




**Department of Energy**  
Washington, DC 20585

October 11, 2016

MEMORANDUM FOR DISTRIBUTION

FROM: CARMELO MELENDEZ   
DIRECTOR, OFFICE OF ASSET MANAGEMENT AND  
SENIOR REAL PROPERTY OFFICER (MA-50)

SUBJECT: Implementation Guidance for DOE O 430.1C, *Real Property Asset Management* (RPAM)

On August 19, 2016, the Department of Energy (DOE) issued an updated DOE Order 430.1C, Real Property Asset Management (the Order or RPAM). The updated content aligns with the real property-related goals of DOE Strategic Plan, actuates the 2015 DOE Asset Management Plan, institutionalizes the recommendations of the Laboratory Operations Board's (LOB) working groups on infrastructure assessments, infrastructure crosscuts, and excess contaminated facilities, supports compliance with the Government Performance and Results Act<sup>1</sup>, incorporates government-wide real property policies and practices mandated since 2003, and promotes efficient and effective use of real property assets and other resources.

The Order's applicability, requirements, and responsibilities reflect the Department's organizational diversity and provides for flexible implementation. It respects Line Management's authority, its attendant responsibility for mission success, and the associated accountability for effective stewardship of its real property portfolio. This flexibility should encourage management practices based on industry leading practices, customary commercial practices, and voluntary consensus standards and ease integration of requirements for real property life-cycle activities and projects into contractor assurance systems when flowed down into a contract.

Organizational differences in meeting the requirements are anticipated. With the exception of the requirement to populate the Facilities Information Management System (FIMS) for each real property asset with the minimum data fields necessary to create a real property asset record or fulfill external reporting requirements, the NNSA Deputy Administrator for Naval Reactors, the Power Marketing Administrations, and the Federal Energy Regulatory Commission are exempt from the Order. When necessary for other DOE organizations, the accountable Under Secretary may grant program-specific, location, or site-specific equivalencies or exemptions from specific requirements with exception of the following requirements:

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<sup>1</sup> GPRA Modernization Act of 2010, Public Law 111-352, January 4, 2011 creates a more defined performance framework by defining a governance structure and by better connecting plans, programs, and performance information.



- Use of the Facilities Information Management System for real property reporting;
- Use of definitions documented in the Order and in the FIMS Data Element Dictionary;
- Performance of physical inspections to identify real property deficiencies; and
- Collection of asset level data for annual actual maintenance costs and estimates for both Repair Needs (RN) and Deferred Maintenance and Repair (DM).

Departmental compliance with the Order in these areas enables performance measurement systems and ensures consistent external reporting.

The Order reflects the LOB's initiatives to address and improve DOE infrastructure in two ways. First, in establishment of two secretarially chartered bodies to complement the long-standing Facilities & Infrastructure Steering Committee (FISC). The Infrastructure Executive Committee (IEC) and Excess Contaminated Facilities Working Group (ECFWG) are tasked with determining real property management stewardship priorities, making enterprise-wide investment recommendations for general purpose infrastructure, and evaluating excess facility disposal priorities. Together, these three bodies represent Departmental leadership on real property related issues, provide execution support, and evaluate outcomes. Second, by identifying a suite of enduring performance measures to gauge stewardship effectiveness.

The Order updates and streamlines requirements for real property planning and budgeting, acquisition, sustainment, and disposition. Requirements for DOE elements with responsibility for real property are intended to return a portfolio of real property assets that is appropriately sized, aligned with, and in a condition adequate to support efficient mission execution. Updates include requirements to:

- Conduct asset and portfolio assessments that result in an understanding of current condition, utilization, functional adequacy, and sustainability;
- Assess the portfolio against delineated program mission requirements and other Departmental goals and objectives, including sustainability goals, to determine infrastructure requirements and requirement gaps for each core capability and for general purpose infrastructure;
- Carry out real property planning by applying Program Office planning guidance and the Department's asset management considerations;
- Document Program Office plans and resource requirements for real property acquisition, sustainment, and disposition that result from planning activities in five-year real property planning and budgeting documentation;
- Establish cost-effective maintenance management and sustainment programs in support of current missions;
- Use FIMS for real property reporting and collecting asset-level data including: annual required maintenance, annual actual maintenance and operations costs, RN and DM cost estimates; and inventory assessment data;
- Appoint a real property officer for each site and assign duties as applicable; and,



- Request the Senior Realty Officer review and approve leases and GSA occupancy agreements when annual rent is one million dollars or more.

The updates to the Order recognize each Program Office's primary responsibilities for providing programmatic guidance and funding including: developing program management plans, preparing annual planning guidance, developing building area offsets, and funding non-process contaminated facility disposal as part of their infrastructure investment portfolio.

The Order includes responsibilities for: the Director, Office of Management; the Chief Financial Officer; and the Associate Under Secretary, Officer of Environment, Health, Safety and Security properly suited to each Support Office's functional area of expertise and is designed to efficiently address operational actions. For example, guidance on budgeting and budget execution, including cost accounting and reporting, for indirectly-funded minor construction has been removed from the Order. The Chief Financial Officer has responsibility for developing and maintaining this guidance.

The Order establishes responsibilities for: the Senior Real Property Officer and Real Property Officers; the Head of Contracting Activity for Real Property, Real Estate Contracting Officers, Certified Realty Specialists, and Senior Realty Officers; and the Head of Contracting Activity and Contracting Officers.

You may continue to expect me, as the Director of the Office of Asset Management and the Department's Senior Real Property Officer, to provide DOE policy and guidance in consultation with Program and Support Offices to improve real property asset management. This includes:

- Publishing annual reporting guidance for: data related to operations and maintenance of real property (DROMa), FIMS data validation, and Federal Real Property Profile (FRPP) reporting;
- Publishing an annual *Five-Year Rolling Timeline* to accomplish real property asset management goals and objectives;
- Conducting quality assurance on DOE element's FIMS data validations, including data certification, and the Department's FRPP submission; and,
- Organizing quarterly briefings for the Department's Real Property community.

As the Departmental elements implement the updated Order, I intend to undertake or assist in the following activities:

- Confirm or review and update the IEC and FISC charters to align with the Order and establish working groups, as necessary;
- Consider Program Office requests or the need to issue associated DOE guides where Departmental consistency is vital to external reporting and budget justifications;
- Support the Chief Financial Officer in the formulation of annual updated Integrated Facilities and Infrastructure (IFI) Crosscut Budget guidance that

- reflects IEC priorities, improves the reliability of cost projections, forecasts the impact of investments, and increases the visibility of actual investments;
- Support the Chief Financial Officer in the formulation of guidance for indirectly-funded minor construction cost accounting and reporting, reconciliation between the accounting system and the real property inventory, and other real property-related reporting when requested;
  - Measure and report assessment of real property asset management performance and propose appropriate performance benchmarks;
  - Establish methodology for and conduct management assistance visits and peer reviews of real property management activities and functions with Program Offices;
  - Update FIMS data elements and requirements to align with the Order, improve data quality, support accurate and useful assessments, improve understanding of real property life-cycle costs, and reflect Program portfolio assessments (i.e. the optimum set of necessary facilities and infrastructure);
  - Propose updated Departmental office space design standards;
  - Utilize the active and archive FIMS databases as well as the FIMS Asset Information Module (AAIM) to develop annual updates to the DOE Real Property Efficiency Plan (RPEP). The RPEP is intended to both report the Department's performance relative to footprint reduction goals and to function as the Department's building space offset exchange;
  - Build communities of practice for real property and real estate practitioners; and,
  - Maintain a certification program for DOE Real Estate professionals.

I am committed to serving as a resource for the Line Management and Programs in the execution of their duties and responsibilities and to providing DOE executive leadership, the Infrastructure Executive Committee, and the Excess Contaminated Facilities Working Group with technical assistance and recommendations. I do not intend to issue annual site planning guidance, collect a Quarterly Maintenance Expenditure Report, or adjudicate inter-Departmental asset transfers. The updated Order provides mechanisms to address these actions. I will continue to develop and conduct training such as the FIMS New User and FIMS Data Validation courses, Condition Assessment Information System courses, and an updated RPAM training course.

I am available to assist Program Offices and sites as they implement the Order including participating in assist visits at sites when requested or aiding the development of supplemental guidance, contract clauses, or contractor performance plan elements associated with real property life-cycle activities. The Order represents a significant shift in thinking about real property asset management and I look forward to the work we will do together to implement it fully. Please distribute this guidance to the appropriate elements of your organization. Questions on this guidance may be addressed to me or to Cindy Hunt at (202) 586-4539.



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