhibit 7 to achieve the 15% existing building Sustainability Goal.

V. Performance Targets and Agency Accomplishments

USDA staff developed specific criteria for sustainable buildings, and provided a survey to evaluate and assess all USDA sustainable existing buildings, currently in use to measure 2009 performance. Staff formulated agency guidance and required both appointed agency staff responsible to report on sustainable building performance, and the annual data call on sustainable building performance.

USDA agencies such as ARS, Departmental Management's (DM's) Office of Operations, and FS continue to implement the Guiding Principles for Federal Leadership in High Performance and Sustainable Buildings. These principles are incorporated into facilities design standards. Specifically, appropriate sustainable design considerations were given in the siting, design, and construction of new facilities. Also, new building construction projects are managed by integrated design teams and commissioning is integrated into design and construction phases. Additionally, indoor environmental quality specifications are included in the design of all new building construction. Furthermore, new construction requires the use of hazardous materials and hazardous substances abatement services; and gives preference to the reuse or recycling of materials.

The USDA Headquarters South Building Modernization design team is using LEED for Commercial Interiors. The building's registration with USGBC is well positioned to earn a silver or gold-level certification.

Agricultural Research Service

Within ARS, the CLF Building in Ames, Iowa, shown in Exhibit 2, is constructed to LEED standards. For existing buildings, ARS devised and completed a sustainability survey this year. The ARS Existing Building Survey, conducted in the field of all locations, to find those deemed the most sustainable so as to concentrate efforts on improving them. The survey, distributed with the FY 2008 annual energy report call for data, was based on the prerequisites and points in LEED-EB v2.0. Currently ARS has a baseline, for all locations, focusing on the sustainable locations. ARS uses the survey results to identify and implement cost effective, affordable, sustainable practices, agency-wide. ARS currently has six percent of its existing buildings sustainable and is making progress.



Exhibit 2
the CLF Building Ames, Iowa

In FY 2009, ARS published the Research, Education and Economics Energy, Water and Sustainability Policy and Procedures 134.2. This document promulgates the agency's sustainability policy and provides an Action Plan for accomplishing it.

ARS' sustainability efforts currently include these specific actions:

- ARS is transitioning to an all green cleaning policy by the end of FY 2010, and providing training and information to locations. Green cleaning products are to be used exclusively, including in janitorial contracts, unless they do not meet mission requirements along with entrance mats, isolated cleaning closets, and cleaning equipment with a low environmental impact.
- ARS performs regular outreach to energy managers, engineers, procurement specialists, facility managers and the EMS/safety community on sustainability and the agency's sustainability policy. A communication structure has been established, conference calls are held and a SharePoint site is maintained.
- The five *Guiding Principles* are incorporated into new construction, where cost effective. ARS is partnered with Labs 21 and uses their methodology. Where practicable, major new construction projects follow the LEED methodology; however, they are not being submitted to USGBC.
- ARS submitted the newly constructed CLF in Ames, IA, to the USGBC, in December 2009. ARS anticipates earning a LEED-certified level of sustainability.
- ARS incorporates sustainability requirements into all of its standards and design contracts.
- ARS engages the EMS structure in the accomplishment of sustainability goals. EMS committees are trained on the five *Guiding Principles* and the elements of LEED EB, and are incorporating them into their EMS's.

Forest Service

Sustainable building design is inherent in the USGBC's LEED certification process, adopted by the FS. New building construction projects for regional offices, supervisor's offices, district offices, visitor centers, and research offices/labs, must be registered and certified under the LEED rating system at a minimum Silver certification level, where 10,000 gross square feet or greater. All building projects, whether for new construction or major renovation, must be designed to incorporate the sustainable principles of the most recent LEED rating system into the appropriate building systems and components.

The FS updated its agency Sustainable Buildings policy, Forest Service Handbook 7309.11 – Buildings and Related Facilities Handbook, Chapter 70. Part of this Policy sets forth details on using The Guiding Principles and practices when designing, constructing, or conducting major renovations of the following types of FS-owned administrative buildings:

- New building construction and major renovation projects where the project includes 2,500 square feet or more in scope, or
- Any building or group of buildings that by design would have energy intensive activities, such as tree coolers, commercial kitchens, processing plants, and so forth. A general guideline for this criterion is whether the anticipated electric (or other appropriate energy) bill would exceed \$40,000 annually.

Within the FS, 20 buildings have been designed to meet LEED. Most of the buildings are still under construction or were very recently completed and are not yet LEED certified. Six buildings have already achieved LEED certification.

The Forest Service is achieving other sustainable building measures including:

- Establishing a Sustainable Operations Western Collective, and is writing a collective work plan for sustainable practices, across Regions 1, 2, 3, 4, 6, and the Rocky Mountain Research Station,
- Completing a greenhouse gas emissions inventory for six National Forests in the greater Yellowstone Ecosystem,
- With the US Department of Energy's National Renewable Energy Lab (NREL), developing a net-zero energy model for buildings, and partnering with EPA on what net-zero waste means, plus establishing an implementation model for a FS ranger district,
- Using a micro-grant program, to implement energy, water, and resource conservation activities and an Energy Savings Performance Contract (ESPC) to complete energy and water conservation projects and to install renewable energy systems,
- Installing a pair of five kilowatt wind turbines at Arapaho and Roosevelt National Forests in Region 2, and building a ten-person bunk house in Montrose CO, using LEED for homes to measure accomplishments for which a minimum LEED silver rating is anticipated, and
- At the Forest Products (FP) Laboratory (FPL) Green-Built house in Madison, Wisconsin, FP constructed a Research Demonstration House (RDH,) built in 2001. The RDH provides an interpretive display of technology for all types of residential structures in which wood-based products are used as building components. The RDH display emphasizes the improved use of traditional wood products, and the use of recycled and engineered wood composites. It also demonstrates the use of BioPreferred products, positive indoor air quality, water conservation and recovery, and an improved living environment. The FPL received the Wisconsin ENERGY STAR rating for the RDH design, and RDH is certified as a Wisconsin Green Built Home.

Exhibit 3 presents the Forest Service’s LEED certified buildings.

**Exhibit 3
Forest Service LEED Certified Buildings in 2009**

| LEED Rating | Forest Service Buildings |
|--------------------|--|
| Gold | Chattooga River Ranger District Office, Chattahoochee NF, Region 8-Southern Region |
| Silver | Savannah River Laboratory, Southern Research Station, Region 8-Southern Region |
| | Bessey Ranger District Office, Nebraska NF, Region 2-Rocky Mountain Region (shown in Exhibit 4) |
| | Kawishiwi Ranger Station, Superior NF, Region 9-Eastern Region |
| Certified | Lee Ranger District Office, George Washington-Jefferson NF, Region 8-Southern Region (geothermal heat pump shown in Exhibit 5) |
| | Sylamore Ranger District, Ozark-St. Francis NF, Region 8-Southern Region |



**Exhibit 4
Bessey Ranger District Office, Nebraska National Forest, Rocky Mountain Region**



Exhibit 5
Lee Ranger District Office, George Washington-Jefferson NF, Southern Region
HVAC geothermal heat pump

Examples of projects currently under construction or design with LEED certification pending, as registered on the USGBC web site are:

- Bradford Ranger Station, Allegheny NF, Region 9-Eastern Region,
- Cle Elum Ranger District Office Addition, Region 6-Pacific Northwest Region,
- National Forests in Texas Supervisor's Office, Region 8-Southern Region,
- Sacramento Ranger Station, Region 3-Southwestern Region,
- Hidden Springs, Region 9-Eastern Region,
- Broken Bow Ranger Station, Region 8-Southern Region,
- Hell Canyon District Office Addition, Region 2-Rocky Mountain Region,
- Misty Fjords Admin Building, Region 10 – Alaska Region,
- Verde Ranger Station, Region 3-Southern Region (solar power interpretive display shown in Exhibit 6),
- Santa Clara-Mojave Rivers Ranger District, Region 5-Pacific Southwest Region,
- Truckee District Office, Region 5-Pacific Southwest Region,
- Appalachian Ranger District Office, Region 8-Southern Region,
- Watersmeet District Office, Region 9-Eastern Region, and
- International Institute of Tropical Forestry Headquarters Renovation.



Exhibit 6
Verde Ranger Station, Region 3, Solar Power Interpretive Display

Buildings which hold potential for LEED certification, in planning or design phases, slated for future construction, include:

- Sandpoint Ranger District Office, Region 1-Northern Region,
- Big Piney Ranger District, Region 4-Intermountain Region,
- Rock Creek Barracks, Region 5-Pacific Southwest Region,
- Barlow Ranger District Office Addition, Region 6-Pacific Northwest Region,
- Francis Marion Ranger District, Region 8-Southern Region,
- White Mountain Administrative Site, Region 9-Eastern Region,
- Forest Products Lab Modernization, Research,
- Sisters Ranger District Office, Region 6,
- Bend-Fort Rock District Office, Region 6,
- Appalachian Ranger District Office, Region 8,
- Cheat-Potomac District Office, R-8,
- Vienna Ranger District Office, Shawnee NF, Region 9, and
- Bent Creek Conference and Office Building, Southern Research Station Experimental Forest.

Alterations to existing buildings with sustainable features include:

- Photovoltaic and Solar Hot Water System, Missoula Technology and Development Center,
- Energy Savings Performance Contract (retrofit all offices with energy/water conservation measures), Region 4-Intermountain Region, and
- Office Energy Reduction (3 District Ranger Stations), Region 1-Northern Region.

The LEED certified, certification pending, and green buildings not yet registered, as listed above, represent approximately 494,000 square feet. The current total square feet of FS buildings is approximately 33.4 million square feet.

Natural Resources Conservation Service, APHIS, and GIPSA

NRCS is organizing policy strategies and practices that meet the SBIP milestones. NRCS constructed a new equipment storage and shop building in Bismarck, North Dakota. They wrote the solicitation for offers to direct sustainable building practices using the Sustainable Buildings Implementation Plan Guiding Principles. These influenced the building’s envelope and indoor environmental quality. NRCS is reviewing the applicability of the survey form used by ARS as an initial action for evaluating sustainable buildings. NRCS continues to survey and assess its inventory.

APHIS incorporates the LEED principles into all solicitations for lease of the agency’s build to suit projects. In 2008 and 2009, incorporating the LEED principles has results in a LEED Gold rating for the recently completed Detector Dog Training Center in Newnan, Georgia. The center is the first LEED Gold new construction building that APHIS solicited and coordinated with the private sector. The building encompasses approximately 79,211 square feet, plus covered areas for a total of 123,737 square feet, and is a stunning example of incorporation of sustainable technologies in a highly technical building setting. APHIS renovated 14,500 square feet in its Gainesville, Florida’ office under LEED for Commercial Interiors at the sustainable level. The office was the first APHIS project under LEED for Commercial Interiors guidelines for energy and the project complies with three of the five *Guiding Principles*.



Exhibit 7: APHIS Detector Dog Training Center

In 2009 APHIS is soliciting offers for two large Plant Inspection Stations, over 40,000 square feet apiece, to incorporate the GSA Real Property Sustainable Development LEED sustainability criteria. The agency plans to incorporate, for the new inspection stations, at a minimum the LEED Silver threshold for sustainable new construction, and LEED Certified for Commercial Interiors, for major renovations, if an existing building is chosen.

APHIS incorporates the Green Products guidelines and LEED Requirements for all of its leasing actions, regardless of size, into all its solicitations, and will continue to incorporate sustainable guidelines for all leasing activities. APHIS is surveying its existing leased inventory to determine which buildings meet the basic sustainability criteria as set forth in the five Guiding Principles. The results will be incorporated into the Realty Branches leased building tracking system. Results will be tracked and efforts made to meet the 3% annual requirements for sustainability in buildings over 5,000 square feet, and ideally incorporate sustainability guidelines into all leased buildings as they come under Government lease.

VI. Furthering Progress

The new sustainability E.O. 13514, and E.O. 13423, require USDA to prove that the Department has achieved 15 percent sustainable buildings by 2015. The Department is on a glide path to achieve this, because agency building sustainability is 13 percent for FY09. Nevertheless, USDA has established a process and timetable to ensure that we achieve the 2015 goal. Exhibit 7 on the second following page depicts this process.

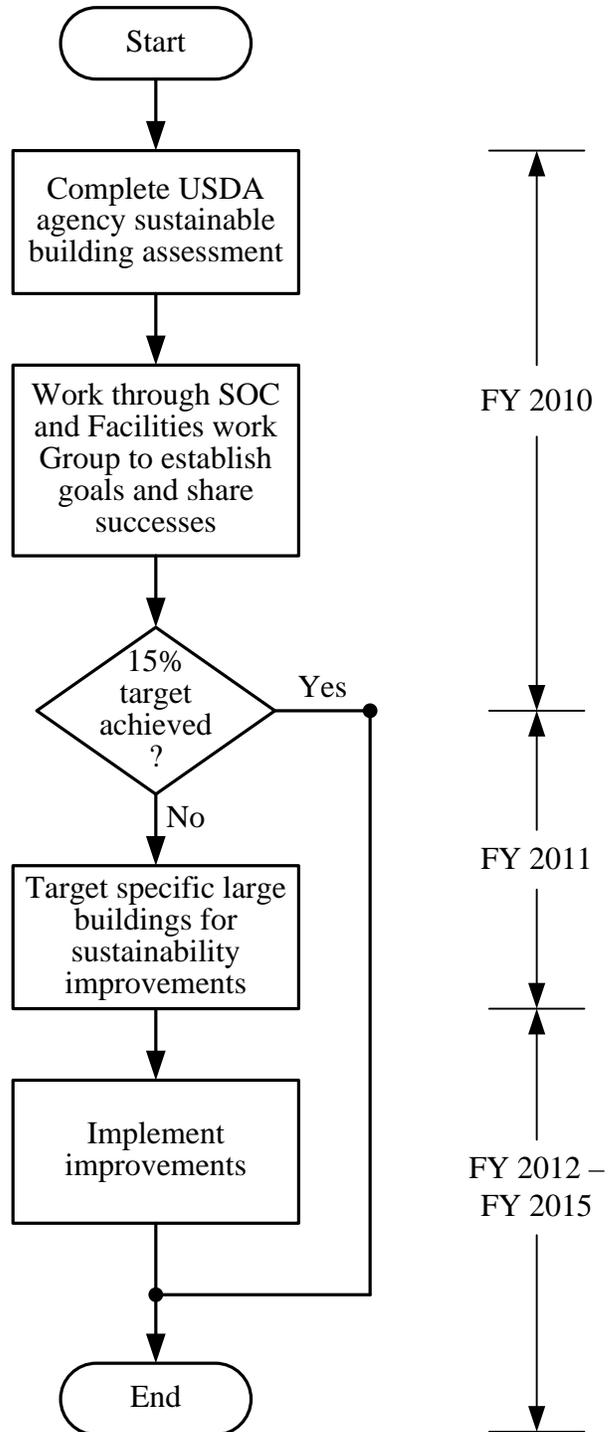
USDA staff is working to include building evaluation in the EMS process. Program management is creating a sustainable buildings user view in the corporate database, and developing a module for sustainable buildings data, for implementation in 2010.

VII. Action Item Checklist and Milestones

| Action Item | Target Initiation Date | Target Completion Date | Actual Completion Date |
|--|------------------------|----------------------------------|------------------------|
| Planning and Implementation | | | |
| Identify, and report upon, all USDA assets that meet the five <i>Guiding Principles</i> . Assess sustainability of existing capital assets over 5,000 square feet. | 12/31/07 | 01/04/10, and on-going | |
| Establish a collaborative team working across agencies and functions, responsible for decision-making directly related to the execution of the SBIP. Collaborate with Facilities Working Group of the Sustainable Operations Council. | 01/30/10 | 05/31/10 | |
| Define and assign responsibilities for sustainable buildings requirements to: 1) key players in building engineering and real property; 2) decision-makers in the programming, funding and acquisition process; and 3) chain of command holding management oversight and approval responsibilities. | 02/28/10 | 06/30/10 | |
| Analyze and identify gaps in sustainable buildings policies, programs, criteria, and processes, and specifications, and take steps to fill gaps. | 02/01/10 | on-going | |
| Establish specific sustainability performance targets for meeting goals in the <i>Guiding Principles</i> . | 02/01/10 | 04/01/10, and on-going | |
| Identify specific data which serves the Sustainable Buildings Program. Create a means to collect field data. | 02/01/10 | 08/31/10, and recurring annually | |
| Establish agency policies that all new construction or major renovation projects include using a cross functional team with representation from sustainable design, energy, environment, commissioning, facilities, and other green building qualifications for the design, construction, and commissioning. | 03/31/08 | 06/30/10, and recurring annually | |
| Create vehicles to educate and share information both internally and externally, such as websites and agency newsletters. | 04/30/10 | 09/30/10 | |
| Modify all pertinent agency policies to incorporate Guiding Principles and correct shortfalls identified in the gap analysis. | 04/30/10 | recurring annually | |
| Incorporate the <i>Guiding Principles</i> into criteria, specifications, and contract language for new construction and major renovations. | 04/30/10 | 08/31/10, and recurring annually | |
| Develop a sustainability strategy for existing building repairs, alterations, and operations and maintenance. | 05/30/09 | on-going | |
| Agency Tracking and Reporting | | | |
| Develop procedures to identify and track new construction and major renovation projects. | 09/30/07 | 09/30/10, and recurring annually | |
| Measure the degree to which agency project officers incorporate the <i>Guiding Principles</i> into project criteria, specifications, and contract language, and into existing building operations and maintenance. | 09/30/07 | 12/30/10, and recurring annually | |
| Develop semi-annual system to report agency progress in following the <i>Guiding Principles</i> in all building life cycle stages: Siting, Design, Construction, Operations & maintenance, and Disposal or Excessing. | 06/30/08 | recurring annually | |
| Establish a process to track and report existing facilities continuous commissioning strategy success. | 03/31/10 | recurring annually | |

| Action Item | Target Initiation Date | Target Completion Date | Actual Completion Date |
|--|------------------------|------------------------|------------------------|
| Identify and prioritize existing facilities for a continuous commissioning strategy, which addresses key environmental aspects, including energy use and Indoor Environmental Quality. | 03/31/10 | recurring annually | |
| Report all Sustainable Building accomplishments into the High Performance Buildings database | 06/30/10 | recurring annually | |
| Institute measurement, verification, and training to ensure continual improvement. | 06/30/08 | recurring annually | |
| Report on Agency progress toward meeting the <i>Guiding Principles</i> in all building life cycle stages, Siting, Design, Construction, Operations & maintenance, and Disposal or Excessing. | 06/30/08 | recurring annually | |
| Develop corrective action plans for addressing shortcomings in implementation | 6/30/08 | recurring annually | |

Exhibit 8
USDA Process to Achieve 15% Existing Building Sustainability Goal



VIII. Sustainable Building Resources

1. Whole Building Design Guide Sustainability at <http://www.wbdg.org/design/sustainable.php>
2. USDA's Greening and Sustainable Operations at <http://www.greening.usda.gov> and <http://greening.usda.gov/performance.htm>
3. USDA's BiopREFERRED Program at <http://www.biopREFERRED.gov>
4. General Services Administration (GSA) GSA Sustainable Design webpage at <http://www.gsa.gov/Portal/gsa/ep/contentView.docontentId=8154oReal>
5. Department of Energy (DOE)
 - Roadmap for Integrating Sustainable Design into Site-Level Operations at <http://www.pnl.gov/doesustainabledesign>
 - Program, High Performance Buildings website at http://www1.eere.energy.gov/femp/program/sustainable_buildings.html
 - Greening Federal Facilities website at http://www.eere.energy.gov/femp/techassist/green_fed_facilities.html
 - Energy Star Sustainability program at <http://www.energystar.gov/>
 - DOE/FEMP's Interagency Sustainability Working Group four-page brochure on Federal Green Buildings: http://www1.eere.energy.gov/femp/pdfs/iswg_update_dec2009.pdf
 - DOE's High Performance Federal Buildings Database at www.eere.energy.gov/femp/highperformance/index.cfm
6. U.S. Environmental Protection Agency (EPA)
 - EPA's Sustainability program at <http://www.epa.gov/oppt/epp/>
 - EPA Green Building website: <http://www.epa.gov/greenbuilding>
 - Laboratories for the 21st Century: <http://www.epa.gov/labs21century>
 - Energy Star: <http://www.energystar.gov>
 - Environmentally Preferable Purchasing: <http://www.epa.gov/oppt/epp>

VIII. Sustainable Building Resources (cont'd)

- Non-point Source Pollution: <http://www.epa.gov/owow/nps/urban.html>
- Construction and Demolition (C&D) Debris: <http://www.epa.gov/epaoswer/non-hw/debris>
- Comprehensive Procurement Guidelines: <http://www.epa.gov/cpg>
- Comprehensive guidance, data, and tools for commercial buildings. <http://www.epa.gov/iaq/largebldgs/>
- Software to evaluate ventilation and humidity control performance of energy recovery ventilation systems and to calculate their cost effectiveness. at <http://www.epa.gov/iaq/schooldesign/saves.html>

7. U.S. Department of Defense (DOD)

- Defense Environmental Network and Information Exchange (DENIX): <https://www.denix.osd.mil/denix/Public/Library/Sustain/sustain.html>
- Pentagon Renovation and Construction Program Office (PENREN) sustainable design information at <http://www.whs.mil/PENREN/sustainabledesign.cfm>
- U.S. Air Force (USAF) AFCEE's Sustainable Development website at <http://www.afcee.brooks.af.mil/eq/programs/progpage.asp>
- Air Force Environmentally Responsible Resources Guides at <http://www.afcee.af.mil/resources>

8. U.S. Department of the Interior - National Park Service (DOI/NPS)

NPS has a climate friendly parks site at <http://www.nps.gov/climatefriendlyparks/> and a sustainability information site at <http://www.nps.gov/sustain>. Both contain extensive resources and case studies. The NPS periodical *Sustainability News* features information on sustainable National Park facilities and additional resources that parks can use.

9. National Aeronautics and Space Administration (NASA)

- NPG 8570.1, Energy Efficiency and Water Conservation Technologies and Practices: http://nodis3.gsfc.nasa.gov/library/displayDir.cfm?Internal_ID=N_PG_8570_0001_&page_name=main
- NPD 8820.3, Facility Sustainable Design: http://nodis3.gsfc.nasa.gov/displayDir.cfm?Internal_ID=N_PD_8820_002C_&page_name=main

VIII. Sustainable Building Resources (cont'd)

10. Building Green sustainable buildings information at <http://www.buildinggreen.com/>
11. **Building Green** publishes *Environmental Building News*, and maintains an online database of more than 1,600 screened and reviewed green building products with guideline specifications, called the GreenSpec Directory, available through subscription only.
12. The U S Green Building Council LEED® Rating System at <http://www.usgbc.org/DisplayPage.aspx?CategoryID=19>

IX. Direction for 2010

USDA agencies, particularly in ARS, FS, NRCS, and APHIS/GIPSA, are working to improve sustainable practices at individual sites. The ARS is using both sustainable design and energy conservation practices to improve performance in offices, laboratories, and other facilities. The FS anticipates furthering progress with using internal means of tracking sustainability, and developing new metrics and database capabilities. Metrics and data that the FS considers include: energy and water conservation practices and measures, sustainable site strategies, alternative transportation systems/location/incentives, acquisition and use of sustainable materials and resources, indoor environmental quality, and solid waste management.

8.9 USDA Deferred Maintenance Strategy

USDA Deferred Maintenance Strategy

May 24, 2007

Prepared by the USDA Real Property Council
Deferred Maintenance Subgroup

Approved by the USDA Real Property Council
May 24, 2007

^{xxxviii} Capital Asset Threshold definition: from DR 2200-002, December 24, 2003: “ This regulation revises Departmental Regulation 2200-002, Capitalization and Depreciation of Real and Personal Property, dated February 28, 1994. The Internal Use Software (IUS) capitalization threshold is \$100,000, effective fiscal year (FY) 2002 and forward. Effective FY 2003 and forward, personal property (other than IUS) shall be capitalized at \$25,000. Also, effective for FY 2003 and forward, the real property capitalization and accountability threshold is \$25,000.”

May 24, 2007

Executive Summary

USDA does not anticipate reducing the aggregate amount of deferred maintenance within the Department with current funding levels. The Department can change the distribution of deferred maintenance within its asset portfolio ensuring mission priority assets are maintained in better condition than at their current state. This can be accomplished by focusing limited resources on the highest priority assets and less on non-priority assets.

A deferred maintenance (DM) strategy has been developed by USDA to specify methods for improving the condition indices of priority assets and redistributing existing deferred maintenance to lower priority assets. The strategy includes actions and tools that must be developed and implemented to enable the Department to focus its limited funding on assets that are highest priority for mission attainment. Agencies will develop implementation plans by the first quarter of fiscal year 2008. The agencies can choose to put their implementation plans in their Building Block Plans, or have a separate document. Agency implementation plans will, at a minimum, address the six action items described below, include target dates for completion of all items, and address how each agency intends to track and report data to the Department. The six actions are:

1. Prioritize Assets for Maintenance Funding
2. Set Target Condition Indices
3. Specify Frequency of Condition Surveys
4. Develop Disposal Plans
5. Develop Standard Budget Exhibits
6. Provide Criteria/Guidance for Allocating Available Funding Between Capital Improvement, Maintenance and Repair, and Disposal Activities

One major concern noted in development of this strategy is that USDA agencies lack a tool to record deferred maintenance estimates, update these estimates and document that deferred maintenance has been eliminated when work is completed because CPAIS does not have a functioning work item screen (except for Forest Service, which uses Infra). This means the FRPP required condition index data element cannot be updated and maintained current (because deferred maintenance values are static) and the elimination of deferred maintenance cannot be documented. The lack of functionality in the work item screen is a serious threat to agencies' ability to demonstrate accomplishment to the OPPM.

It is recommended that USDA appoints a subgroup to work on the capability of CPAIS to provide work item screen functionality. Also, the subgroup should expand CPAIS to correlate programs with individual assets. This will provide data for agencies to better evaluate the mission dependency, condition index and other CPAIS data against program requirements.

May 24, 2007

Deferred Maintenance Strategy

Introduction

A subgroup comprised of ARS, FS, APHIS and NRCS was established by the USDA Real Property Council in late January, 2007, to address the USDA Draft Goals and Targets for Performance Measures, TARGET 3: “USDA will work to reduce the level of deferred maintenance on its asset portfolio.” The subgroup’s objective is to recommend a strategy (individual agencies will ultimately develop implementation plans) to use available funds in a Department-wide consistent, rational and systematic manner to reduce the deferred maintenance of assets that are most important for USDA to meet its mission. If funding levels are sufficient, the strategy will also result in a reduction in the aggregate amount of deferred maintenance documented in CPAIS. The strategy is comprised of specific actions and tools that must be developed and implemented for the Department to focus its limited funding on assets that are highest priority for mission attainment. A list of relevant definitions is provided in the Appendix of this document.

Deferred Maintenance Strategy Considerations

An analysis of funding needs and current funding levels across USDA agencies shows that it is unlikely that USDA will be able to reduce the aggregate amount of deferred maintenance within the Department for three reasons. First, the amount of maintenance and repair funding USDA agencies receive is only 25% to 50% of the amount recommended by the Federal Facilities Council¹. This significant funding shortfall indicates that deferred maintenance will continue to increase even if all available funding is focused solely on deferred maintenance with no funds going to capital improvement work (see spreadsheet attachment to review calculation of funding deficit by landholding agency). Until maintenance and repair funding reaches the industry standard levels recommended by the Federal Facilities Council, required maintenance will not be funded as needed and deferred maintenance will increase as additional maintenance is deferred. Second, USDA agencies have accumulated a significant backlog of deferred maintenance due to historic underfunding of maintenance and repair work. Reducing this backlog while simultaneously providing preventive maintenance and meeting immediate repair needs is not feasible at current funding levels. Third, USDA’s asset portfolio is aged and maintenance and repair needs are likely to increase in future fiscal years as system components (HVAC, roofing, electrical, etc.) reach and exceed their useful life and must be replaced.

USDA does not anticipate a meaningful increase in maintenance and repair funding in the near term; an actual reduction in aggregate deferred maintenance levels is therefore unlikely. However, the Department does believe it can change the distribution of deferred maintenance within the portfolio to ensure that mission priority assets are maintained in better condition than they are currently. The Department believes it can enhance the mission effectiveness and public service capabilities of its asset portfolio by developing and implementing new program activities and tools. These activities and

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tools will allow the Department to focus facility funding on mission priority assets to realize mission effectiveness and public service improvements. The result will be improvement to the condition indices of priority assets and a shift of existing deferred maintenance to low priority assets.

One major concern noted in development of this strategy is that USDA agencies lack a tool to record deferred maintenance estimates, update these estimates, and document that deferred maintenance has been eliminated when work is completed because they do not have a functioning work item screen in CPAIS (except for Forest Service, which uses Infra). This means that the FRPP required condition index data element cannot be updated and maintained current (because deferred maintenance values are static) and the elimination of deferred maintenance cannot be documented. The lack of functionality in the work item screen is a serious threat to agencies' ability to implement the strategy proposed below and demonstrate accomplishment to the OPPM.

It is recommended that USDA immediately implement a subgroup to provide work item screen functionality in CPAIS. Also, the subgroup should expand CPAIS to correlate programs with individual assets. This will provide data for agencies to better evaluate the mission dependency, condition index, and other CPAIS data against program requirements.

Deferred Maintenance Strategy

USDA's deferred maintenance strategy is to fully characterize the condition, mission priority, and funding needs of individual assets and the aggregate portfolio, and use this information to provide maintenance and capital improvement funding based upon an asset's importance to fulfilling Departmental and agency mission and program requirements. This strategy will not result in an absolute reduction in current deferred maintenance amounts, but over time it will shift the distribution of existing deferred maintenance to assets that are least important to mission attainment and public service requirements and improve the condition index of priority assets.

The Department will also move aggressively to dispose of assets that are no longer required to meet mission requirements. This will help eliminate deferred maintenance associated with unneeded assets and reduce the growth rate of deferred maintenance.

Specific Deferred Maintenance Strategy Elements

The numbered elements below are new tools/activities the Department will pursue to fully characterize individual assets and the asset portfolio. The purpose of implementing the numbered elements is to maximize the effectiveness of resource allocation and to implement Department-wide consistent principles, procedures, and requirements to systematically manage USDA's assets based upon criticality, priority, and funding demands.

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Item 1: Prioritize Assets for Maintenance

Action: Develop a methodology to prioritize FRPP reported assets for maintenance funding to ensure mission priority assets are addressed first.

Purpose: USDA agencies will have a defensible system to prioritize assets for maintenance funding and deferred maintenance reduction.

Development Criteria:

- 1) USDA agencies will be able to generate comparative priority rankings across asset types (buildings, recreation sites, research labs, dams, etc.) based upon asset mission priority by using FRPC guidance, the four FRPC performance measures, and any other data elements an individual agency deems necessary to develop its prioritization methodology.
- 2) USDA agencies will be able to prioritize maintenance funding and deferred maintenance reduction for assets within all mission categories (mission critical, mission dependent, not mission dependent).

Importance to Asset Management: Very High. **Target Completion Date:** Q1 2009

Benefit: Prioritizing assets for maintenance and repair funding as a routine business practice will allow the USDA to allocate scarce resources to its highest priority assets, demonstrate a rational plan to oversight bodies for fund allocation and DM reduction, and identify assets critical to long-range mission performance and reinvestment/replacement needs.

Item 2: Set Target Condition Indices

Action: Specify condition index (CI) targets for, at a minimum, all three classes of FRPP mission dependency.

Purpose: Develop and document CI targets based upon asset priority. Demonstrate a rational and defensible asset condition plan, with CI targets, based upon asset priority to mission attainment and public service goals.

Development Criteria:

- 1) CI targets must reflect importance of asset to agencies' mission.
- 2) Current and projected funding levels should be considered to set CI targets.
- 3) USDA agencies can use different CI targets provided the targets are priority based.

Importance to Asset Management: High. **Target Completion Date:** Q2 2008

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Benefit: Setting CI targets allows the agencies to track and demonstrate performance each fiscal year to document improvement, display asset condition versus target condition, and demonstrate the impact of funding levels on mission capability

| Asset Priority | CI Target | CI Actual |
|---------------------------------|-----------|-----------|
| Mission Critical | 95% | |
| Mission Dependent, not Critical | 90% | |
| Not Mission Dependent | 75% | |

Item 3: Specify Frequency of Condition Surveys

Action: Specify the frequency at which assets receive condition surveys based upon their priority (see item 1 above). As a minimum, all mission critical assets will receive a condition survey every five years. All assets that are mission dependent or not mission dependent may receive a condition survey every 10 years, have a one time survey that is only updated for inflation on an annual basis, or be estimated parametrically using a limited number of actual assessments.

Purpose: Focus limited staff and financial resources on high priority assets. Conserve agency capabilities for priority assets to ensure they are sustainable for ongoing mission support.

Development Criteria:

- 1) Specified frequency should be based on anticipated funding level and asset priority with the goal of performing a condition survey on mission critical assets at least once every 5 years.

Importance to Asset Management: High.

Target Completion Date: Q2 2008

Benefit: Conserve limited resources and staff time for management of the highest priority assets.

Item 4: Develop Disposal Plans

Action: At the national level, develop a multi-year disposal schedule for the backlog of assets identified for disposal.

Purpose: Enable the agencies to define the pace of disposal and the amount of resources dedicated to it in a manner that supports Departmental objectives.

Development Criteria:

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- 1) The schedule should include all assets that are currently identified for disposal.
- 2) Agencies will use a master planning processes, in conjunction with the USDA decision tree, to identify assets for disposal.
- 3) The results not older than 10 years of existing master planning processes may be used.

Importance to Asset Management: Medium. **Target Completion Date:** Q2 2008

Benefit: The agencies can estimate and document the resource level needed for disposal, thereby showing oversight bodies the need, and also define its own disposal schedule rather than having one imposed.

Item 5: Develop Standard Budget Exhibits

Action: Develop standard budget exhibits to display funding for capital improvement, maintenance and repair, and disposal activities (the Whitestone multiyear planning process may be a basis for this item).

Purpose: Provide standard documentation across the Department for requesting program funding.

Development Criteria:

- 1) Procedures/guidance should be based upon the capital improvement and maintenance and repair needs for mission critical and mission dependent assets, and disposal needs.
- 2) Procedures should provide ability to assess relative importance of meeting CI targets for priority assets versus disposal and reinvestment.

Importance to Asset Management: High. **Target Completion Date:** Q2 2008

Benefit: Written procedure will provide Department-wide consistency and a rational, defensible process for requesting funding levels for maintenance and repair and capital improvement. It will also demonstrate the agencies are actively grappling with the competing needs of maintenance and investment and ultimately demonstrate when the level of funding provided is not adequate to meet the need.

Item 6: Provide Criteria/Guidance for Allocating Available Funding Between Capital Improvement, Maintenance and Repair, and Disposal Activities

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Action: Develop standard national procedure/guidance for agencies to allocate funding between capital improvement, maintenance and repair and disposal of assets. This procedure/guidance will incorporate many of the above actions as they are completed.

Purpose: Document that the agencies have a rational method for allocating funds between capital improvement, maintenance and repair, and disposal activities. Help agencies resolve competing claims for capital improvement, maintenance and repair, and disposal dollars in a manner that best supports the mission when insufficient funds exist to meet each need.

Development Criteria:

- 1) Procedures/guidance should be based upon the maintenance and repair need of mission critical and mission dependent assets and disposal.
- 2) Procedures should provide ability to assess relative importance of meeting CI targets for priority assets versus disposal and reinvestment.

Importance to Asset Management: Medium **Target Completion Date:** Q3 2008

Benefit: Each agency will have a consistent and a rational, defensible process for allocating resources between capital improvement, maintenance and repair and disposal of assets. This allocation will be consistent with the principals in the Department's Asset Management Plan. It will also demonstrate the agencies are actively grappling with the competing needs of maintenance and investment and ultimately demonstrate that the level of funding provided is not adequate to meet the need.

Deferred Maintenance Strategy Implementation

Each Agency is responsible for developing an implementation plan by first quarter of fiscal year 2008. The plan will specify how the agency will implement each of the six items contained in the strategy within its standard program operating procedures by the specified date. The plan should note any instances where additional resources or Departmental support may be needed to facilitate implementation. Additionally, any likely impacts to the condition of the asset portfolio should be noted as should any meaningful impacts to public service or mission capability. If different procedures will be used to implement the plan for different asset types (for example, Forest Service will likely have different procedures for its road and facility assets) they should be described separately.

1. Federal Facilities Council, *Budgeting for Facilities Maintenance and Repair Activities*, Report Number 131, 1996.

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Appendix

Deferred Maintenance: Deferred maintenance is the amount of funds necessary to ensure that a constructed asset is restored to a condition substantially equivalent to the originally intended and designed capacity, efficiency or capability. It is maintenance not performed when it should have been or was scheduled.

Real Property Asset: Federal real property is defined as any real property owned, leased, or otherwise managed by the Federal Government, both within and outside the United States, and improvements on Federal lands (E.O. 13327).

Condition Index (CI): a general measure of the constructed asset's condition at a specific point in time. The CI formula is: $CI = (1 - RN/PRV) \times 100$ (From FRPC, 8/4/06).

Repair Needs (RN): the amount necessary to ensure that a constructed asset is restored to a condition substantially equivalent to the originally intended and designed capacity, efficiency or capability. Agencies will initially determine repair needs based on existing processes, with a future goal to further refine and standardize the definition. (From FRPC, 8/4/06)

Plant Replacement Value (PRV): the cost of replacing an existing asset at today's standards (From FRPC, 8/4/06).

Mission Critical Facilities: without constructed asset or parcel of land, mission is compromised (From FRPC, 8/4/06).

Facilities Acquisition: Involves the construction, purchase, lease, in-grant, or gaining of real property assets by any other means, including all land, natural resources, anything growing on the land, buildings, structures, housing, stationary mobile facilities, network facilities, firmly attached and integrated equipment (such as light fixtures), plus all "interests" in the property such as easements or the right to mine minerals, drill for oil, or use water and airspace. This includes design-related activities.

Facilities Operation: The process of ensuring that real property installation assets are functional on a daily basis — open, clean, safe, temperature-controlled (for buildings), and generally ready to be used by the users of the assets. Includes activities required to monitor compliance with applicable laws (such as environmental laws or explosive safety regulations) and recycling activities, protection from fire and hazardous materials, grounds maintenance, pavement clearance, custodial and pest services, purchased utilities, and management of assets.

Facilities Sustainment: Includes maintenance and repair activities necessary to preserve and conserve installation assets in good condition. Includes regularly scheduled preservation maintenance and predictable major repairs or replacements of asset elements. This includes regular inspections, as well as periodic maintenance needed to

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prevent pollution and to conserve natural and cultural resources. Includes sustainment activities required to ensure the safety and health of occupants.

Facilities Recapitalization: Involves the restoration and/or modernization of assets. Restoration includes repair and replacement work to restore damaged installation assets. Modernization includes alteration of assets to implement new or higher standards, or to accommodate new functions. This includes environmental restoration as well as modernization of facilities and other installation assets required to comply with environmental and safety laws.

Facilities Disposal: Involves demolition, deconstruction, sale, out-lease, transfer, gift, or removal of assets from the asset inventory by any other means.

Mothballing: Temporarily closing an asset for a period of months or years until it is reopened for use or disposed of. Closure must mitigate any potential for public safety or nuisance issues (fencing, warning signs), eliminate operational expenses (utilities), and in the case of buildings ensure entry is not allowed.