

DEPARTMENT OF THE INTERIOR METHODOLOGY FOR CALCULATING ANNUAL OPERATING AND MAINTENANCE COSTS

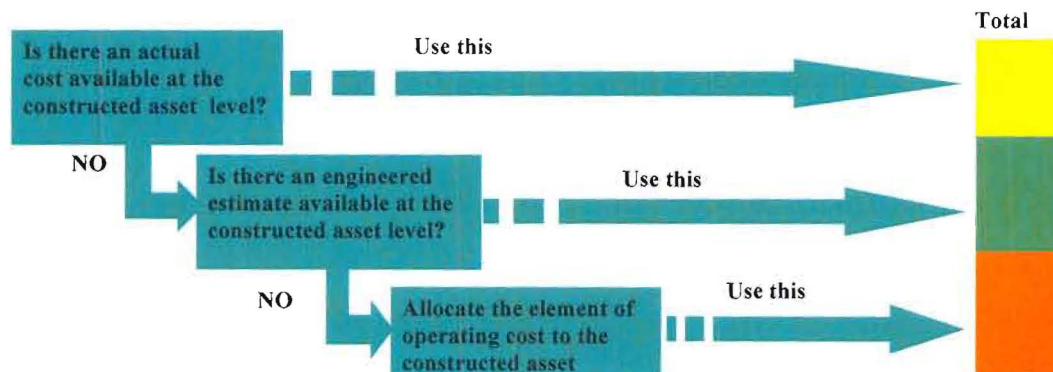
FRPC guidance requires the reporting of Annual Operating and Maintenance Costs which include the components of recurring maintenance and repair, utilities, cleaning and janitorial, recycling, refuse collection/disposal and roads and grounds maintenance. These costs are to be reported at the constructed asset level.

To the maximum extent possible, annual recurring maintenance and repair costs that are currently captured by Department of the Interior bureaus at the constructed asset level will be used to satisfy that operating cost component. The remaining operating cost components have historically been reported at a higher level. Typically these costs are incurred through site-wide contracts and costs are collected at the campus level. For example, individual buildings are not typically metered for utilities; rather there are master utility meters for the site. There may be some facilities that because of their high energy usage are sub-metered. Similar scenarios are applicable to various other O&M cost components at the different bureaus.

To meet the reporting requirements, the following hierarchy of data availability will be used to assign operating costs:

- Maintenance & Repair and Operating costs (actuals) that are identifiable to a constructed asset level will be reported against that asset.
- Any remaining Maintenance & Repair and Operating costs would be derived from engineered estimates, such as R.S. Means, Whitestone Research and other similar standard cost estimating tools, will be assigned to those assets.
- Maintenance & Repair and Operating costs would be based on an appropriate unit of measure (UM) distribution.

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



**DEPARTMENT OF THE INTERIOR METHODOLOGY FOR
CALCULATING ANNUAL OPERATING AND MAINTENANCE COSTS**

Allocation of Operating and Maintenance costs will be according to the following model.

O&M CATEGORY	BUILDINGS	STRUCTURES	NON-STEWARDSHIP LAND
MAINTENANCE AND REPAIR COSTS	Use data currently captured at the constructed asset level or SF distribution to all assets.	Use data currently captured at the constructed asset level or appropriate UM distribution to all assets.	Use data currently captured at the asset level or appropriate Acre distribution to all assets.
OPERATIONAL COSTS	Use data currently captured at the constructed asset level or SF distribution to all assets.	Use data currently captured at the constructed asset level or appropriate UM distribution to all assets.	Use data currently captured at the asset level or appropriate Acre distribution to all assets.
UTILITY COSTS	Meter at constructed asset level – if available; or SF distribution to all assets.	No cost distribution.	No cost distribution.
INSPECTION COSTS	Use data currently captured at the constructed asset level or SF distribution to all assets.	Use data currently captured at the constructed asset level or appropriate UM distribution to all assets.	No cost distribution.
LEASE/RENTAL COSTS	Use data currently captured at the constructed asset level or SF distribution to all assets.	Use data currently captured at the constructed asset level or appropriate UM distribution to all assets.	Use data currently captured at the asset level or appropriate Acre distribution to all assets.

Each component of operating costs for constructed assets will be entered at a cost center which may be at the field site or regional/state office level dependent on the size of the facility. Data fields for actual costs at the constructed asset level will be available in the current Facility Maintenance Management Systems deployed throughout DOI and will be reported into the FRPP starting in Q1 '06. The bureau will develop a standard format for actual, pro-rated or estimated O&M cost information showing cost calculations, including the distribution of site-level O&M costs and application engineering estimates.