

## SECTION 1-6: FEDERAL REAL PROPERTY ASSET MANAGEMENT – DAILY DECISION MAKING

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### 1-6-00 POLICY

The purpose of this section is to establish policy and guidelines, consistent with *Executive Order (EO) 13327— Federal Real Property Asset Management* (4 February 2004) and the *Achieving Green in Federal Real Property Asset Management* (February 2006) scorecard protocols, for evidencing that HHS and its organizations include:

1. A routine management process (both horizontal and vertical) using inventory data and relevant performance measure information consistent with the Federal Real Property Council (FRPC) performance measures, and HHS specific performance measures as established annually in the Real Property Asset Management Plan (RAMP) and 3-Year Timeline (TYTL), to make daily decisions;
2. The implementation of processes that encompass the full cycle of the decision-making process with its results, and using the performance measure information to identify opportunities that result in short and long term decisions to effectively and efficiently manage the portfolio of assets;
3. The ability to provide specific examples demonstrating where data/reports were used in the decision-making process to produce tangible improvements (results).

Any exceptions to the provisions of this section must be approved in writing by the Office for Facilities Management and Policy (OFMP), Office of the Secretary (OS).

#### A. REAL PROPERTY MANAGEMENT PLANNING AND GUIDANCE PROCESS

All HHS organizations, land-holding and non-land-holding shall establish, in writing, real property management planning and guidance processes specific to the mission and structure of their particular component. The purpose of this is, at a minimum, to define the processes to be used by their organization to manage their portfolio of assets with consideration to the three areas articulated in section 1-6-00 above.

#### B. EFFECTIVE DATE

This policy is effective June 2, 2008.

## 1-6-20 GUIDANCE AND INFORMATION

The organizations within HHS with real property management responsibilities perform day-to-day prioritization and execution of their asset management program, including: master planning; facilities planning and design, construction, leasing, operations and maintenance, and space utilization; and management programs (environmental management, historic preservation, energy management, and occupational safety and health).

HHS implementation plan and guidance for capturing daily decision making and demonstrating results focuses on right-sizing the portfolio. Five questions should be clearly addressed in developing a Real Property Management Planning and Guidance Process for capturing daily decision making and demonstrating results.

### A. WHAT ARE THE BUSINESS CHALLENGES THE DEPARTMENT IS ADDRESSING?

The following are examples of business challenges the Department faces to effectively and efficiently manage the HHS Portfolio of Real Property assets:

- Address mission requirements, including adapting to changes;
- Sustain and improve asset condition;
- Address emergent repair requests;
- Reduce operating costs;
- Prioritize use of available funding resources;
- Improve utilization through collocations/consolidations/disposals;
- Ensure accreditation;
- Retain trained and experienced staff;
- Address sustainability/energy/ADA (regulatory requirements);
- Consult with Tribes on operations of Federal real property assets under P.L. 93-538 (Indian Self Determination Act);
- Address security; and
- Address health and life safety;

### B. WHAT DATA IS AVAILABLE TO ASSIST IN DAILY DECISION-MAKING?

Sources of data that could be considered include:

- Facility portfolio data;
- Federal Real Property Profile (FRPP) for benchmarking;
- Performance Assessment Tool (PAT) Analysis;
- Asset Business Plan;
- Facilities Assessment Data;
- Master Plan;
- Prioritization Tool Results;
- Historical Knowledge;
- Statistical data from program using the facility;

- Site Analysis; and
- Industry Benchmarking.

#### C. WHAT TYPES OF ANALYSES ARE USED TO MAKE DECISIONS?

The following are different types of analyses that should be used to guide the daily decision making process:

- Alignment with strategic plan and performance measures;
- Evaluation of Tools: Life Cycle Cost Analysis (LCCA)/Project Development Rating Index (PDRI);
- Feasibility Studies
  - Retention/Disposal Studies; and
- Program Prioritization

#### D. WHAT ARE THE EXPECTED RESULTS IDENTIFIED THROUGH THE ANALYSIS?

The following are common areas in real property management which demonstrate positive results in managing a portfolio of assets:

- Sustainment and improvement of asset condition;
- Better utilization;
- Efficiency of operations performance; and
- Increased support of the organization's mission.

#### E. HOW WERE THE RESULTS REPLICATED ACROSS THE ORGANIZATION?

The following are a few methods that can be utilized after results have been realized to affect positive influences to the organization's asset portfolio management process:

- Sharing lessons learned;
- Implementation of new or revised, improved policy, procedures, and standards across the Department's organizations; and
- Defined templates to capture specifics.

### 1-6-30 REPORTING

Following the initial submission and clearance of each HHS organization's Real Property Management Planning and Guidance Process documentation to the Senior Real Property Officer (SRPO), each HHS organization shall provide an annual updated version by June 1<sup>st</sup> of each year.

The document will be used to identify:

- Effective processes leading to positive results in portfolio management; and
- Gaps in the portfolio management processes.

The effective processes will be shared within the HHS organization as best practices. The identified gaps will be used by the SRPO and the HHS organizations to identify goals and milestones for the coming reporting year and inclusion in the OPDIV Specific Goals and Milestones section of the 3-year timeline.