



Real Property Asset Management at Department of State

Dr. Deborah Schneider
Managing Director of Operations
Bureau of Administration
Department of State

Asset Leadership Network Discussion



A/OPR - Who We Are



OPR Supports

44 BUREAUS
37,000 STAFF
152 LOCATIONS

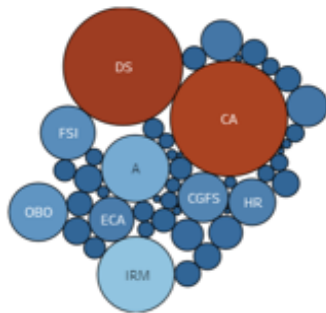
Real Property STAFF

255 EMPLOYEES
& CONTRACTORS

Tenant
Improvement,
Design &
CONSTRUCTION

185 ACTIVE
PROJECTS VALUED
AT **\$600M**

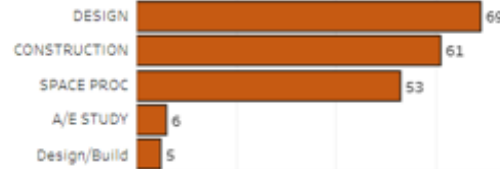
Staff Total By Bureau - FY2020
All Location(s) in All Region(s)



Capital **CONSTRUCTION**
EXPENDITURES

2 PROJECTS VALUED AT
\$250M

Project Status By Task



REAL ESTATE PORTFOLIO

\$250M IN YEARLY RENT OBLIGATIONS

17 OWNED AND DELEGATED FACILITIES WITH A
REPLACEMENT VALUE OF **\$1.4B**

12M RENTABLE SQUARE FEET

3 PROSPECTUS-SIZED LEASE ACTIONS



Outputs of RPAM



Current State

Future State



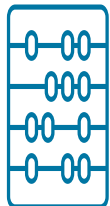
Performance



Personality driven, ad hoc decision-making



Quantified performance criteria to measure justification



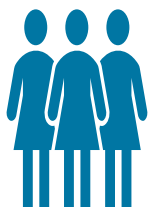
Cost



Limited analysis of total cost of ownership over multiple years



Easily adaptable, pre-filled equations to measure TCO of options



Occupancy



No scale of per-person spend for housing, density determined by personality rather than function



Ability to engage bureaus on total spend per person and implement working capital fund for cost sharing



RPAM Philosophy



- **Objective 1. Implement Holistic RPAM Program**
 - 1.1: Implement and Assess RPAM Program
 - 1.2: Analyze Portfolio Value/Risk to Mission
 - 1.3: Develop Risk-informed Budget Prioritization Process

- **Objective 2. Support the Mission – Take Care of Employees**
 - 2.1: Develop our Employees
 - 2.2: Optimize our Organization
 - 2.3: Engage with Stakeholders and Customers

- **Objective 3. Optimize DOS Assets – Take Care of Facilities**
 - 3.1: Optimize Maintenance Delivery
 - 3.2: Optimize Project Delivery
 - 3.3: Optimize Space Management
 - 3.4: Optimize Lease Management
 - 3.5: Improve Asset Information

A/OPR is moving strategically toward implementing a modern RPAM Program along three lines of effort. Metrics have been drafted and are being refined to track institutional performance and progress.



Achieving RPAM Objectives



Objective 1: Implementing Holistic RPAM Program

1. Facility Condition Assessments
2. Asset Management Plans
3. Key Asset Master Planning

Objective 3: Optimize DOS Assets

1. Implement CMMS Program
2. Implement IWMS Program
3. Key Master Housing Framework and Action Plan



Facility Condition Assessment (FCA)



- ✓ Completed a comprehensive FCA in Oct21 of all domestic, owned and delegated sites.
 - ✓ Conducted at site/system-level of detail
 - ✓ Identified approximately \$259M in deferred maintenance costs and discerned funding responsibility between DOS and GSA

Next Steps

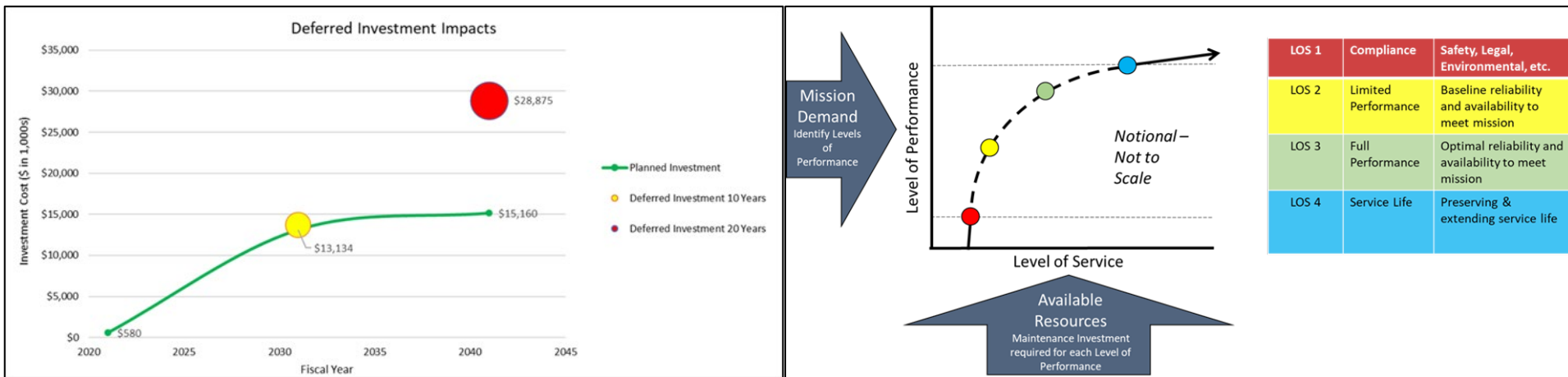
- Validate Present Replacement Value (PRV) of facility stock and calculate Condition Index by site
- Harvest asset condition and replacement costs for input into our Computerized Maintenance Management System (MAXIMO).
- Develop SOPs and conduct training with building managers related to asset management and cyclic, internal FCA
- Validate asset inventory at the system component level



Asset Management Plan (AMP)



- ✓ Completed a Template AMP for key data site in Denver, CO (Apr 21).
 - ✓ Calculated an \$4.9M annual requirement for optimal performance.
 - ✓ Since construction, identified that site was underfunded \$1.4M (29%)/year
 - ✓ Demonstrated the effects of mounting deferred maintenance (e.g., system failure/impact to mission) as well as the relationships between Levels of Service and Resourcing

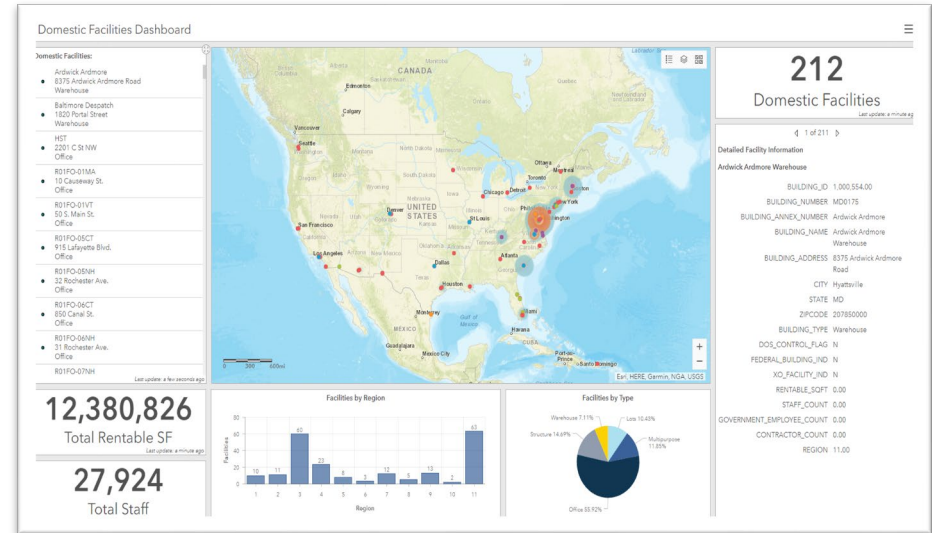




Master Planning



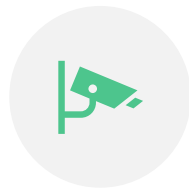
- Engaging with tenants, facilities managers, stakeholders, and leadership to establish long-term strategy for campuses
- Developing investment strategy to support site mission
- Leveraging geospatial technology and Department best practices to create living master planning dashboards



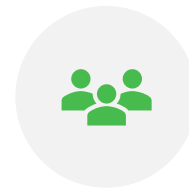
RESILIENCY



SUSTAINABILITY



SECURITY



TENANT NEEDS



FUTURE INVESTMENT



Maximo Implementation



- ✓ 13 Domestic Sites are currently utilizing Maximo
 - ✓ 11 sites are using a legacy version
 - ✓ 2 sites are implementing a pilot/enhanced version that collects information related to asset condition, omni-class classification amongst other additional data
 - ✓ 2 sites are in progress of training/data input

- ❑ All owned/ delegated sites will be utilizing Maximo by Dec 2021
- ❑ All sites will utilize the enhanced MAXIMO version by May 2022



Archibus



The Department currently uses an antiquated legacy system and ad hoc tools and processes to manage 12.2M SQF domestically valued at over \$3.8billion. A Bureau is executing year 1 of a 5-year roadmap to transform the tools we use to manage the domestic portfolio.

	Make Hotelable	Make Non-Hotelable	Set Room Status
<input type="checkbox"/>	Building Code	Floor Code	Room Code
	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="checkbox"/>	BOSMED	02	201
<input type="checkbox"/>	BOSMED	02	202
<input type="checkbox"/>	BOSMED	02	203
<input type="checkbox"/>	BOSMED	02	204
<input type="checkbox"/>	BOSMED	02	205
<input type="checkbox"/>	BOSMED	02	205CHS
<input type="checkbox"/>	BOSMED	02	206
<input type="checkbox"/>	BOSMED	02	207
<input type="checkbox"/>	BOSMED	02	208
<input type="checkbox"/>	BOSMED	02	209

→

Workspace Booking

Headquarters

Buildings

- 11 Floor ³
- 15 Floor ²
- 17 Floor ¹
- 18 Floor ²
- 19 Floor ²

→



Archibus



The Department selected **Archibus** as its Integrated Workplace Management System (IWMS). Two modules have been deployed in only nine months to support space optimization and workplace flexibility, Space Planning & Management and Workplace Services.

KICKOFF

Archibus implementation project kickoff

 JAN 2020

ENGAGEMENT



214 Pilot Users across 6 Bureaus and 8 Organizations participated in the Pilot

CHANGE AGENTS

15 Change Champions liaise between Pilot Users and implementation team and ensure mission specific issues are addressed



IMPACT



Accelerated start of Hoteling to support Future of Work initiatives



TARGETS

Exceeded CAD drawing targets by 42%

TRAINING



7 Training Sessions

1 Listening Session



On-demand training available

AVAILABILITY



40% of domestic real estate portfolio is already available in Archibus

MODULES



2 out of 6 Archibus modules deployed

FEEDBACK

1 survey and 2 polls to inform objectives next QTR



PHASE 1



of floorplans for Hoteling Pilot Phase 1 complete

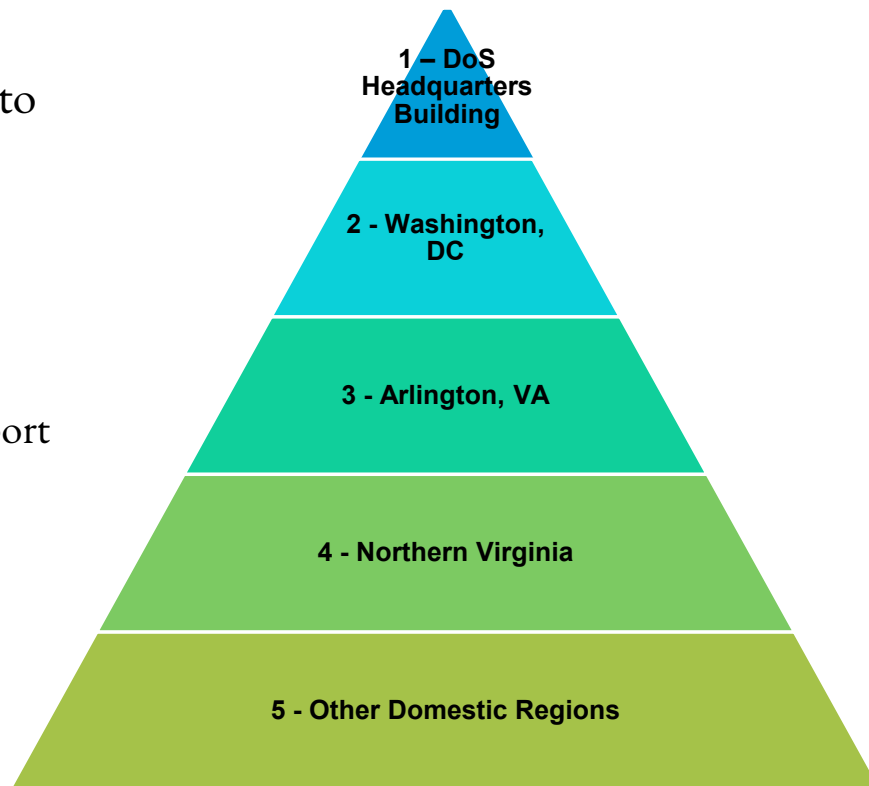


Strategic Real Property Optimization Plan



Established draft framework being briefed to Department leadership for approval. If implemented it would:

- Reduce underutilized space in the National Capital Region
- Provide working conditions that support a hybrid workforce
- Create swing space for a major modernization utilizing existing assets
- Reduce the Department's rent by \$40 million per year





RPAM Progress



“We will take care of our people and facilities through a holistic, comprehensive real property asset management program. This program will provide consistent structure and repeatable business processes capable of meeting those needs. The program shall link decisions at all levels of the organization to outcomes, and optimize the national value delivered by our domestic real property assets.”

-- DOS Bureau of Administration RPAM Policy

- ✓ Conducted a RPAM program assessment and developed a strategic plan along three lines of effort; Program Framework – People -- Facilities
- ✓ Conducted a comprehensive facility condition assessment of domestic, owned/delegated sites
- ✓ Implemented a ‘Proof-of-Concept’ with a pilot/enhanced version of Maximo (State's Computerized Maintenance Management System) to collect additional data with a new user interface
- ✓ Completed an Asset Management Plan for the large data hub in Denver as a ‘template’ for future enterprise-wide effort



Continuing Challenges



FUNDING MECHANISM: Working Capital Fund needed



POLICY: Entrenched culture requiring incremental changes



PEOPLE: Continue hiring and developing qualified asset management professionals



IT: Work with all stakeholders to be collaborative, transparent



AUTHORITIES: Seek best level of use of our authorities for ownership and construction, partnership with GSA



Questions or Comments?



Dr. Deborah Schneider
Department of State

Schneiderdc@state.gov