

Department of the Interior Departmental Manual

Effective Date: 9/22/06

Series: Real Property

Part 425: Space Management

Chapter 2: Strategic Planning and Budgeting

Originating Office: Office of Acquisition and Property Management

425 DM 2

2.1 **Purpose.** This chapter provides the Department's policy for strategic planning and budgeting for space. It describes the process and responsibilities for developing, coordinating, managing, and reviewing/approving space portfolios and specific project proposals.

2.2 **Scope.** The policy in this chapter applies to the entire space portfolio for all bureaus and offices. This includes space that is purchased, leased, constructed, rehabilitated and renovated. It also applies to space received through donations, and intra- and inter-agency transfers.

2.3 **Responsibilities.**

A. Bureaus and offices are responsible for developing and implementing procedures and processes based on the requirements described below. The process requires, at a minimum, development of space proposals, multi-year space plans, and compliance with bureau and Departmental Asset Management Plan requirements.

(1) Bureaus and offices are to implement strategic planning processes for space management that meet the following goals:

- (a) Align space to support strategic goals;
- (b) Maximize effective management;
- (c) Promote consolidation and collocation;

(d) Refine the model for funding cost increases in the budget to provide incentives for improving space management; and

(2) Where programmatically and economically viable, bureaus should assume leasing responsibilities to achieve savings.

B. Investment Review Board (IRB). The IRB is a body comprised of senior bureau or office officials responsible for reviewing and approving the documents listed in paragraph 2.3A. The IRB actions are supported by an inclusive process requiring the following:

(1) Close coordination of program sponsors and managers, project managers, space portfolio managers, and senior management officials, including the heads of bureaus and offices;

(2) Participation of subject matter experts from key functional areas such as planning, budget, human resources, contracting, facilities and property management, legal, safety, security, information technology and the environment in the planning and decision-making process;

(3) Compliance with the utilization threshold of 200 useable square feet per person, including all individual and shared space such as work stations, circulation, storage and conference rooms; and

(4) Governance by mid-level managers and senior executives Department-wide through their participation on bureau and Departmental IRBs.

C. Managers at all levels and subject matter experts, through their collaboration and cooperation, are integral to the success of DOI's portfolio management process. They apply sound business practices to the planning, acquisition, operation, maintenance and disposal of capital investments, and ensure compliance with guidance from Congress, Office of Management and Budget and the Government Accountability Office.

2.4 Strategic Planning and Budgeting. Federal agencies are directed by Executive Order and legislation to incorporate various elements such as planning, alternatives analysis, risk management, portfolio analysis, and cost effective management into their asset management programs including space management. This process includes the following steps:

- A. Alignment of space assets with strategic plans and current and future program needs;
- B. Proposal development;
- C. Multi-year planning;
- D. Portfolio-based management approach; and
- E. Departmental oversight

2.5 Objectives. Strategic planning establishes the general approach and major actions for satisfying the organization's requirements and positioning the portfolio to meet those needs. Strategic planning covers a timeframe of six years (budget year plus five out-years). The primary objectives of strategic planning include:

- A. Aligning investments in space with strategic missions, business goals, and outcomes within each bureau or office portfolio, and the Department's portfolio;

B. Establishing the long-term direction to be followed by the bureaus and the Department for making sound investments and cost effective use of space in support of missions and programs;

C. Serving as the basis for budgeted amounts for space as reported in the OMB Circular A-11, Exhibit 54, Space Budget Justification; and

D. Ensuring that the workplace environment meets mission and employee needs in an equitable manner and contributes to effectiveness and efficiency.

2.6 Strategic Space Planning. Strategic planning, including multi-year plans, provides the foundation for successful space management at the bureau and Departmental levels. These actions are supported by an inclusive process requiring:

A. Close coordination of real property officers with program managers;

B. Engagement of senior bureau or office officials in decision-making on investments in space, planning for future relocations, expansions, consolidations, or disposals and oversight of the management of space assets; and

C. Departmental coordination and oversight of space assets and management programs to promote effective management, equitable space standards, and collocation.

2.7 Aligning with Strategic and Mission Needs. The actions of each organization to respond to space needs must support the Department's strategic goals, bureau or office mission needs, and other Departmental and bureau priorities.

A. Project Proposals - Program managers, working closely with Bureau Senior Asset Management Officers, define the mission and strategic goal-related needs in space proposals.

B. Through a collaborative process, proposals are reviewed by the bureau/office IRB who judges the strength of the proposal by utilizing the following criteria: alternatives analysis, risk analysis, opportunities for consolidation or collocation, and life-cycle cost.

C. As space proposals are approved, they must be incorporated into the budget and reflected in subsequent budget requests and the OMB Circular A-11, Exhibit 54. Ensuring a consistent, institutionalized process for review and approval by the IRB is the responsibility of the Bureau Senior Asset Management Officer (refer to EO 13327).

2.8 Multi-Year Plan. Based on the current space inventory and space proposals, approved by the office or bureau investment board, each bureau and office completes the multi-year space plan, in accordance with the AMP requirements, incorporating the aggregate needs of programs. The multi-year plan (budget year plus five out-years), to be approved by the bureau or office director, is submitted to the Department annually. It is critical that the first three years of the multi-year plan are consistent with the OMB Circular A-11, Exhibit 54 for the full space needs to be budgeted (See 425 DM 4).

Planning is an ongoing process to document bureau or office space needs over a multi-year period. In support of the goals of the AMP, the intent is to consolidate the bureau and office multi-year plans at the Departmental level to identify and assist with future collocation and consolidation opportunities within and outside the Department and forecast asset investments. The bureau or office director approves the plan before submitting it to the Department to ensure engagement of senior bureau leadership.

2.9 Space Proposal Development. While the primary emphasis of the proposal development phase is defining space to support mission and strategic needs, a critically important component of each proposal is the alternatives analysis. Each proposal must consider the options to lease, purchase, use of existing owned or leased space, and no action. The consideration for using existing owned space should include a review of needs and costs to renovate, expand, and maintain. Costs and benefits for each alternative are to be examined. The involvement of the Bureau Senior Asset Management Officer is essential to ensure that all options are examined. Proposals must address factors that can have a bearing on space availability, cost and opportunities for collocation. The factors to be included (but not limited to) in the proposal are:

- A. Security;
- B. Safety/health considerations;
- C. Collocation needs of and working relationships with partners (e.g., other Federal agencies and universities);
- D. Improved service to the public;
- E. Continuity of Operations (COOP) planning;
- F. Alternative space and opportunities for collocation;
- G. Departmental space utilization standards;
- H. Telecommunications and information technology;
- I. Telework and telecommuting considerations;
- J. Greening/environment/recycling;
- K. Energy and utilities;
- L. Historic preservation;
- M. Parking, ridesharing and transportation subsidy programs;
- N. Americans with Disabilities Act;
- O. Preliminary market surveys;

- P. Move and relocation costs;
- Q. Hoteling and shared space, and administrative support.

2.10 Departmental Coordination and Oversight. The Department's governance of bureau and office space management will be conducted by bureau and Departmental Investment Review Boards and the Department's Space Coordination Office, as appropriate. Responsibilities include:

- A. Developing space management policy and guidance, overseeing management and technical policy requirements, and resolving space policy issues;
- B. Evaluating bureau space management performance goals and alignment of space management goals with the DOI Strategic Plan and mission needs;
- C. Reviewing Multi-Year Space Management Plans, and major Space Proposals;
- D. Monitoring bureau portfolios to identify opportunities for consolidation, relocation and collocation and make recommendations for decisions, including special emphasis for space consolidation, relocation and collocation plans for the Washington, DC, metropolitan area;
- E. Maintaining Departmental leadership with GSA, OMB, GAO and professional organizations on space management issues;
- F. Ensuring compliance with and participating in the evaluation and update of the DOI Capital Planning Investment Control (CPIC) process, the Departmental CPIC guide, and the DOI Asset Management Plan;
- G. Reviewing DOI and bureau OMB Circular A-11, Exhibit 54, Space Budget Justification submissions, and business cases for major investments;
- H. Ensuring consistency between submissions for OMB Circular A-11, Exhibit 54 - Multi-Year Space Management Plans and Exhibit 300 - Five Year Deferred Maintenance and Capital Improvement Plan;
- I. Serving as liaison with and providing support to the Asset Management Partnership;
- J. Advocating space management best practices;
- K. Overseeing the governance of major investments requiring Departmental approval;
and
- L. Active membership in the Space Coordination Council.