

Predicting Outcomes of Investments in Maintenance and Repair for Federal Facilities

**Federal Facilities
Sustainable Portfolio Management
June 19, 2012**

Committee Membership

David Skiven, Chair, General Motors
and Engineering Society of Detroit

Get Moy, Vice Chair
AECOM, Inc.

Michael Aimone
Battelle, Inc

Burku Akinci
Carnegie Mellon University

Alfredo H-S Ang
University of California-Irvine

Joseph Bibeau
Eagle Enterprises of Tennessee

Ivan Damnjanovic
Texas A&M University

Lucia Garsys
Hillsborough County, Florida

Dan Geldermann
Calibre Systems Inc

Michael Greenberg
Rutgers University

William Stamper
CBC Solutions Inc

Eric Teicholz
Graphics Systems Inc

Donald Uzarski
University of Illinois-Urbana Champaign

Statement of Task

Develop methods, strategies and procedures to predict outcomes anticipated from investments in federal facilities maintenance and repair. Identify:

- Ways to predict or quantify **outcomes**
- **Risks** posed by deteriorating facilities, systems
- Do risks vary by facility type? Can they be quantified?
- **Strategies**, measures, data needed to determine and **improve outcomes**
- Effective **communications** strategies

Themes of Report

- ❖ Fiscal Crisis—Impetus + Urgency for Change
- ❖ Vehicles for Change—
 - Portfolio-based facilities management (aka asset management)
 - Technology (tools, knowledge, risk)
 - Recognition of impacts of facilities on people, environment, mission (i.e., prioritizing)
 - Changing of the Guard

Conclusions and Findings

- No silver bullets/magic formulas
- Excess, underutilized, obsolete facilities = drain on budget + foregone opportunities
- Better defined outcomes = Better defined risks = Better program development/justification
- Communications = Reduced Guesswork
- Collaboration = Consistency (or at least rationalization)
- Effective best practices available from private industry (and federal sector)

Conclusions and Findings Con't

- M&R investments support mission, regulatory compliance, improved condition, efficient operations, stakeholder-driven outcomes (**Facilities Manager Recommendation**)
- Lack of investment = Risk to mission, safe/healthy workplaces, fiscal soundness, efficient operations, public policy objectives (**Leadership Decision**)
- Data, tools, technologies available to support portfolio-based management, quantifying outcomes, decision support, performance measurement and feedback (**Knowledge-based**)

Recommendations

- Support disposition of **excess and underutilized** properties, consolidation policies
- Identify and **prioritize** outcomes
- Use **risk-based** processes to prioritize
- Establish **standard methods** for gathering data
- **Measure** outcomes and performance
- Provide credible, empirical information for **decision support** and to improve outcomes
- Plan for multiple internal and external **communications** with stakeholders
- Develop/refine **government-wide** measures
- **Target** data collection and condition assessments
- Additional research and **collaborative** efforts

Report Layout

- 1 - Introduction
- 2 - Outcomes and Risks
- 3 - Data Tools and Technologies
- 4 - Effective Practices
- 5 - Communication
- 6 - Findings and Recommendations
- 7 - The Way Ahead

Imperative For Change

- Agencies asked to beef up “evidence-based” budgeting
 - “greater evidence”
 - “more rigorous performance evaluation”

Government Executive May 21, 2012

- OMB touts progress on reducing federal property footprint
 - “save money by consolidating and selling off unneeded federal real estate”

Government Executive May 31 2012

- Federal Facilities Council 2012 Program
 - Risk-based Processes for Setting Priorities
 - Space Utilization in Federal Facilities
 - Alternative Financing Approaches
 - ISO Standard on Asset Management