

**Department of the Interior**

**Asset Management**  
**“Overall Approach”**

  
 U.S. Army Corps of Engineers  
 Workshop on Asset Management  
 August 23-24, 2005

**Objective of Presentation**

- DOI Asset Overview
- DOI Approach – Overall Plan & Guiding Principles
- Tools & Processes
- Current Status
- Governance of Asset Investments
- Anticipated Results
- Challenges

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**Asset Overview**

- Approximately 57,000 constructed assets
- 445,000,000 acres of real property
- \$1,700,000,000 in personal property
- 113,000,000 pieces of art and museum artifacts
- 19,000 Government quarters
- 37,000 owned and/or leased fleet vehicles
- \$1,500,000,000 in business transactions
- \$3,000,000,000 in financial assistance grants
- Most importantly – Approximately 70,000 full time & 200,000 volunteer personnel resources

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**The Governmentwide Perspective**  
**EO 13327**

- Created to promote efficient and economical life-cycle management and use of the Federal government’s real property assets
- Established the position of Senior Real Property Officer (SRPO)
- Created the Federal Real Property Council (FRPC)
- Directed the development of agency asset management plans and performance measures
- Directed the establishment of a governmentwide real property inventory database

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## ***Interior's Asset Management Planning***

### **The Department and Bureaus Coming Together**



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## ***Overall Plan & Guiding Principles***

- Support Department / Bureau missions and strategic goals
- Use public and commercial benchmarks and best practices
- Employ accurate methodical life-cycle cost-benefit analysis
- Promote full, appropriate and efficient asset utilization
- Appropriate Disposition of excess assets
- Ensure appropriate expenditures of capital investment
- Accurately identify and inventory all assets
- Employ accurate/balanced performance measures
- Enhance customer (end user) satisfaction
- Provide safe, secure and healthy workplaces

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## ***Working Together***

- Coordination and collaboration shaping a DOI-wide approach that meets the needs of each Bureau
- Asset Management Team – SRPO and Bureau Senior Asset Management Officers
- Asset Management Partnership – Mid-Management Asset Management Professionals
- Constructive & positive relationship with OMB
- Active participation – government wide
- Communicate, Review, Solicit & Utilize feedback.

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## ***Emphasizing Tools and Standard Approaches***

- Common industry metrics -- Facility Condition Index (FCI) and Current Replacement Value (CRV), and the ability to prioritize investment decisions with standard scoring tools like Asset Priority Index (API).
- Standard policy, guidance, and templates.
- Bureau AMP's, internal scorecards, and site-specific plans & processes.
- Comprehensive capital planning and investment control (CPIC) and governance of portfolio and individual projects and assets.
- Inventory and processes to be supported by the Financial and Business Management System (FBMS) and the "Single Platform" Facility Maintenance Management System (FMMS).

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## Tools & Processes

### Asset Management

- Appointment of Senior Real Property Officer.
- Formation of a Senior Level Asset Management Team.
- Formation of an effective mid-management working partnership.
- Management Excellence Council
- Management Initiatives Team
- Investment Review Board
- Dedicated department level "full time" resources
- Department level and Bureau specific Asset Management Business plans.
- Effective management of a five year construction/capital project planning process.
- Fleet (vehicle, mobile equipment) policies & oversight
- Space utilization policy, working council & oversight

### Systems

- Development of a department wide Financial and Business Management System (FBMS).
- Development / Integration of a "single platform" facility maintenance management system (Maximo).

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## Interior's Asset Management Plan (AMP)

- AMP presents DOI's strategic vision and plan of action for strengthening the asset management of:
  - Owned and leased buildings;
  - Structures;
  - Linear Assets; and
  - Motor Vehicle Fleet.
- Structured to meet the form, content, and other requirements of E.O. 13327 and FRPC.
- Intended to be a "road map" and tool for management.

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## Interior's Asset Management Plan Focus

- Emphasizes use of a portfolio-centered approach for:
  - Strategic planning;
  - Budgeting; and
  - Informed decision-making.
- Transitioning from project-centric to portfolio-centric.
- DOI's portfolio-based approach ensures that managers:
  - Make wise investments in owned and leased buildings, structures, linear and fleet assets that contribute to the mission;
  - Manage assets to optimize utilization, improve effectiveness and efficiency, and promote health and safety;
  - Right-size, as appropriate, the portfolio of owned and leased assets, including space and fleet; and
  - Build on accomplishments and current actions.

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## Asset Management Plan - Specifics

- Asset Management Plan (approved by OMB) emphasizes:
  - Agency-Specific Owner's Objectives
  - Periodic Evaluation of Assets
  - Prioritized Five Year Capital Budget and Plan
  - Prioritized Operations and Maintenance Budget and Plan
  - "Building Block" Asset Business Plans in Agency Portfolio Context
  - Continuous Monitoring and Feedback Mechanism
  - Consideration of Socio-Economic-Environmental Responsibilities
  - Adequate Human Capital Support of Asset Management Organization
  - Utilization of Common Terminology

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## Implementing the AMP

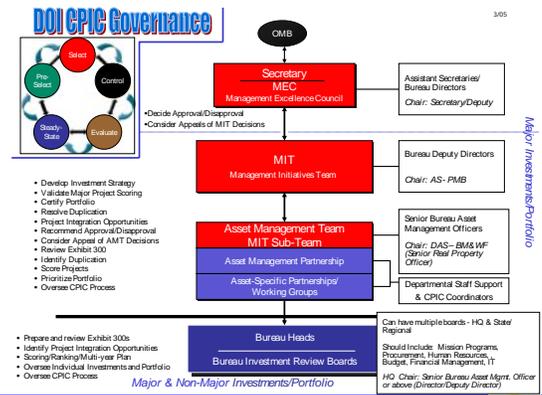
- Established Policy - Approved by OMB and internally by all Bureaus.
- Develop Accurate and Complete Asset Inventory
- Implement Performance Metrics
- Strengthen Project/Portfolio Governance (CPIC Items)
- Strengthen Planning - (daily decision making)
- Cross Cutting Initiatives (i.e., Fleet, Space, Maximo)
- Analyze Resource Needs (to implement the program DOI-wide)

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## Governing DOI's Assets



## Anticipated Results

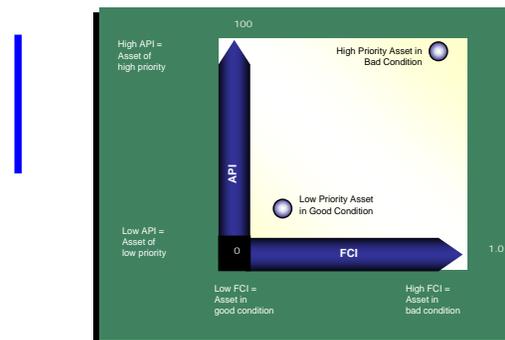
- Department Executives & Bureau Heads will be positioned to make more "enlightened" business decisions.
- DOI asset inventory will eventually be "right sized".
- Consistently accurate data will be available for use in daily management & supervisory decision making.
- The ability to justify needed increases in appropriated funds will be greatly enhanced.
- Assist in determining the most effective disposition of excess assets.

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## At the End of the Day -- Making Sound Investments



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### ***Challenges – Current & Future***

- Timeline for implementing change
- Availability of consistent technically qualified personnel
- Funding constraints
- Change management – more centralization
- Developing and implementing required processes
  - IT Systems
  - Accurate asset inventories and O&M costs.

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