



U.S. DEPARTMENT OF
ENERGY

OFFICE OF
**ENVIRONMENTAL
MANAGEMENT**

Department of Energy Excess Facilities A Brief History – Dialogue with EMAB

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September 16, 2016

The Beginning

EM formed in 1989 and excess facilities accepted without major restrictions or criteria

- Significant issues with “excess facilities” was dawning in 1992-1993
- Surplus Facility Inventory and Assessment (SFIA) initiated in 1992 as the first major DOE look into excess facilities
 - Identified 6,000 excess facilities in the EM Program and projected that 1,500 non-EM facilities would become excess by FY 2000
- EM “closes the pipeline” for the first time in 1995
- A number of significant internal and external efforts (e.g., GAO, IG, NAPA) between 1992 and 2015 continued to identify issues related to excess facilities

External Forces Appear on the Horizon

- January 2015: IG-09391 – DOE’s Management of High Risk Excess Facilities
- February 2015: GAO-15-305 – Real Property: Better Data and More Proactive Approach Needed to Facilitate Property Disposal
- March 2015: GAO-15-272 – Better Prioritization and Life Cycle Cost Analysis Would Improve Disposition Planning

DOE's Response

- The Laboratory Operations Board was previously established (to identify critical infrastructure issues)
- On the heels of the successful efforts by the Infrastructure Working Group, the Secretary set up the Excess Contaminated Facilities Working Group (ECFWG)
- The ECFWG was chartered to develop a path forward to address the two GAO and IG recommendations.
- Data collection and analysis has been completed; report has been drafted and anticipated to be released to OMB in October 2016

ECRWG Draft Report – A Brief Overview

- As of March 2016, 2,300 excess facilities were identified DOE wide
- Of the 2,300, EM is already responsible for almost 1,700 facilities
- ROM (Rough Order of Magnitude) Cost (-50/+100%) estimated to disposition (stabilize; clean-out/deinventory; deactivate; decontaminate; demolish) is \$32 Billion
- Of the \$32 Billion, EM's baseline includes about \$29 Billion
- A subset of 262 facilities with an estimated ROM cost of almost \$12 Billion, were identified as relatively higher risk

Excess Facilities Discussion

Facilities Definitions

- **Excess Real Property**: Real property (RP) assets (includes facilities and infrastructure) no longer required to support DOE needs, present or future missions or functions, or the discharge of its responsibilities. An asset may remain in DOE custody and control with residual or incidental use pending final disposition between the time of an excess determination and the removal of the asset from the DOE RP inventory.
- **Facility/Facilities**: The land, buildings, trailers, their installed equipment, and other fixed systems and equipment installed therein, other infrastructure, and other improvements.
- **Infrastructure**: All RP that enables or supports activities or the DOE's mission at a site.
- **Integrated Facilities and Infrastructure (IFI) Crosscut**: A crosscut budget exhibit developed to ensure sustained improvements in RP management. It constitutes the resources required to implement acquisition, sustainment, and disposition requirements leveraging annual and 5-year RP planning documentation. This budget identifies RP construction, renovation, maintenance and repair and demolition projects by program and site. The IFI Crosscut budget is developed in conjunction with DOE's budget process. Chartered bodies such as the Infrastructure Executive Committee and the ECFWG use the IFI Crosscut budget formulation process to make recommendations to DOE leadership.

Excess Facilities Discussion

- The task before us ... Provide options for leadership consideration on possible ways to more effectively/efficiently execute D&D of excess facilities
- Define the “box”
 - Discuss key assumptions
 - Level budgets
 - No additional manpower
 - What to assume about existing “deferred maintenance”
 - Discuss number/type of options
 - 3 or 4 options?
 - Programmatic level management? Individual site management? Hybrid? Alternative financing contract arrangement?
- Define next steps

Critical Infrastructure Discussion

- The task before us ... Provide options for leadership consideration on possible ways to more effectively/efficiently perform infrastructure maintenance
- Define the “box”
 - What does “critical infrastructure” mean to us?
 - Discuss key assumptions
 - Level budgets
 - No additional manpower
 - What to assume about existing deferred maintenance
 - Discuss number/type of options
 - 3 or 4 options?
 - Programmatic level management? Individual site management? Hybrid? Alternative financing contract arrangement?
- Define next steps