

Department of the Interior
Guidance and Structure for Bureau Asset Management Plans

The bureau Asset Management Plan (AMP), prepared by each bureau, provides a framework, strategic vision and plan of action for effective bureau facility management. It will be a succinct document to be used by field and management staff for implementing the DOI Asset Management Plan. The DOI AMP provides the overall structure, policy, and mission for the Departmentwide asset management program. The bureau AMP, supported by the Site Specific Asset Business Plans¹, serves as a building-block to update the DOI AMP on accomplishments. The first bureau AMP is to be submitted to the Department's Senior Real Property Officer (SRPO)² by June 1, 2006. A separate multi-year plan for the motor vehicle fleet will be updated annually and submitted to the SRPO.

This strategic vision and plan of action provided in the bureau AMP will comply with the President's Executive Order 13327 on Federal Real Property Asset Management (EO). A bureau AMP supports and implements other foundational planning documents, in particular, the departmental and bureau strategic or operating plans.

Specifically, the AMP highlights the bureau's management structure for asset management, summarizes the bureau's current asset inventory, documents the condition of the inventory, and articulates the bureau's strategy and plan of action for improving the management and condition of the bureau's asset inventory. The bureau AMP articulates the bureau's strategy and process for managing the total cost of asset ownership (also referred to as life cycle costs). The bureau AMP serves as a framework to guide asset investment decisions (including operations, preventive maintenance, component renewal, repair, and construction). The AMP also provides an opportunity for bureaus to highlight major successes and accomplishments in management of the asset portfolio.

The bureau AMP complements DOI's portfolio-based approach to asset management by providing managers at all levels the tools to make wise investments and manage their assets more cost effectively. These tools include providing information on choices of funding, in owned and leased buildings, structures, linear assets, fleet assets and non-stewardship lands³ that contribute to the mission. The goal of this portfolio-based approach is to achieve management excellence and effective mission delivery throughout the life of an asset.

A bureau AMP presents a strategy that is to be employed by managers throughout the bureau to:

- Manage and oversee bureau owned and leased assets;
- Maximize the asset's contribution toward accomplishing the diverse missions of the Department and each bureau; and

¹ The Site Specific Asset Business Plan format for use by the bureaus will be developed by December of 2005.

² The SRPO is also the Department's Senior Asset Management Officer.

³ Non-stewardship land is considered to be the land associated with constructed assets such that it would be impractical to try to separate for sale.

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- Implement the bureau and Department's strategic goals, and maximize utilization, effectiveness, and efficiency.

A bureau AMP embodies the following principles:

- Recognizes that real property and fleet assets are integral to the bureaus' and Department's missions;
- Reflects a full life cycle (planning to disposition) approach;
- Complies with Departmental and bureau business practices and policies;
- Ensures full and appropriate use of retained assets and the identification and disposal of unneeded assets; and
- Uses applicable industry standard benchmarks and practices.

The information in the AMP will be updated annually to report on: changes in the portfolio and priorities (including assets subject to disposal), new actions and initiatives, and the status of ongoing and completed actions. It will also be updated to remain consistent with the bureau strategic or operating plan, as applicable

As part of their AMP, the bureaus are to submit to the SRPO updated and consolidated multi-year plans for constructed assets (e.g., 5-Year Deferred Maintenance and Capital Improvement Plan and multi-year space plans). Multi-year plans will include the ranking of projects and identify integration opportunities – resource sharing, collocation opportunities; etc.

The guidance and structure for the AMP are as follows:

1. The Mission and Organization Structure and Support

This section addresses the bureau's mission, its specific goals, the human capital and organizational structure, decision-making framework, and objectives.

This section provides a description of the following:

- a. Bureau Mission;
- b. Bureau Strategic Goals;
- c. Linkage to Department goals, mission, and policies;
- d. Asset Management Organizational Structure; and
- e. Bureau Governance/Decision-making Process for Assets.
- f. Application of the Financial and Business Management System (FBMS) and the Facilities Maintenance Management System (FMMS) in managing assets.

The items above will answer the following fundamental questions about bureau decision-making:

How is your bureau structured to determine the future use, needs, investments or the replacement of assets?

Are the assets performing the functions that they are expected to be performing?

2. Asset Inventory, Condition and Valuation

This section addresses the overall inventory, condition and valuation of the bureau's assets. The strategies and processes described in the bureau's AMP comply with

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adopted Departmental guidance and standards, including but limited to the frequency of comprehensive condition assessments no more than every five years, Asset Priority Index (API), Facility Condition Index (FCI), Current Replacement Value (CRV), asset disposal. The bureau will use this section to discuss how they have or plan to meet the standards. The information provided in this section is an aggregate of asset information reported in the Federal Real Property Profile (FRPP)⁴.

This section provides an overall description of the portfolio according to the following:

- a. Inventory by type of asset including: owned and non-owned buildings (e.g., leased buildings or buildings acquired through cooperative agreements), structures, linear assets, fleet assets and non-stewardship lands. This inventory includes overall condition, utilization, and cost for operation and maintenance (O&M) of assets in the portfolio;
- b. Frequency of and approach to updating deferred maintenance costs;
- c. Frequency of and schedule for conducting annual and comprehensive condition assessments and assets covered;
- d. Frequency of updating inventory and percent of assets with FRPP data⁵;
- e. Non-owned assets, both direct leases managed by the bureaus, and General Services Administration (GSA) space owned and leased on behalf of tenant agencies, will be considered in the decision making process; and
- f. Frequency for updating the CRV.

The items above will answer the following fundamental questions about the bureau's inventory by asset type:

What trends are occurring?

Is the total inventory still needed and is it still relevant⁶?

What are the average age ranges for major asset categories? (Either by range or average)

What is the total CRV of assets in the bureau?

What is the process for determining and updating the CRV?

What trends have occurred for deferred maintenance costs over the past three years?

What is required to properly sustain the portfolio over time?⁷

⁴ FRPP is a government-wide database sponsored by the Federal Real Property Council and required by the EO. Agencies report information in the form of twenty-three data elements including four performance metrics on constructed assets and land.

⁵ For more information on the FRPP is available at www.doi.gov/pam/GSArealguidance.pdf.

⁶ Just because an inventory of assets is functioning and performing well, it does not mean that the assets should be kept. Managers need to be continually asking the question "could and should the function of this asset be better performed by someone else besides the bureau (or even individual locations within the bureau)."

⁷ By the end March 2006 the Department, in coordination with the Asset Management Partnership and the Asset Management Team, will issue guidance on improving the condition of the asset portfolio and properly sustaining it over asset life cycle.

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3. Asset Prioritization

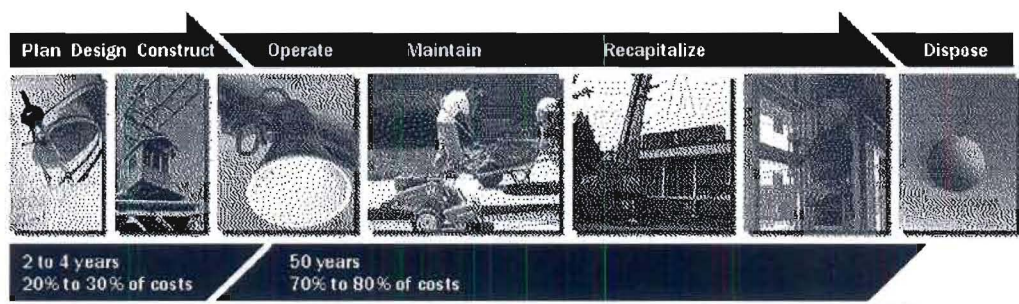
This section addresses how each bureau uses the Asset Priority Index (API), as prescribed in the Department of the Interior Asset Priority Index Guidelines of September 2005, to prioritize their assets. This section also addresses how assets contribute to the bureau's mission and strategic/operating plan goals.

This section will answer the following questions about each bureau's prioritizing of assets:

How and when does your bureau weigh, score and update the API⁸?
 What assets are the highest priorities?

4. Total Cost of Bureau Asset Management

There are seven components of total cost for the life cycle of an asset. These are plan, design, construct, operate, maintain, recapitalize and dispose as illustrated below. This section addresses the resources required for the bureau's asset portfolio.



This section provides an overall description of the bureau's accomplishments, plans and challenges in the following areas:

- a. Multi-Year Portfolio Plans (updating and consolidating multi-year plans for constructed assets)
- b. Planning, Design, Construction or Acquisition
- c. Sustainment (Operations & Maintenance; Component Renewal or Recapitalization)⁹
- d. Disposition

⁸ By the end of September 2005 the Department, in coordination with the Asset Management Partnership and the Asset Management Team, will issue the Asset Priority Index framework to guide Department and bureau-level scoring processes that reflect the mission of each individual organization.

⁹ By the end March 2006 the Department, in coordination with the Asset Management Partnership and the Asset Management Team, will issue guidance on improving the condition of the asset portfolio and properly sustaining it over asset life cycle.

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This items above will answer the following questions about the bureau's asset portfolio:

Multi-Year Portfolio Planning (updating and consolidating multi-year plans for constructed assets and fleet)

How are proposed projects/acquisitions ranked in the multi-year plan?

What new priorities (new mission, programmatic changes, etc.) that impact resource needs have been identified?

What integration opportunities – resource sharing, collocation opportunities, etc. – have been identified?

Planning, Design, Construction or Acquisition

How does the bureau determine whether to construct a new asset, lease or provide a service or function at another location?

What decision tools does the bureau use in the planning and design phase of asset construction/acquisition?

How does your bureau manage construction of an asset?

Sustainment (Operations & Maintenance; Component Renewal or Recapitalization)

What are the average annual operational, recurring (including lease costs) and preventive maintenance costs?

What are the component renewal and replacement costs?

How do O&M requirements compare to actual O&M costs in terms of required level of service?

What investment strategies will be employed to manage the accumulation of deferred maintenance, and meet operations and maintenance (O&M) needs?

Disposition¹⁰

What is the bureau's strategy/policy regarding disposal of unneeded or low priority assets?

For assets that were disposed, how were they disposed of – include any receipts or other benefits to the government?

What percentage of the bureau's assets is historic, or mission critical, and should not be disposed of?

What are the opportunities for disposal or engaging a partner to cover O&M responsibilities?

5. Program Management

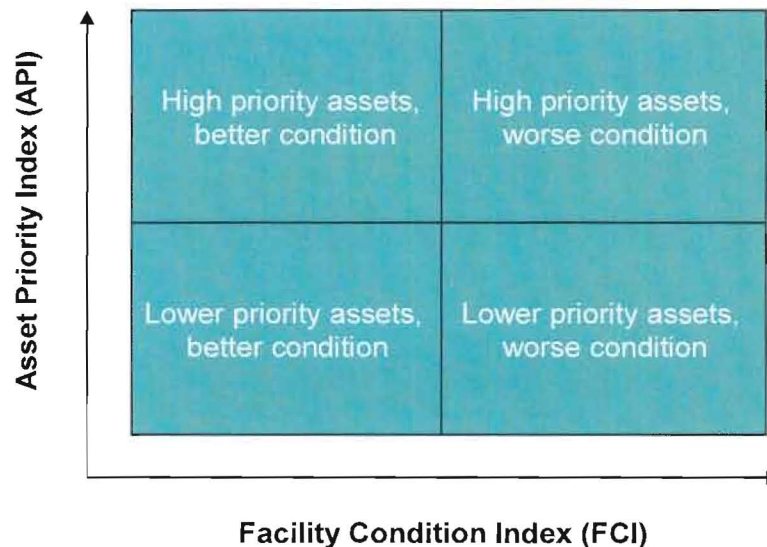
This section addresses the programmatic and legislative authorities and needs critical to successfully supporting the bureau's asset management program and meeting the requirements of the DOI AMP. Many bureau assets are subject to the Department and bureau capital planning and investment control (CPIC) and the

¹⁰ The Office of Management and Budget requires agencies to annually submit a list of assets for disposition. To support this requirement, bureaus are to annually submit to the Department a list of assets for disposition starting in the second quarter of 2007 in accordance with bureau-specific disposal policy. Bureaus are to submit to the Department a draft initial list of properties for disposition based on the data gathered and reported to the FRPP in the third quarter of 2006.

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multi-year planning process (e.g., 5-Year Deferred Maintenance and Capital Improvement Plan and multi-year space plans). Each bureau AMP will:

- a. Describe the API/FCI relationships at the bureau level?
- b. Describe how decisions are affected by asset condition and programmatic requirements?
- c. Describe how the bureau allocates its resources to repair, rehabilitate or replace higher priority assets?
- d. Identify by graphic and narrative how your bureau uses performance measures (API, FCI, O&M Costs and Utilization) to make management and funding decisions. The API/FCI relationship, as depicted in the chart below, is an important tool in illustrating how the indices define prioritized projects and investments and improvements that restore/maintain assets. Additional similar comparisons and analysis of the O&M Costs and Utilization in conjunction with API and FCI can contribute to decision-making.



- e. Describe how your bureau will integrate the four FRPC performance measures (API, FCI, O&M Costs, and Utilization) and potential second-tier performance measures with development of the Financial and Business Management System (FBMS) and Facilities Management System (FMS).
- f. Describe how the bureau ensures the best value for investing in and managing assets.¹¹

¹¹ Investment decisions may consider non-monetary considerations, such as resource protection, restoration of natural resource conditions, providing visitor services, improving functionality, etc. The concept of value-based decision-making for asset investments being institutionalized into the consideration of alternatives is important.

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- g. Describe how the bureau determines the future use, needs, or the replacement of assets.
- h. Describe how the asset considerations of the bureau are incorporated into the general planning processes of the bureau.
- i. Describe the linkage of today's asset investments (regardless of how funded) within the bureau's budget to the out-year operational budget requirements
- j. Describe how the bureau plans to operate, maintain and replace its asset portfolio (consistent with the multi-year portfolio plans) over the next 5 to 10 years starting with FY 2006." Describe the investment strategy over that 10 year period.
- k. Describe how the bureau will identify, fund, manage and report on its non-federally owned assets that are not required to be a part of the DOI AMP.¹²
- l. Within available resources, identify specific strategies/recommendations for implementing the Bureau and DOI AMPs and successful implementation of the asset management program.
- m. Describe how your bureau will incorporate planning and management requirements for historic property under Executive Order (EO)13287 (Preserve America) and for environmental management under EO13148 (Greening the Government through Leadership in Environmental Management)?¹³
- n. Identify opportunities for legislative reforms that would be appropriate to aiding the bureau's asset management program. Identify legislation and administration mandates that create challenges, define the impact on the portfolio or individual asset and suggested remedies and reforms.

¹² Need definition for non-federally owned assets

¹³ Executive Order 13287 and Executive Order 13148 are both referenced in Executive Order 13327