Agenda

- Why We Need Real Estate
- Portfolio Scale and Diversity
- Translating Mission to Real Estate Strategies
- History and Examples
- Asset Management Challenges
- Future

_We provide the physical infrastructure for U.S. Diplomacy worldwide_
The State Department occupies about 9 million rentable square feet domestically.
- National Capital Region: 7 million rentable square feet over ~70 locations
- Field: 2 million rentable square feet over ~80 locations

Domestic State Department space accounts for about 2% of GSA’s total leased inventory

Tremendous Variety of Owned and Leased Arrangements, Operating Agreements, etc.
- State Owned and State Direct Leased
- GSA Owned - Full and Partial Delegations
- GSA Owned and GSA Leased – Full Service and Net Utilities
Real Estate Portfolio: Overseas and Domestic

Domestic: 150 Locations | 9 million GSF | Overseas: 385 Locations | 90 million GSF
Translating Mission to Real Estate

◦ Diplomacy requires proximity
  ◦ Foggy Bottom: Regional & Functional Bureaus
  ◦ Rosslyn: Management Bureaus

◦ Proximity requires creativity
  ◦ Densification
  ◦ Back office relocations
  ◦ Strategic purchases
Space Allocation Standards

- Typical floor plan before implementation of Space Allocation Standards (25 seats):

- After implementation (42 seats):

40% Increase in Density!
Western Passport Center
Tucson, AZ
Centralized Passport Production
81 staff
Occupied 2009

Arkansas Passport Center
Hot Springs, AR
Centralized Passport Production
175 staff
Occupied 2008

Kentucky Consular Center
Williamsburg, KY
Visa Production
280 staff
Acquired 2000

Florida Regional Center
Oakland Park, FL
Logistical Support
107 staff
Acquired 1995

ESOC West
Lakewood, CO
Centralized Computing Center
Acquired 2010

ESOC East
Culpeper, VA
Centralized Computing Center
Occupied 2009

Charleston Regional Center
Charleston, SC
Financial Services, HR, CA
1228 staff
Acquired 1994

National Passport Center
Portsmouth, NH
Visa Production
1141 staff
Acquired 1992

GSA lease or service contract facility

Government-owned building

Back Office Functions Relocated Outside the National Capital Region
Consolidation Projects: 2012
Consolidation Projects: 2018
Consolidation Projects: 2020

- SA-15A
- SA-20
- SA-15
- SA-01
- SA-04
- HST
- SA-05
- SA-09
- SA-17
- SA-22 (53,000 RSF)
- SA-14
- SA-06 & 6B
- SA-39
- SA-06
The Department of State’s real property portfolio provides the essential physical infrastructure necessary for America to effectively conduct the diplomatic mission at home and abroad.

Condition, capability, and performance of the real property portfolio directly effect safety, security and the effectiveness of Diplomacy.

Whether owned or leased, facilities represent past decisions that either enhance or constrain an organization’s ability to perform its mission.

Linking mission outcomes to portfolio Key Performance Indicators connects real property decisions with organizational strategy and objectives; enhancing performance.

Facilities management is a critical part of any organization’s overall long-term strategic plan.

“Physical facilities can have a large role in determining productivity, supporting innovation, efficiency, employee satisfaction and public perception of the organization. Every dollar invested in maintaining and improving facilities must be analyzed for a return on investment (ROI).”

- IFMA Facility Forecast Reports, 2007 and 2011
Total Cost of Ownership (TCO)

Planning
Acquisition
Project Development
Design
Construction
Commissioning

Operations & Maintenance
  Labor/Contracts
  RCM/PM
  Energy & Utility Management
  Measure/Monitor Performance
  Technical Support
  Space Re-Utilization/Kinetic Environment

Recapitalization
  Periodic Assessments/Re-Commissioning
  LRFP/EULs
  Infrastructure Re-Development
  Major Rehab/ Renovation

Decommissioning/Disposal

Safety Risk  Performance Risk  Investment Risk  Funding Risk
ISO 55000 Framework for Success

- Strategy & Planning
- Asset Management
- Decision Making
- Life Cycle Delivery
- Asset Information & Systems
- Human Capital
- Risk Monitoring & Management
O&M Optimization

- Utilize ISO 55000/41000, Lean Six Sigma, reliability engineering & global standards
- Waste reduction programs
- Deferred Maintenance & Maintenance Backlog

- Equipment inventory
- Reliability engineering assessment
- Lifecycle assessment
- End-of-life capital planning

- Optimized job plans & predictive services for quality, safety and productivity
- Business Directed Maintenance (BDM)

- Budgets & performance driven by a real-time data dashboard
- Indicating improvement opportunities
- Uniform Performance Metrics
- Proactive AMPs & multi-year SFPs

- Workflow prioritization & management tools
- Optimized planning & scheduling (AMPs & SFPs)
- Thorough understanding of contract & robust scope management

- Fully flexible, trained workforce
- Rigorous technician efficiency monitoring
- Focus on quality, safety & integrity
- LES technical competency certifications

- Operating View & Reporting
- Workflow Management
- Maintenance Strategy
- Continuous Improvement & Innovation
- Innovation, Quality & Safety
- Cost Leadership
- Efficiency
- Reliability
Road to Gold

- Facility Management Administration: 90
- Operations & Maintenance: 95
- Analytics & Reporting: 85
- Fire & Life Safety: 80

Post: LIMA Score: 90
Rank: Gold
Future Projects

**Upcoming Projects:**

- Charleston, SC Parking Garage
- Walter Reed Redevelopment
- NFATC Classroom Building
- Northern Virginia Lease Consolidation
“After you have done a thing the same way for two years, look it over carefully. After five years, look at it with suspicion. After ten years, throw it away and start over.”

- Alfred Edward Perlman

“The definition of insanity is doing the same thing over and over and expecting different results.”

- Albert Einstein