



## Department of Real Estate Services DRES (AM)

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### MISSION

The mission of the Department of Real Estate Services is to support the District Government and residents through strategic real estate management, construction and facilities management.

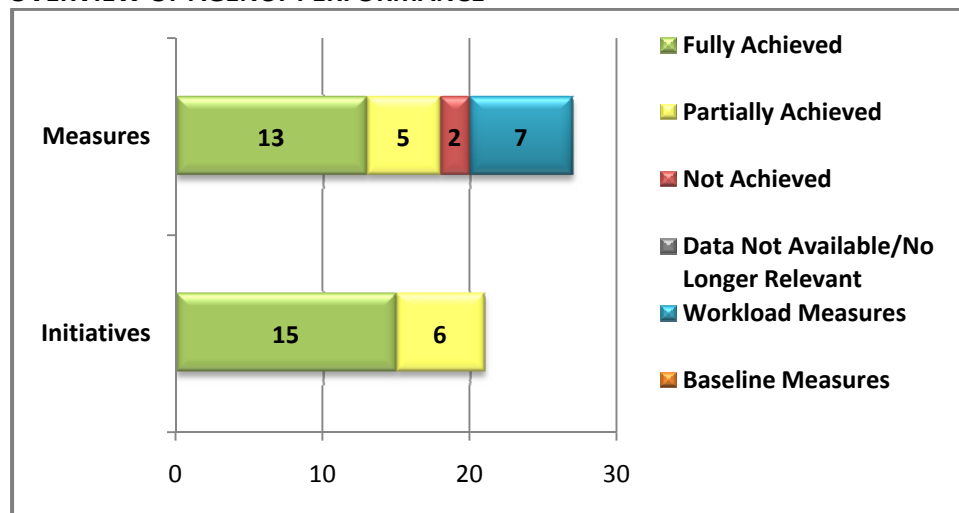
### SUMMARY OF SERVICES

The Department of Real Estate Services (DRES) has primary responsibility for facility management services within the District government. DRES performs acquisition, construction, leasing, facility management, repair and alteration, facility modernization, and security services for tenant agencies and occupants of its facilities. There are 66 agencies or independent operating units occupying space in approximately 246 facilities under DRES's management.

### ACCOMPLISHMENTS

- **Agency Moves** –Department of Real Estate Services relocated 21 agencies totaling more than 1 million square feet. As part of this effort, DRES successfully completed the build-out of high-performance office space for various District agencies at the Southwest Waterfront (and other facilities) using the District's Workplace Design Guidelines.
- **Energy Improvements and Securing ARRA Stimulus Funds** – The Department of Real Estate Services secured \$7.5 million of ARRA stimulus dollars to reduce the energy consumption of One Judiciary Square and \$1.8 million to conduct energy audits of District facilities to identify future improvements. **Lease Audits** – The Department of Real Estate Services (DRES) audited the majority of the District's leases to identify improper billings. This resulted in the District achieving approximately \$1.3 million in savings through rent credits in Fiscal Year 2010.

### OVERVIEW OF AGENCY PERFORMANCE





## Performance Initiatives – Assessment Details

### Performance Assessment Key:

-  Fully achieved     Partially achieved     Not achieved     Data not reported

### FACILITIES DIVISION

**OBJECTIVE 1: Provide a clean, safe and operational work environment for District agencies through effective and efficient facility management and maintenance.**

- **INITIATIVE 1.1: Finalize the use of FAST, an automated system designed to manage maintenance and repair work orders, and enhance delivery of quality facility services to District agencies.**

In Fiscal Years 2008 and 2009, DRES partnered with OCTO to develop the Facilities Assistance Service Team (FAST), a remedy application that generates, assigns, and tracks work orders. The system was rolled out to all owned facilities in phases and is now the centralized tool used to submit facilities related requests District wide. The FAST system is comprised of 105 facilities and 88 agencies have requested more than 27,500 maintenance requests since its inception. FAST data is gathered, organized and analyzed for use in numerous ways, including: agency employee evaluations; data trends; patterns and relevant issues used for expenditure justification; cost benefit analysis; data accuracy; and operational needs assessments and reporting. In addition, once the work order is closed the system automatically generates and sends a customer satisfaction survey to the work order submitter in order to solicit feedback regarding the Facilities Division's performance. As a management tool, FAST is used to respond to service requests in a timely manner, provide our clients with a communication device, and diagnose bottlenecks, allocate resources and find efficiencies within the Facilities Division's operation. The system also consists of a mobile device component for management and engineering staff to make response and completion of work orders more timely and efficient.

- **INITIATIVE 1.2: Expand the preventative maintenance and routine replacement program to all District-owned DRES-managed buildings to maximize longevity of assets and reduce annual operating and repair costs.**

In FY09, the Facilities Division implemented a preliminary preventative maintenance program for the Reeves Center, One Judiciary Square and 95 M Street SW covering areas such as HVAC, elevators, building shell conditions, plumbing and other mechanical systems. In FY09, the Facilities Division developed a business process to schedule and perform preventive maintenance utilizing FAST. In FY10, the Facilities Division extended the preventive maintenance program to the remaining owned DRES managed facilities and finalized the schedule that was developed for OJS, Reeves and 95 M Street in FY09. The Facilities Division will use the facilities condition assessments completed in FY09 to develop an inventory of building assets. The Division will review equipment manuals and industry standards, and enter the scheduled preventive maintenance program into FAST.

- **INITIATIVE 1.3: Increase the number of buildings receiving recycling services by adding the final**



### **DRES managed facilities.**

DRES is responsible for trash and recycling services at 51 District facilities with significant employee occupancy. Recycling services are currently provided at 45 of the facilities. In FY10, DRES started the process of expanding the recycling program to the remaining 6 facilities. As part of this effort, the remaining facilities will be included in a new citywide trash and recycling contract. However, the contract was not approved by the Council before the end of the fiscal year. The expansion of the recycling program, therefore, will officially kick-off in FY11. The 6 facilities to begin recycling services in FY11 include: 1725 Lincoln Avenue NE; 633 I Street NE; 651 10th Street NE; 2601 Naylor Road SE; 2603 Naylor Road SE; and 1355-57 New York Avenue NE. All 6 facilities are homeless shelters.

## **PORTFOLIO DIVISION**

### **OBJECTIVE1: Ensure accurate, timely and transparent financial transactions.**

- **INITIATIVE 1.1: Through a multi-year effort, institute business processes and integrated systems to improve accuracy, streamline asset management and decision-making, and provide information to client agencies.**

In FY09, the Portfolio Division developed and implemented business processes focused on lease management, relocation planning, and strategic real estate portfolio management. The Portfolio Division also redesigned internal business processes for tracking, paying, collecting lease payments and receivables. In FY10, the Division implemented the processes developed in FY09 to be more strategic in planning the District's space needs and ensure we collect the correct amount of rent, track it regularly and record it accurately. In FY10 the agency created ELMO (Executed Lease Management Operation), a database of leases, abstracts, acquisitions, dispositions, MOUs, etc. This database allows for all staff members to access consistent and accurate information, thus enhancing the overall business process. This streamlined process will become further enhanced with the procurement and initial implementation of an integrated workplace management system, set to begin in calendar year 2010c. The integrated workplace management system will be an enterprise platform that supports the planning, design, management, utilization and disposal of DRES's location based assets. The integrated workplace management system will assist DRES in optimizing the use of workplace resources, including the management of the real estate portfolio, infrastructure and facilities assets. Four of the primary areas of functionality include Lease Administration, Project Management, Space Management and Maintenance Management. Portfolio will be responsible for preparing real estate data to input into the system. Preparations have already been completed in that the agency generated facility naming conventions, standardized building data, fully abstracted leases, generated payment schedules and loaded the data into the iPlan system.

- **INITIATIVE 1.2: Maintain a three-year relocation plan for agency moves and associated capital costs.**

The Portfolio Division partially achieved this initiative by maintaining a three-year relocation plan that lists all relocation activities, moving and construction costs and funding sources. This plan



would allow the Portfolio and Construction Divisions to consolidate projects to purchase furniture, fixtures and equipment (FF&E) and IT equipment in bulk to get better prices and reduce the administrative costs of project management.

**OBJECTIVE 2: Maximize the efficient and effective use of District-owned property by agencies and reduce dependence on leased space.**

**INITIATIVE 2.1: Reduce the net amount of leased square footage.**

In FY10, the Portfolio Division managed more than 1.3 million square feet of lease expirations. Leases expired and the District vacated space at facilities such as: 825-941 North Capitol Street NE; 2146 24th Place NE; 1275 K Street NW; 2213-17 14th Street NW; and 601 Edgewood Terrace NE. The District reduced the total square footage of leased space from 3,579,970 square feet to 3,298,219 square feet for a total net reduction of 8%. This accomplishment required a significant effort by the Portfolio Division to perform relocation planning, programming, physical moving, furnishing and renovating for each agency move.

**OFFICE OF THE DIRECTOR**

**OBJECTIVE 1: Reduce energy consumption in District space and achieve increased energy efficiency.**

**INITIATIVE 1.1: Achieve consumption efficiencies by implementing an energy campaign in District buildings.**

The Office of the Director, in conjunction with other divisions, will reduce consumption of electricity by 2% since Fiscal Year 2009. In Fiscal Year 2010, the Office of the Director will continue the campaign in all buildings housing a high concentration of District employees. This campaign highlights practical actions employees can take to reduce energy consumption by sending monthly updates with tips and updates on consumption reduction. Subject to funding, DRES has distributed power strips to employees to facilitate daily equipment shutoff.

**INITIATIVE 1.2: Achieve consumption efficiencies by implementing energy efficiency technologies using stimulus grants and other designated monies.**

The Office of the Director, in partnership with the District Department on the Environment (DDOE), secured \$9.4 million in federal stimulus dollars for energy efficiency projects at District facilities. Approximately \$7.5 million is dedicated for a project already underway at One Judiciary Square to improve the HVAC system. As part of this project, most of the 30 year old air handling units will be replaced with modern energy efficient units, air distribution will be improved with new variable air volume boxes and the building systems will be automated with the installation of direct digital controls. Once complete in FY11, the energy consumption of the HVAC system will be reduced by almost 20%. In addition, approximately \$1.9 million is being used to conduct energy audits of District facilities. The energy audits will identify and recommend future improvements for reducing energy consumption and cost. Finally, the Department secured approximately \$37,150 in energy rebates from an energy utility company for the installation of energy efficient equipment and lighting in One Judiciary Square.



**INITIATIVE 1.3: Increase the number of buildings receiving recycling services by adding the final DRES managed facilities.**

Approximately 45 facilities currently receive recycling services, if funding permits, the Office of the Director and Facilities Division will expand recycling services to the remaining District owned facilities with significant employee occupancy. The Facilities Division will conduct recycling unit inspections quarterly to ensure agency compliance with the District of Columbia Solid Waste Management and Multi-Material Recycling Act of 1988. These efforts will be complemented by ongoing outreach efforts to communicate the benefits and process for recycling to client agencies. Associated costs: approximately \$50 per month per facility for recycling pickup.

**OBJECTIVE 2: Provide oversight, support and program evaluation of DRES divisions to ensure the agency performs efficiently, effectively and to the best of its ability.**

**INITIATIVE 2.1: Procure and begin implementation of an integrated workplace management system.**

The Office of the Director continues to support and guide finalization and implementation of the new business processes throughout the agency. The integrated workplace management system will be an enterprise platform that supports the planning, design, management, utilization and disposal of DRES's location based assets. The integrated workplace management system will assist DRES in optimizing the use of workplace resources, including the management of the real estate portfolio, infrastructure and facilities assets. Four of the primary areas of functionality include Lease Administration, Project Management, Space Management and Maintenance Management. For various contracts related reasons the project was not awarded within FY10 as initially planned. That said, the vendor has been selected and OCP is working on the final preparations to ensure that the contract is awarded and initiated during calendar year 2010. The Office of the Director oversaw efforts to standardize and prepare data (see Portfolio Division Initiative 1.1) in advance of implementation.

**OBJECTIVE 3: Maximize use of District warehouse space.**

**INITIATIVE 3.1: Store items resulting from agency relocations efficiently and without leasing additional warehouse space.**

In FY10, DRES will relocate 1.1 million square feet of space due to lease expirations, agency consolidations and changing agency needs. Agencies will be dispossessing their furniture through the Office of Contracting & Procurement's (OCP) Personal Property Disposition program. DRES will be responsible for storing this furniture in the short term until OCP can accommodate it. DRES will respond to the increased need for storage by utilizing current owned space, refraining from leasing additional warehouse space. This will require the Office of the Director to continue FY08 and 09 efforts to maintain an accurate inventory of warehouse space, clean up warehouses and consolidate space to maximize its use. Costs associated: no additional costs. Deadline: relocations will be initiated by September 30, 2010.

**PROTECTIVE SERVICES DIVISION**



**OBJECTIVE 1: Provide a safe and secure work environment for District agencies, visitors, contractors and all persons conducting business with the District through effective and efficient protective and law enforcement services.**

- **INITIATIVE 1.1: PSD will conduct security assessments and implement technological solutions to efficiently manage the number of personnel needed to meet security requirements at District facilities.**

As a result of modifying the services provided at homeless shelters, conducting security assessments and reallocating resources, PSD projects utilizing 50% fewer contract guard hours in FY09 than were used in FY08. This correlates to spending \$14 million dollars less than in FY08. In FY10, PSD will perform eight facility assessments to evaluate opportunities to utilize technology to ensure efficient use of security personnel proactively. This may include incorporating the use of video monitoring and access cards. Associated costs: if new technology is required, it will have a cost that is currently unknown. Deadline: assessments will be conducted by July 30, 2010.

- **INITIATIVE 1.2: PSD will professionalize its training program by improving documentation and tracking.**

PSD officers are required to participate in 40 hours of in-service training per year, including firearms, legal and policy and procedures training. It is integral that PSD maintain excellent records of officer participation and monitor them regularly in order to identify individual training needs. To provide high level training to PSD officers and ensure they meet industry standards of professionalism, PSD will develop a filing system to maintain training documentation and formulate a business process to ensure officers are meeting training requirements in FY10. Additionally, PSD plans to procure and implement software that would track firearms and training documentation for each officer. Associated costs: new technology is estimated to cost \$5,000. Deadline: software will be procured, filing system and new business process will be in place by August 31, 2010.

- **INITIATIVE 1.3: PSD will raise the standards for entry into the force and qualifications for maintaining a position as a PSD officer.**

In order to ensure District buildings are being served by highly trained and qualified officers, PSD will adopt screening standards in line with the professional standards set by the International Association of Chiefs of Police for both officers and applicants. PSD will utilize NCIC/WALES to conduct background checks of applicants and other relevant individuals, heighten the fitness standards required and necessitate psychological screening. All new officers will be required to complete the MPD Academy or equivalent law enforcement training. Associated costs: DRES is providing office space for MPD in exchange for training services. Therefore, there will be no new costs in FY10. Deadline: new standards will be in place by September 30, 2010.

## **CONSTRUCTION DIVISION**

**OBJECTIVE 1: Support the efficient provision of government services through high quality and efficient stewardship of constructed assets.**

- **INITIATIVE 1.1: Develop District-wide design performance standards.**

The Construction Division will work with DRES's Energy group to develop design standards that are geared toward gaining consistency in the design of all District facilities and achieving energy



efficiency therein. The design performance standards would standardize major components such as paint, roofing, boilers, HVAC units and lighting for new construction and renovation projects. The document will lay out the energy performance DRES expects of each component. Completing this document will enable DRES to commit to designing all energy efficient construction projects and support the current goal of achieving LEED certification on all new construction or significant renovation. Associated costs: approximately \$1M to hire an architecture and engineering firm to draft standards. Deadline: new standards will be developed by September 30, 2010.

- **INITIATIVE 1.2: Complete or start construction on major building projects, complying with DRES' new Workplace Design Guidelines and LEED requirements.**

The District maintains a number of aging facilities that no longer efficiently meet the needs of District agencies and hamper the provision of quality services. In FY10, DRES will begin and complete a number of major building projects to provide new and higher quality services to staff. The Construction Division will complete the following construction projects by September 30, 2010: Ward 6 Wellness Center (\$7.9M) and Southwest Waterfront interior build-out (\$15.7M). The Construction Division will break ground for the following construction projects by September 30, 2010: Evidence Warehouse (\$20M), DC Armory limestone renovation (\$1.7M), Inmate Processing Center (\$9M), PR Harris (\$26.3M) and Consolidated Forensics Lab (\$218M).

- **INITIATIVE 1.3: Use facilities condition assessments to develop a more comprehensive capital budget for FY11.**

In FY09, the Construction Division conducted condition assessments of more than 7 million square feet of District owned space managed by the Department of Parks and Recreation (DPR), Fire and Emergency Management Services (FEMS), Department of Human Services (DHS), Metropolitan Police Department (MPD), the Department of Corrections (DOC) and DRES. The assessments are a comprehensive snapshot of the existing conditions of a large number of buildings, their infrastructure and assets. In FY10, the Construction Division will use the information gained from the assessments to set priorities, plan and more accurately request funding to resolve outstanding issues in District buildings. The Construction Division will develop a 6-year capital plan which outlines the replacement needs of DRES-managed District facilities and provide information which will help our client agencies better plan for their capital needs. Associated costs: no additional costs. Deadline: capital plan will be developed by April 1, 2010.

## **CONTRACTING & PROCUREMENT DIVISION**

**OBJECTIVE 1: To provide quality goods and services for DRES and select District agencies through a coherent and streamlined procurement process that is responsive to the needs of its customers.**

- **INITIATIVE 1.1: Reduce the procurement time for simplified acquisitions (valued at \$100,000 or less) to seven days.**

By transferring procurement services from the Office of Contracting & Procurement to DRES, the agency intends to produce a higher number of procurement activities more quickly, enabling more efficient and effective construction and property management work. This is mainly done by collocating procurement staff working on real estate and construction issues with program staff and senior management, enabling more oversight and coordination; holding procurement staff to the same performance standards as program staff; setting and refining procurement goals according to the DRES Director's priorities; involving procurement staff early in the



acquisition process and redeveloping the procurement approval path to strictly include in-house staff, giving the DRES Director direct access in case issues arise. The Contracting & Procurement Division will reduce the procurement time for simplified acquisitions to seven business days by providing classroom and individualized training in drafting scopes of work for simple acquisitions to enable program staff to clearly identify their requirements, speeding up the procurement process and eliminating inefficiencies. The Division will assist in the development of DRES' FY2011 procurement plan in order to plan procurement activities and allocate resources appropriately. Associated costs: no additional costs. Deadline: trainings will be conducted by September 30, 2010; the procurement plan will be completed by the fourth quarter of the fiscal year.

● **INITIATIVE 1.2: Streamline vertical construction procurement services.**

The Contracting & Procurement Division will implement the appropriate contracting mechanisms (i.e. on call, two step, RFQs) to allow the agency to utilize Indefinite delivery/indefinite quantity contracts and other vehicles that would decrease the time required for contract review and approval. The Division would draft and introduce the use of new contract templates in order to shorten the procurement process. The Division will train construction staff from DRES and client agencies as required to draft more descriptive scopes of work to eliminate the need for procurement staff to spend time clarifying the scope, thus speeding up the process. The Contracting & Procurement Division will reduce the amount of time that it takes for legal sufficiency review to five business days for contract packages valued at \$1 million or more by modifying document templates such as the Council Summary and Business Clearance Memorandum and/or altering the timing of the review process to be concurrent with other steps. Associated costs: no additional costs. Deadline: September 30, 2010.

● **INITIATIVE 1.3: Develop relations and procedures to ensure the capital construction procurement needs of our client agencies are being met.**

In FY10, the Contracting & Procurement Division will meet with a representative from each client agency monthly to review the status of their procurement requests and evaluate their satisfaction with our services. In FY10, the Division will utilize DRES' newly developed database of procurement requisitions to issue a monthly status report on all requisitions to the Director of DRES and to client agencies. The Deputy Director will pay close attention to client agency requests to ensure they receive the same attention as DRES requests. Deadline: status reports will be issued by the 10th business day of each month; client meetings will be held monthly. Associated costs: no additional costs in FY10.

● **INITIATIVE 1.4: A multi-year process to gain independent contracting authority.**

DRES has delegated authority from the Chief Procurement Officer which places the agency under his/her direct oversight. Independent authority would facilitate more efficiency since DRES would be able to procure all items independently and one level of approval would be removed from the contracting process. Under the current delegation authority, the Contracting & Procurement Division procures the majority of DRES' annual spend, with the exception of goods and services that are purchased through district-wide term contracts. With independent authority, DRES would make use of such term contracts, which the District considers to be the best contracting vehicle for this purpose. To establish independent authority, the Division would draft legislation and work to gain Council approval for it, explore the need to set a certification requirement for procurement staff such as the Certified Professional Public Buyer certification, develop a bona fide training program for contracting staff, display a superior track





record of processing procurement services, demonstrate that the agency has adhered to the delegation authority granted, gain the endorsement of the District’s Chief Procurement Officer and, most importantly, demonstrate why independent authority would allow DRES to be more productive and efficient. Associated costs: no additional costs.

## Key Performance Indicators – Details

<b>Performance Assessment Key:</b>									
	Fully achieved		Partially achieved		Not achieved		Data not reported		Workload Measure

	Measure Name	FY2009 YE Actual	FY2010 YE Target	FY2010 YE Actual	FY2010 YE Rating	Budget Program
<b>FACILITIES DIVISION</b>						
	1.1	Percent of emergency repair requests responded to within 2 hours	63.62	95	75.80%	79.79%
	1.2	Percent of non-emergency repair requests responded to within 48 hours	82.38	90	86.39%	95.99%
	1.3	Percent of preventive maintenance work orders completed	0	95	100.40%	105.68%
<b>PORTFOLIO DIVISION</b>						
	2.1	Reduction of leased space by 700,000 SF over 3 years	0	94	97.09%	96.82% ASSET MANAGEMENT
	2.2	Percent of leased space that is currently occupied	85.1	89	99.43%	111.72% ASSET MANAGEMENT
	2.3	Cost per SF for leased space vs. market	N/A	\$38.13	\$35.80	\$35.8 ASSET MANAGEMENT
<b>OFFICE OF THE DIRECTOR</b>						
	1.1	Total reduction in electricity consumption at designated buildings, adjusted for weather	96.3	98	99.36%	98.64% 1.1



	(heating and cooling days) kwh					
1.2	Trash recycling diversion rate at the Big 4 buildings (JWB, OJS, Reeves, Daly) %	50	50	51.91%	103.82%	1.2
1.1	Total number of completed work orders	12944	0	13351		DEPARTMENT OF PROPERTY MANAGEMENT
1.2	Total recycling tonnage for core facilities	407	0	488.8		DEPARTMENT OF PROPERTY MANAGEMENT
1.3	Total electricity usage	2657536 02	0	2135575 72		DEPARTMENT OF PROPERTY MANAGEMENT
1.4	Total SF of currently leased space	3597716	0	2755687		DEPARTMENT OF PROPERTY MANAGEMENT
1.5	Total annual recycling tonnage	0	0	770		DEPARTMENT OF PROPERTY MANAGEMENT
1.6	Total annual trash tonnage	0	0	3176		DEPARTMENT OF PROPERTY MANAGEMENT
1.7	Total contract guard hours	609408	0	583357		DEPARTMENT OF PROPERTY MANAGEMENT
<b>PROTECTIVE SERVICES DIVISION</b>						
1.1	Reduction in contracted guard hours	53	100	89.59%	111.62%	
1.2	Mean time to respond to service calls	0	20	4.51	443.13%	
1.3	Calls for service responded to within 20 minutes during all hours	93	90	95.37%	105.97%	
1.4	Percent of building checks performed monthly of a subset of 144 DRES owned and leased buildings	0	90	96.12%	106.80%	
<b>CONSTRUCTION DIVISION</b>						
1.1	Percent of construction projects completed without exceeding 10% of original schedule	56	84	70.83%	84.33%	
1.2	Percent of construction projects completed without exceeding 10% of	96	84	94.44%	112.43%	



	original budget					
●	1.3	Percent of construction projects where DRES-directed change order values do not exceed 5% of the original awarded construction contracts.	56	84	83.33%	99.21%
●	1.4	Percent of new DRES capital projects that were assigned to a PM and had a schedule developed within 7 days of funding.	100	98	100%	102.04%
<b>CONTRACTING AND PROCUREMENT DIVISION</b>						
●	1.1	Average time for processing a simplified acquisition	0	7	7.42	94.31%
●	1.2	Percent of time DRES construction documents are reviewed for legal sufficiency by OAG in 5 business days	0	90	33.33%	37.04%
●	1.3	Purchase card utilization rate	0	70	18.27%	26.10%
●	1.4	Average time for awarding an Invitation for Bids (IFB) under \$1 million	0	90	46.09	195.25%