

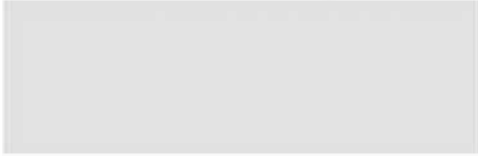


Department of Energy

Washington, DC 20585

May 4, 2021

Mr. Michael Ravnitzky



Re: HQ-2021-00306-F

Dear Mr. Ravnitzky:

This is the final response to the request for information that you sent to the Department of Energy (DOE) under the Freedom of Information Act (FOIA), 5 U.S.C. § 552. You requested the following:

A copy of the Department of Energy Capital Plan (i.e., Agency-wide Real Property Capital Plan), as required and described in OMB Memorandum M-20-03 issued November 6, 2019, and M-20-03 Implementation Guidance issued July 2, 2020.

Your request was assigned to DOE's Office of Management (MA). The search started on February 8, 2021 which is the cutoff date for responsive records. DOE has completed its search and identified one (1) document responsive to your request. The document is being released to you as described in the accompanying index.

Upon review, DOE has determined that certain information should be withheld from the documents pursuant to Exemption 5 of the FOIA, 5 U.S.C. § 552 (b)(5).

Exemption 5 of the FOIA protects from mandatory disclosure of "inter-agency or intra-agency memoranda or letters that would not be available by law to a party other than an agency in litigation with the agency...." 5 U.S.C. § 552(b)(5). Exemption 5 incorporates the deliberative process privilege which protects recommendations, advice, and opinions that are part of the process by which agency decisions and policies are formulated. The information withheld under Exemption 5 consists of inter-agency pre-decisional information.

The Information withheld under Exemption 5 has been deemed pre-decisional and/or deliberative in nature, including departmental working documents. The information does not represent a final agency position, and its release would compromise the deliberative process by which the government makes its decisions. Withholding this information protects against the premature disclosure of proposed policies regarding personnel



matters, protects the candor of intra-agency communications, and prevents confusion to the public that could result from disclosing alternative rationales for agency decisions.

With respect to the discretionary disclosure of deliberative information, the quality of agency decisions would be adversely affected if frank, written discussion of policy matters were inhibited by the knowledge that the content of such discussion might be made public. For this reason, DOE has determined that discretionary disclosure of the deliberative material is not in the public interest because foreseeable harm could result from such disclosure.

This satisfies the standard set forth at 5 U.S.C. § 552(a)(8)(A) that agencies shall withhold information under FOIA “only if (I) the agency reasonably foresees that disclosure would harm an interest protected by an exemption...; or (II) disclosure is prohibited by law...” 5 U.S.C. § 552(a)(8)(A) also provides that whenever full disclosure of a record is not possible, agencies shall “consider whether partial disclosure of information is possible...and (II) take reasonable steps necessary to segregate and release nonexempt information.” Therefore, we have determined that, in certain instances, a partial disclosure is proper.

Pursuant to 10 C.F.R. § 1004.7(b)(2), I am the individual responsible for the determination to withhold the information described above. The FOIA requires that “any reasonably segregable portion of a record shall be provided to any person requesting such record after deletion of the portions which are exempt.” 5 U.S.C. § 552(b). As a result, a redacted version of the documents is being released to you in accordance with 10 C.F.R. §1004.7(b)(3).

This determination, as well as the adequacy of the search, may be appealed within 90 calendar days from your receipt of this letter pursuant to 10 C.F.R. § 1004.8. Appeals should be addressed to Director, Office of Hearings and Appeals, HG-1, L’Enfant Plaza, U.S. Department of Energy, 1000 Independence Avenue, S.W., Washington, D.C. 20585-1615. The written appeal, including the envelope, must clearly indicate that a FOIA appeal is being made. You may also submit your appeal to OHA.filings@hq.doe.gov, including the phrase “Freedom of Information Appeal” in the subject line (this is the preferred method by the Office of Hearings and Appeals). The appeal must contain all of the elements required by 10 C.F.R. § 1004.8, including a copy of the determination letter. Thereafter, judicial review will be available to you in the Federal District Court either: 1) in the district where you reside; 2) where you have your principal place of business; 3) where DOE’s records are situated; or 4) in the District of Columbia.

You may contact DOE’s FOIA Public Liaison, Alexander Morris, FOIA Officer, Office of Public Information, at 202-586-5955, or by mail at MA-46/Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, for any further assistance and to discuss any aspect of your request. Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows: Office of Government Information Services, National

Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-6001, e-mail at ogis@nara.gov; telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.

The FOIA provides for the assessment of fees for the processing of requests. *See* 5 U.S.C. § 552(a)(4)(A)(i); *see also* 10 C.F.R. § 1004.9(a). In our January 22, 2021 letter, you were advised that your request was placed in the “other” category for fee purposes. Requesters in this category are charged fees for searches beyond two (2) free hours of search time and are provided 100 pages at no cost. DOE’s processing costs did not exceed \$15.00, the minimum amount at which DOE assesses fees. Thus, no fees will be charged for processing your request.

If you have any questions about the processing of the request or this letter, you may contact Ms. Chidinma Nwosu or me at:

MA-46/ Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585
(202) 586-5955.

I appreciate the opportunity to assist you with this matter.

Sincerely,

Alexander C.
Morris

Digitally signed by
Alexander C. Morris
Date: 2021.05.04
12:06:46 -04'00'

Alexander C. Morris
FOIA Officer
Office of Public Information

Enclosures

INDEX

Request #: HQ-2021-00306-F

Final Response for request from Michael Ravnitzky for:

A copy of the Department of Energy Capital Plan (i.e., Agency-wide Real Property Capital Plan), as required and described in OMB Memorandum M-20-03 issued November 6, 2019, and M-20-03 Implementation Guidance issued July 2, 2020.

DOE's Office of Management (MA) has completed its search and identified one (1) document responsive to your request.

- One (1) document is *being released in part, pursuant to Exemption 5*.



U.S. Department of
ENERGY

Implementation of Agency-wide Real Property Capital Planning

Report required by OMB Memorandum M-20-03

Covering the Period: FY 2022 – FY 2026

Official Use Only

February 2021

United States Department of Energy

Washington, DC 20585

Table of Contents:

Introduction.	3
A. Mission Requirements for Real Property.	5
B. CFO and SRPO Responsibilities.	5
C. Annual Budget Process.	6
D. Major Lines of Business.	7
E. Needs Assessment.	8
F. Alternatives Analysis.	10
G. Prioritization Process.	11
H. Life Cycle Cost Estimate.	11
I. Performance Goals and Metrics.	13
J. List of Projects.	15
Attachments	16

Introduction.

The Department of Energy (DOE or the Department) manages and operates a large and diverse portfolio of real property assets. DOE's portfolio ranges from 1940's Manhattan Project-era buildings to state-of-the art, highly specialized, facilities supporting Defense Nuclear Facilities, unique fission reactors, accelerators, light sources, lasers, and high-performance computers, to list just a few. The diversity of the inventory necessitates effective, efficient, and proactive real property management to support current and future scientific and technological innovation, basic research in physical sciences, and continue the safe and effective cleanup of Cold War legacy waste.

For more than 25 years the Department has employed policies to make real property asset management more efficient and cost effective. DOE Order (O) 430.1, *Life Cycle Asset Management*, of August 24, 1995, established real property management principles that required acquisitions be supported by: mission requirements; needs assessment; comparison of alternatives; evaluation of life cycle cost; and, prioritization, all of which align with the Office of Management and Budget (OMB) Memorandum M-20-03, *Implementation of Agency-wide Real Property Capital Planning*, of November 6, 2019 (the M-20-03, or the memorandum).

In addition, in Fiscal Year (FY) 2002, DOE initiated a requirement that new construction must be offset with disposition, on an "at minimum" one-for-one square foot (SF) basis. This policy was incorporated into the DOE O 430.1 series of orders in 2003, which positioned DOE to support OMB Memorandum M-12-12, *Reduce the Footprint*, of March 25, 2015. Over the past 17 years, the offset policy helped DOE reduce building area by a net 22.9 million SF. More recently, over the past 5 years, DOE's inventory of buildings and trailers decreased in size by approximately one percent, from 132.1 million SF to 130.4 million SF.¹ Over the same 5-year period the number of Other Structures and Facilities (OSFs) decreased from 8,849 OSFs in 2015 to 8,043 in 2019.² Attachment A summarizes DOE's continued commitment to the OMB's "Reduce the Footprint" policy.

DOE O 430.1C, *Real Property Asset Management*, of August 19, 2016 (RPAM or the Order), established a data-driven, risk-informed, approach to the life-cycle management. The Order aligns the real property portfolio with DOE mission needs; promotes acquisition, management, accounting, and disposition of real property assets in a safe, secure, cost-effective, and sustainable manner; and requires the real property portfolio is appropriately sized, aligned, and in the proper condition to support efficient mission execution.³ The variety and specialized nature of missions supported by DOE's infrastructure necessitates that the RPAM provides DOE Elements latitude in the means,

¹ Department of Energy, "State of Facilities Annual Report," July 2020.

² Ibid.

³ Department of Energy Order 430.1C, Real Property Asset Management.

methods, and processes used to accomplish the requirements of the Order and the M-20-03.

To further support implementation of M-20-03 – as well as the Program Management Improvement Accountability Act (PMIAA) – the Office of the Chief Financial Officer (OCFO), in consultation with the Senior Real Property Officer (SRPO) initiated a data call in FY 2020 to conduct a FY 2022 - 2026 Real Property Portfolio Review. The data call and subsequent review was conducted in the context of the Department’s strategic objectives and FY 2022 budget request to determine cross-Departmental achievements, gaps, barriers, opportunities for improvement, potential budgetary implications, and strengthen and improve overall Real Property Capital Planning as well as Budget Formulation and Strategic Review.

DOE’s current policy reflects the Department’s history of successful, forward-looking policies concerning real property management, which, by design, focuses on performance and outcomes instead of prescribed procedures and formats. This report demonstrates the close alignment between the Department’s real property management policies and the M-20-03.


The Real Property Capital Plan, provided here-in, is a dynamic document and is continuously being assessed across the Department for updates and accuracy, and will be updated as needed and modified as needed based on external factors, including budget and adjustments to leadership priorities as such are modified to support the Department’s mission. The attachments to this report are to be considered pre-decisional and a working document.

Should you have questions, please contact Mr. Gordon Clark, Real Property Analyst, Office of Asset Management, at (202) 287-1304, or Mr. Daniel Hotochin, Senior Program Advisor, Office of Strategic Resources Analysis, at (202) 586-1925.

Sincerely,

X 

Christopher S. Johns
Acting Chief Financial Officer
Office of the Chief Financial Officer (CF)

X 

Scott L. Whiteford
Senior Real Property Officer
Director, Office of Asset Management

A. Mission Requirements for Real Property.

The mission of U.S. Department of Energy is to advance U.S. national security and economic growth through transformative science and technology innovation that promotes affordable and reliable energy through market solutions and meets nuclear security and environmental cleanup challenges.⁴

The Department's mission is performed at over 85 sites in the United States, including 17 world-class research laboratories. In addition, DOE performs long-term surveillance and maintenance at approximately 100 defense legacy sites. The Department builds, maintains, and uses real property assets to promote American energy dominance; advance scientific discovery and National Laboratory innovation; sustain America's nuclear security; advance national nuclear waste management; and, enhance cybersecurity across the U.S. energy sector and DOE infrastructure.⁵ These 5 strategic responsibilities underpin requirements and functional capabilities for real property.

Over the past 7 years, DOE has linked real property, both existing assets and future requirements, to strategic objectives through assignment of core capabilities in the Department's Facilities Information Management System (FIMS), DOE's authoritative real property data system. Core capabilities are directly linked to Departmental strategic objectives and are comprised of over 100 mission-level categories. Each real property asset must be assigned at least one core capability, and may support up to 5. The Status of Facilities Annual Report (SOFAR), the Department's annual report on internal real property metrics, tracks the degree to which DOE's real property assets are aligned with core capabilities. For more regarding the SOFAR refer to section I, "Performance Goals and Metrics."

Further to meeting the requirement of the M-20-03, DOE's Real Property Capital Plan⁶, developed in conjunction with the *FY2022-26 Real Property Portfolio Review*, requires DOE Elements to state the mission requirements for each real property project.

B. CFO and SRPO Responsibilities.

The effective planning, acquisition, sustainment, and disposal of the Department's real property assets requires the commitment of the entire organization, including leadership and staff at DOE Headquarters, site, and field and operations office locations. The Secretary establishes Departmental policy for real property management. The Deputy Secretary is responsible for overseeing the asset management system and program implementation by Departmental Elements.⁷ DOE Under Secretaries and the

⁴ Department of Energy FY 2021 Congressional Budget Request, Feb 2020.

⁵ Agency Financial Report, Fiscal Year 2019.

⁶ As mentioned in the *Introduction*, the Plan is still under Department review and is pre-decisional.

⁷ Department of Energy Asset Management Plan, Nov 2014.

Chief Financial Officer (CFO), with support from the Budget Officer and the Senior Real Property Officer (SRPO), are responsible for establishing and managing the business process used to determine the annual real property budget and component funding levels.

DOE Under Secretaries are responsible for the condition and safety of the real property at specific sites as well as inherent capability to meet mission needs.⁸ The Elements carry out programmatic responsibilities through the National Nuclear Security Administration (NNSA) and several program offices including the Office of Science (SC), the Office of Fossil Energy (FE), the Office of Energy Efficiency and Renewable Energy (EE), the Office of Nuclear Energy (NE), the Office of Environmental Management (EM), the Office of Electricity (OE), and the Office of Legacy Management (LM).

Program offices are responsible for identifying and developing real property requirements and carrying out the execution of acquisition and disposal transactions. NNSA, a semi-autonomous agency within the DOE, is responsible for assuring appropriate review of similar NNSA real estate transactions.

CFO has direct responsibility for oversight of the Department's financial management, budget formulation and execution, and corporate business systems, including internal controls.⁹

The SRPO is charged with duties described in Public Law (P.L.) 114-318, *Federal Property Management Reform Act of 2016*, and Section 3 of Executive Order 13327, *Federal Real Property Asset Management*, including responsibility for monitoring of, and reporting on, real property inventories, establishing policy to improve operational and financial property management, and measuring and reporting real property performance. The SRPO leads the Office of Asset Management (OAM), which is responsible for establishing policy, guidance, and oversight of real and personal property for the Department. The SRPO is also the Head of the Contracting Activity for Real Property Management. The SRPO has no other direct authority for reviewing and/or approving space disposal and acquisition projects.

C. Annual Budget Process.

The Department develops budgetary guidance in accordance with Administration priorities. DOE Elements apply this budget guidance to identify and prioritize real property needs against mission requirements, which translate into planned real property acquisitions, sustainment, and disposals. The planned acquisitions are identified in the Anticipated Asset Information Module (AAIM) of FIMS and the planned

⁸ Department of Energy Order 430.1C, Real Property Asset Management.

⁹ Department of Energy Asset Management Plan, Nov 2014.

annual required maintenance and disposals are identified by the appropriate fields in FIMS. Estimated expenditures and proposed appropriations for the Budget Year and at least 4 succeeding fiscal years are addressed in the DOE's Future-Years Energy Program (FYEP). FIMS data informs the Budget Year (reflected in FIMS as either "Initial Acquisition Cost" or "Annual Rent"), and retains prior year data.

Program offices and Headquarters organizations are responsible for making budget assumptions and building subsequent budget requests, based on Administration and DOE budgetary guidance, historical and projected mission requirements, and anticipated availability of resources.

The Department determines the annual real property budget through inputs provided by the sites and program offices. Each DOE program office consolidates inputs from multiple funding sources and develops either a 5-year or 10-year infrastructure investment plan that identifies the funds needed for facility and infrastructure construction, maintenance/repair, and disposal/demolition, for sites. Currently, the SRPO provides technical assistance in completing the infrastructure investment plans, and is not part of the approval process for the plans or the budget requests.

Resulting from M-20-03 direction to integrate real property capital planning into agencies' annual budget process, DOE initiated an FY 2022 - 2026 Real Property Portfolio Review to collect and analyze data in the context of the Department's strategic objectives and budget to determine cross-Departmental achievements, gaps, barriers, opportunities for improvement, potential budgetary implications, and strengthen and improve overall real property capital planning. The Portfolio Review also targets the Department's Budget Formulation and Strategic Review for potential improvement opportunities. From the data collected, DOE developed the Real Property Capital Plan¹⁰, which is structured in the form of a Budget Summary. The Capital Plan¹¹ is a compilation of the Department's real property budget across major areas of the facility lifecycle, specifically Acquisition (e.g., New Construction, Alterations/Modernization, and Leases greater than or equal to \$5 million); Operations; Maintenance; Disposition, and Capital Equipment (e.g., Built-in Equipment greater than or equal to \$2 million). DOE Elements prioritize real property projects, with the exception of annual operating, maintenance, repair and rent costs.

D. Major Lines of Business.

The mission of the U.S. Department of Energy is to advance U.S. national security and economic growth through transformative science and technology innovation that promotes affordable and reliable energy through market solutions, and meets nuclear

¹⁰ As mentioned in the *Introduction*, the Plan is still under Department review and is pre-decisional.

¹¹ Ibid.

security and environmental cleanup challenges.¹² The Department’s major lines of business, also known as DOE’s mission areas, are:

- Researching clean, affordable energy sources;
- Advancing basic research in the physical sciences;
- Ensuring the security of the nation’s nuclear stockpile; and,
- Safe and effective cleanup of Cold War legacy infrastructure.

DOE mission areas derived directly from the Department’s Strategic Plan and are represented by over 100 core capabilities, as described previously in Section A. *Mission Requirements for Real Property*. Every DOE facility is required to support, at minimum, one core capability, which must be documented in FIMS.

The RPAM prescribes that 5-year planning documentation must “determine the optimum set of facilities and infrastructure needed to maintain each applicable core capability;”¹³ “assess the real property portfolio against delineated program mission requirements by core capability” with more frequent assessments if mission requirements change or core capability(ies) assigned to an asset changes;¹⁴ and, “include the results of annual utilization surveys.”¹⁵ DOE Elements with real property holdings are also responsible performing functional assessments of each real property “asset’s current condition and it’s capability to meet mission requirements at least once during any 5-year period.”¹⁶ DOE measures compliance with these requirements through performance measures for alignment, functionality and condition, which will be discussed in section I. The Department also conducts annual validations of FIMS data, which includes asset-level verification of functionality and condition assessments.

The DOE’s real property inventory is mostly comprised of diverse and highly specialized facilities, including Defense Nuclear Facilities, unique fission reactors, accelerators, light sources, lasers, and high-performance computers, to name just a few. These specialized facilities necessitate unique facility planning and performance requirements, which is why the RPAM provides DOE Elements latitude in the means, methods and processes used to accomplish the requirements of both DOE O 430.1C and the M-20-03.

E. Needs Assessment.

The M-20-03 requires agencies to describe agency specific comprehensive needs assessment process. As stated previously, the RPAM prescribes requirements,

¹² Department of Energy FY 2021 Congressional Budget Request, Budget in Brief, Office of Chief Financial Officer, February 2020.

¹³ Department of Energy Order 430.1C, Real Property Asset Management.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

outcomes, and deliverables. The varied and unique missions of DOE Elements precludes limiting the means, methods, and processes to accomplish the requirements of the Order, and the M-20-03, to standardized processes. In support of this requirement, DOE's FY 2022 - 2026 Real Property Portfolio Review data call required DOE Elements to identify the real property gap each project addresses. The gaps identified included:

- Facility Condition;
- Space Utilization;
- Security;
- Life Safety;
- Location;
- Functional Capability;
- Recapitalization Needs;
- Facility Capacity; and,
- Other (i.e., unique real property gap not listed above).

DOE Elements, with real property holdings, as prescribed by the Order and germane to the M-20-03 requisites for Needs Assessments:

- Are required to “perform a functional assessment of each operating real property asset to **determine an asset’s current physical condition and its capability to meet mission requirements** (emphasis added). These assessments must be performed at least once during any 5-year period, or other risk-based interval as approved by the cognizant Program Secretarial Office based on industry leading practices, voluntary consensus standards, and customary commercial practices”¹⁷ and documented in FIMS.
- Must conduct real property asset management planning and budgeting so that “**financial investments in real property are aligned to meet DOE mission needs and requirements** (emphasis added). DOE Elements with real property holdings must prepare annual planning guidance, carry out real property planning, and provide 5-year real property planning and budgeting documentation.”¹⁸
- Develop 5-year forecasts (by fiscal year) and update annually to identify financial investments for sustainment of real property assets to support DOE strategic plans, program guidance, and Departmental performance targets. Include consideration for desired level of service, remaining service life, current condition assessments, Energy Independence and Security Act energy and water evaluations, usage surveys, the mission dependency of the asset, and projected funding for [Deferred Maintenance] DM reduction;¹⁹

¹⁷ Department of Energy Order 430.1C, Real Property Asset Management.

¹⁸ Ibid.

¹⁹ Department of Energy Order 430.1C, Real Property Asset Management.

- Estimate the costs to correct deficiencies identified during the condition assessments using the DOE-funded Condition Assessment Information System (CAIS) or another nationally recognized cost estimating system that is formatted in UNIFORMAT II and based on annually updated unit cost data (e.g. RS Means; Building News; Craftsman Book Company; Richardson General Construction Estimating Standards). Cost estimates must be updated annually and include contractor indirect costs.²⁰

F. Alternatives Analysis.

M-20-03 requires, agencies to “[e]valuate and identify the best methods to perform alternatives analysis and estimate resource requirements to eliminate the current or future gap within the agency's real property portfolio” and to “describe the process the agency used to perform its alternatives analysis.” To address this requirement, the Department’s FY 2022 - 2026 Real Property Portfolio Review data call required DOE Elements to affirm that an analysis of alternatives was performed.

Regarding “the process the agency used to perform its alternatives analysis,” DOE Order 430.1C explicitly provides DOE Elements latitude in the means, methods and processes used to accomplish this requirement. To meet the M-20-03 requirement for alternatives analysis the Order requires: Departmental elements with responsibility for real property need to verify and validate that “real property acquisitions are supported by a mission need, **a business case analysis** (emphasis added), a current utilization survey, and **life-cycle cost alternatives analysis**” (emphasis added).²¹ The Order links the business case analysis and the life-cycle cost alternatives analysis by defining both:

- a. Business Case Analysis is a “structured methodology and document that aids decision making for obtaining best value for achieving operational requirements while balancing cost, schedule, performance, and risk by identifying and **comparing alternatives** (emphasis added) including the mission and business impacts (both financial and non-financial), risks, and sensitivities.” This definition is “adapted from Department of Defense *Produce Support Business Case Analysis Guidebook*, April 2011; additional guidance can be found in Office of Management and Budget, OMB A-11, *Preparation, Submission, and Execution of the Budget*, Part 7-Appendicies (current version)].”²²
- b. Alternatives Analysis is an “analysis of alternative approaches to addressing the performance objectives of an investment, performed prior to the initial decision

²⁰ Ibid.

²¹ Ibid.

²² Ibid.

to make an investment, and updated periodically as appropriate to capture changes in the context for an investment decision.”²³

By incorporating OMB definitions into the requirements for Alternatives Analysis, DOE is aligned with OMB’s intended outcome of comparing alternatives for addressing real property gaps. Furthermore, the Order instituted a management control related to alternatives analysis, whereby all leases and occupancy agreements with the General Services Administration (GSA), with an average annual rent of \$1 million, or more, must be reviewed and approved by the Senior Realty Officer (SRO).²⁴ The SRO review includes a summary of the analysis of alternatives and applies to the following lease actions: new, succeeding, superseding, renewals, extensions and exercise of options.²⁵

G. Prioritization Process.

The M-20-03 requests agencies describe prioritization criteria, citing clear linkage between agency strategic priorities and related prioritization criteria. The RPAM requires prioritization²⁶ of acquisitions, sustainment, and dispositions. To satisfy this requirement DOE incorporated prioritization for each phase of the facility life cycle, except annual operating, maintenance, repair, and rent costs, into the Department’s FY 2022 - 2026 Real Property Portfolio Review data call.

Each real property asset, existing and planned, must have a core capability assigned. The prioritization of the resources to acquire, maintain, and dispose of real property and the assignment of asset-level core capabilities provides the link between strategic priorities and the resources to for real property.

H. Life Cycle Cost Estimate.

As prescribed in the memorandum, the estimate for the total lifecycle cost of the plan is presented in Attachment B, *Estimate for the Total Lifecycle Cost of the Capital Plan*. Attachment B also represents the Department’s Real Property Capital Plan²⁷ for the portion of the lifecycle that coincides with the FYEP. The Department’s Real Property Capital Plan²⁸ is informed by site and laboratory plans, which are built on asset-level, mission-driven, infrastructure requirements across the DOE complex. These site and

²³ OMB A-11, Preparation, Submission, and Execution of the Budget, Part 2 - Preparation and Submission of Budget Estimates, Instructions for the Planning, Budgeting, Acquisition and Management of Non-IT Capital Assets FY 2022.

²⁴ Department of Energy Order 430.1C, Real Property Asset Management.

²⁵ Senior Realty Officer Memorandum, DOE Order 430.1C – Leases and Occupancy Agreements with Annual Rent of One Million Dollars or [M]ore, December 21, 2016.

²⁶ Department of Energy Order 430.1C, Real Property Asset Management.

²⁷ As mentioned in the *Introduction*, the Plan is still under Department review and is pre-decisional.

²⁸ As mentioned in the *Introduction*, the Plan is still under Department review and is pre-decisional.

laboratory plans span a minimum of 5 years, and in some instances extend up to 10 years. As described previously, DOE requirements for real property planning, including capital investments, do not prescribe means, methods, or formats for comprehensive planning documentation. The one area where there is agency-wide consistency, is also a direct reflection of the maturity and detail of the capital planning process, is the DOE Elements' life cycle cost estimates for Element responsible real property. To strengthen this practice, the Department instituted a FY 2022 - 2026 Real Property Portfolio Review process to further improve long-term real property capital planning. From the data collected to support the Portfolio Review, the Department developed Attachment B, which identified cost estimates spread across prior, current, and outyears. The total lifecycle costs shown in Attachment B are the fruition of the Department's on-going planning processes and the most significant and comprehensive representation of the depth and maturity of DOE's capital planning. Since Attachment B represents the Department's intentions (e.g. the capital plan) for infrastructure investment across the entire DOE complex, across the entire facilities lifecycle, and across FYEP it is also, for purposes of this report, the Department's Capital Plan²⁹.

The OMB memorandum requires a summary of the methodology used by the agency to categorize portfolio life cycle costs. As stated previously, the Order does not prescribe specific means, methods, or processes. The DOE Order directs DOE Elements to conduct condition assessments every 5 years.³⁰ Subsequently, DOE Elements are to estimate costs for maintenance and repair to correct deficiencies identified during the condition assessments "using the DOE-funded Condition Assessment Information System (CAIS) or another nationally recognized cost estimating system that is formatted in UNIFORMAT II and based on annually updated unit cost data (e.g. RS Means; Building News; Craftsman Book Company; Richardson General Construction Estimating Standards). Cost estimates must be updated annually []." ³¹ UNIFORMAT II is a standard structure for building specifications and cost estimates based on an organized grouping of building elements and site work.

In the case of project costs, the Order does not prescribe any particular methodology(ies) to categorize life cycle costs, which supports DOE Elements to use the method that best fits the circumstances. DOE's process for developing the Real Property Capital Plan³² requires DOE Elements to identify the cost estimating method, based on the types prescribed by the Government Accountability Office (GAO).³³ The identified methods include:

- Analogy;
- Engineering Buildup;

²⁹ Ibid.

³⁰ Department of Energy Order 430.1C, Real Property Asset Management.

³¹ Ibid.

³² As mentioned in the *Introduction*, the Plan is still under Department review and is pre-decisional.

³³ GAO-09-3SP, GAO Cost Estimating and Assessment Guide, Chapter 11

- Parametric;
- Expert Opinion;
- Extrapolation;
- Learning Curve; or,
- Other (i.e., unique methodology not listed above).

I. Performance Goals and Metrics.

The Department uses the data in FIMS to generate internal performance measures, in accordance with the Order.³⁴ The SOFAR provides an annual snapshot of the DOE’s real property holdings and conveys trends for the real property inventory in eight performance areas:

- Inventory;
- Alignment (with mission);
- Condition;
- Functionality;
- Utilization;
- Disposal;
- Management; and,
- Data Reliability.

The SOFAR is an internal document that, based on data analysis, assists DOE Elements with real property responsibilities to identify real property gaps and guiding management decisions on prioritizing needs and allocating resources.

Further to meeting the requirement of the M-20-03, the FY 2022 - 2026 Real Property Portfolio Review data call required DOE Elements to state each project’s contribution toward closing the associated real property gaps and how progress will be measured.

DOE has established goals and metrics in areas to directly align with M-20-03 requirements regarding real property management and planning:³⁵

³⁴ Department of Energy Order 430.1C, Real Property Asset Management.

³⁵Department of Energy, “State of Facilities Annual Report,” July 2020.

Alignment

To achieve and maintain an optimized real property footprint, it is important that real property in the Department's inventory directly aligns with a mission activity and/or a mission activity support service. This approach provides mission planners the capability to build a picture of the mission specific portfolio and understand where there may be gaps or surpluses. To assist with this effort, DOE has developed a list of mission-related core capabilities. Real property assets may support a single core capability or multiple core capabilities. Note that the measure below includes buildings as well as other structures and facilities. The metric and measure uses Replacement Plant Value (RPV) as a common normalizing factor across all of these asset types.

Metric: Alignment Index

Measure:
$$\frac{\text{RPV of assets with a Core Capabiltiy Identified}}{\text{Total RPV of all assets in the Porfolio}} \times 100$$

Goal: Each active real property asset in the DOE portfolio should be linked to at least one core capability

Occupancy

To assist Department organizations plan for using office facilities efficiently, DOE has set a maximum limit of 180³⁶ square feet of usable office space per occupant for all new (and newly renovated) facilities.

Metric: Occupancy Rate

Measure:
$$\frac{\text{SqFt of Usable Office Space in New/Newly Renovated Bldgs}}{\text{Number of Occupants in New/Newly Renovated Bldgs}}$$

Goal: For new or newly renovated DOE real property assets with usable office space, the amount of usable office space should not exceed 180 square feet per person

Condition Assessments

In addition to managing the DOE real property portfolio efficiently and assessing and optimally sizing, assets across the enterprise need to achieve and maintain a level of good repair for housing and supporting mission activities. Conducting periodic asset-level condition assessments facilitates the Department in identifying repair needs and assists facility planners in understanding the areas

³⁶ Department of Energy Order 430.1C, Real Property Asset Management.

to apply resources on real property projects and maintenance. Note that this metric and measure includes buildings as well as other structures and facilities. This measure uses RPV as a common normalizing factor across all of the various types of assets.

Metric: Condition Assessment Index

Measure :
$$\frac{\text{RPV of all assets with a Condition Assessment in the last 5 years}}{\text{Total RPV of all assets in the Portfolio}} \times 100$$

Goal: All real property assets in the Department's portfolio will undergo condition assessments at least once every five years.

J. List of Projects.

Attachment C delineates the prioritized list of projects for FY 2022, the first year, (only) of the plan, in accordance with the M-20-03.

Attachments

- A. Five-year Reduction Targets for Office, Warehouse and Owned Space.
- B. Estimate for the Total Lifecycle Cost of the Capital Plan.
- C. List of Projects, by real property category, for FY 2022, the first year (only) of the plan.

227 pages withheld in full pursuant to b5