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Description of document:	Organizational assessment of the Centers for Disease Control and Prevention and Agency for Toxic Substances and Disease Registry (CDC/ATSDR) prepared under contract HHSD2002015F62241 by McKinsey & Company, 2015
Requested date:	02-February-2019
Requested date:	29-April-2019
Release date:	14-May-2019
Release date:	13-August-2019
Posted date:	26-August-2019
Source of document:	FOIA Request CDC/ATSDR Attn: FOIA Office, MS-D54 1600 Clifton Road, NE Atlanta, GA 30333 Fax: 404-235-1852 Email: FOIARequests@cdc.gov

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Public Health Service

Centers for Disease Control
and Prevention (CDC)
Atlanta GA 30333

May 14, 2019

Via email

This letter is regarding to your Centers for Disease Control and Prevention and Agency for Toxic Substances and Disease Registry (CDC/ATSDR) Freedom of Information Act (FOIA) request of February 2, 2019, assigned #19-00452-FOIA, for "…a copy of the organizational assessment performed in 2015 for CDC under contract HHSD2002015F62241 by McKinsey & Company."

On February 15, 2019, you narrowed the scope of your request to the following:

> I hereby limit my request to only the following two items:
>
> 1) Statement of Work
> 2) List of Deliverables
>
> Both of these documents are found in the contract files of the CDC under contract HHSD2002015F62241.

We located 10 pages of responsive records (8 pages released in full; 2 pages disclosed in part). After a careful review of these pages, some information was withheld from release pursuant to 5 U.S.C. §552 Exemption (b)(4).

EXEMPTION 4

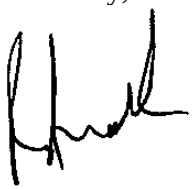
Exemption 4 protects trade secrets and commercial or financial information obtained from a person that is privileged or confidential. The information withheld is commercial or financial information, such as unit pricing, extended pricing and adjustments to lines of accounting, and we have determined that the individuals to whom this information pertains have a substantial commercial or financial interest in withholding it.

You may contact our FOIA Public Liaison at 770-488-6277 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.

If you are not satisfied with the response to this request, you may administratively appeal by writing to the Deputy Agency Chief FOIA Officer, Office of the Assistant Secretary for Public Affairs, U.S. Department of

Health and Human Services, Hubert H. Humphrey Building, 200 Independence Avenue, Suite 729H, Washington, D.C. 20201. Please mark both your appeal letter and envelope "FOIA Appeal." Your appeal must be postmarked or electronically transmitted by August 12, 2019.

Sincerely,



Roger Andoh
CDC/ATSDR FOIA Officer
Office of the Chief Operating Officer
(770) 488-6399
Fax: (404) 235-1852

Enclosures

19-00452-FOIA

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

B.1. This is a Firm Fixed-price Contract.

B.2. Contract Line Items

ITEM	SUPPLIES / SERVICES	QTY / UNIT	UNIT PRICE	EXTENDED PRICE
0001	Provide Organizational Assessment Provide a comprehensive organizational assessment and interim progress reports for the Asset Management Services Office within the Office of Safety, Security and Asset Management per the Statement of Work in Section C. POP: 05/18/2015-11/17/2015	1 Lump Sum	(b)(4)	(b)(4)
	Line(s) Of Accounting: 9210730 2512 2015 75-X-4553 5698111101 (b)(4)			

B.3 Payment Schedule by Deliverables

Deliverable Item	Payment
• **Current state assessment: A comprehensive assessment of all existing structures, processes and systems is needed to accurately and completely describe AMSO's current state. This assessment should encompass all systems and tools used to support AMSO's core business processes of asset management and include a review of the core functions of AMSO as defined during the consolidation process in 2012/13 to determine if the current state fully addresses services required by customers through an analysis of workflow processes at the Branch and Division level – including project management, work orders, project prioritization and planning and AMSO/OD workflow process.**	(b)(4)
• **Future State Assessment: Produce a detailed description of the future state (facility industry and government best practices) needed to efficiently and effectively support facilities and asset management throughout the lifecycle of these core business processes and organizational structures.**	(b)(4)
• **Gap Analysis: Conduct a gap analysis to clearly describe differences between the current state and the desired state that is based on benchmarking AMSO's operational elements and structures against facility industry and government best practices. The analysis should include:** ○ **Deficiencies in current structures/processes** ○ **Business functions that are currently not supported with technology but would be significantly improved with automation or systems support** ○ **Areas where existing processes could be refined to efficiently support business function(s)** ○ **Structural and process improvements at all phases of the facilities management lifecycle**	(b)(4)

• **Final Report and Roadmap: Produce final report that details all recommendations and analysis including a roadmap that identifies the steps needed to move from current to desired future state. The roadmap should include:** ○ **Recommended actions for potential process and organizational improvements** ○ **Prioritization of recommendations taking into account cost, feasibility, and impact** ○ **Estimated level of effort and cost for each major priority** ○ **References for best practices and/or "best of breed" organization and processes that would assist in implementing recommendations** ○ **Recommendations for improving customer service**	(b)(4)

Section C - Description/Specification/Work Statement

Facilities and Asset Management Organizational Assessment

1. Background and Need

The Centers for Disease Control and Prevention's (CDC) mission is to collaborate and create the expertise, information, and tools that people and communities need to protect their health – through health promotion, prevention of disease, injury, and disability, and preparedness for new health threats.

The CDC seeks to accomplish its mission by working with partners throughout the nation and the world to conduct and analyze state of the art scientific research on the ways we can prevent illness and death. Each of the CDC's component organizations undertakes these activities in conducting its specific programs within complex state of the art facilities. The steps needed to accomplish this mission are also based on scientific excellence, requiring well-trained public health practitioners and leaders dedicated to high standards of quality and ethical practice working with the most up to date, effective methods, tools and facilities.

The Office of Safety, Security, and Asset Management (OSSAM,) within the Office of the Chief Operating Officer (OCOO), is responsible for providing a safe, secure, and healthy workplace for CDC staff while ensuring environmental stewardship and appropriate management of agency assets. To achieve this mission, OSSAM's five component offices—the Asset Management Services Office (ASMO); the Environment, Safety, and Health Compliance Office (ESHCO); the Security Services Office (SSO); the Transportation Services Office (TSO); and the WorkLife Wellness Office (WWO)—are focused on the following thematic areas:

- Protection and Safety of the CDC Population
- Physical and Personal Security of CDC Staff and Contractors
- Public Health Intelligence and Information
- Asset Management (Operations/Maintenance of CDC Owned and Leased Property)
- Health and Wellness within the CDC Community
- Efficient and Sustainable Transportation Services
- Commitment to Continuous Quality Improvement and Sustainability

AMSO, the largest of these organizations, provides a safe, secure, healthy, and functional workplace environment for CDC staff by ensuring that facility and property assets are managed effectively while maintaining efficient operations and logistical support, customer satisfaction, and environmental stewardship. AMSO's core business units include: **Leased Property Management Services; Engineering, Maintenance, Operations Services; Logistics Management Services; Projects and Construction Management Services Office; and Design Engineering and Management Services.**

AMSO is undertaking initiatives to improve service delivery for internal and external customers and to increase effectiveness and efficiency of internal operations while enhancing staff engagement and wellbeing. The goal of these efforts is to create cohesive and integrated processes for CDC's physical assets and facilities operations. In order to improve service delivery, transparency, and efficiency, AMSO must optimize the performance of operating structures and its core business and communication processes.

2. Scope of Work

I. Objective: The contractor shall provide AMSO with consultation services to evaluate, recommend and aid the implementation of enhancements to operational structures, core processes, communications and ongoing activities through the following activities:

1. **Organizational Assessment and Evaluation**: Review and evaluation analysis of facility operations, lease and owned property management oversight, and maintenance and project workflow evaluation to identify strengths and weaknesses, recommend and/or implement a strategy to improve effectiveness and efficiency to fulfill mission of the Office.

2. **Resource Management:** Review analysis includes financial resources, contracts, inventory, human skills, production resources, information technology (IT), approval chains, management systems and communications structures. In the realm of project management, review includes processes, techniques, tools, systems and philosophies as to the best approach for allocating resources. These include discussions on functional vs. cross-functional resource allocation, team flexibility, resilience and ability to address multiple high priority situations simultaneously.

3. **Risk Management (Preventative Maintenance):** Develop a structured approach to managing uncertainty-related events, through a sequence of activities including: Risk assessment, strategies development to manage it, and mitigation of risk using managerial resources. Evaluate programs and processes, provide recognition and recommendation for mitigation and possible assistance with implementation; integrating risk recognition and mitigation into strategic and operating processes throughout AMSO.

4. **Management Oversight and Operations**: Develop key performance indicators for customer satisfaction (pulse check), communications, financial analysis, reporting procedures, collection and use of data (IT resources), facility condition, code compliance and achievement of regulatory, statutory and federal facilities requirements.

5. **Financial Review and Analysis**: Evaluation, review, analysis of procedures, approvals, budget planning, prioritization, budget spending, budget controls, Working Capital Fund (WCF) service lines, and recommendations for aligning budget with organizational operations and mission facilities and property needs.

6. **Project Planning and Implementation:** Provide provide support, planning, meeting management, and document management for the implementation of contract requirements for this assessment.

7. **Communication and Change Management:** Provide support, including but not limited to the following: assisting with the development, packaging, and implementation of internal and external messaging approaches, engagement sessions, customer surveys and change management activities associated with this contract.

3. Qualifications: Prior experience with CDC as well as experience with evaluation and business process improvements, and all aspects of government facilities management (Leased Property Management Services; Engineering, Maintenance, Operations Services; Logistics Management Services;

Projects and Construction Management Services and Design Engineering and Management Services) is required of the contractor.

- The contractor must demonstrate extensive experience with facilities management best practices and work with operational industry leaders is needed to support the benchmarking and assessment of our current operations against industry standards
- The contractor must demonstrate experience with federal government directives, facilities management, operations and maintenance (O&M) policies, implementation of processes, implementation of systems, life-cycle cost analysis and evaluation of facility portfolio investment needs year after year.
- The contractor must demonstrate experience and working knowledge of other Health and Human Services (HHS) Operating Division's facilities management information technology systems, processes and operations.

Process and SOPs

- Expert knowledge of process improvement and analysis, organizational analysis and review demonstrated by 5+ years experience. Organizational analysis of federal government agency organizations (vs. private sector organizations) is highly desirable.
- Experience developing survey instruments and formalizing questions and responses used in organizational assessments by developing appropriate frameworks, tabulating findings, and maintaining confidentiality.
- Ability and contacts to benchmark CDC facilities SOP against other federal entity's SOPs.
- Comprehensive experience in facilities project management with portfolios of more than 1.5 million sf. Experience with complex laboratory buildings and/or on-site central utility plants is highly desirable.
- Knowledge of real estate portfolio management, lease negotiation and asset acquisition processes with GSA.
- Experience evaluating and overseeing third party facilities operations and maintenance contractors.
- Experience with annual prioritization of projects for operating budgets over $20M for facilities operations and maintenance.

Policy

- Experience with Federal facility portfolio requirements including major performance indicators for facility condition, BMAR, code compliance, water use reduction, energy use reduction, waste diversion, re-commissioning, and building occupant communications, for example.
- Expert knowledge of O&M lifecycle costs and the congressional appropriation process.
- Expert knowledge of the management of multiple funding streams (revolving funds (e.g. CDC working capital fund), capital improvement funds, direct appropriations, multi-year funds, etc.) for funding facilities capital improvements and O&M activities in government facilities.

Staffing and Training

- Proficiency evaluating staffing systems, organizational structures and skill portfolios and matching these to organizational objectives.
  Knowledge of adult learning theory, training systems and competency measures in the context of facility operations, maintenance, design, construction and lessor/tenant relationships.

Systems

- Thorough understanding of the review and evaluation of the value of data collection and tracking systems for Federal Facilities data management.
- Ability and contacts to benchmark CDC facilities systems against other similar systems.

- Experience creating, installing, managing, and evaluating large scale facilities management data systems for Federal entities who manage large lab facility portfolios (NIH, DOE, USDA, or FDA).

Communications

- Expert communications proficiency and multiple experiences engaging a diverse population of over 250 stakeholders in wide reaching change management efforts.
- Ability to plan, lead and execute engagement sessions, written updates, website content, presentations, articles, reports and intensive facilitation sessions.

3. Place of Performance:

The Contractor may be required to work at the CDC on-site location in the Atlanta metro area at either the University Office Park or the Roybal Campus with some travel between the two locations. The contractor may telework with prior authorization from the CDC project officer.

4. Period of Performance

This contract is for a base period of six months, from May 18, 2015 through November 17, 2015.

5. Government Furnished Property

CDC will provide contractor personnel with adequate work space and material such as personal computer, desk, chair, and similar items. The CDC will not provide BlackBerries or similar equipment to contractors. Additionally, the CDC will only provide computers, printers, etc., to contractor employees working on-site. For contractor employees working off-site, the CDC will not provide GFE, except when necessary for access to the CDC network via VPN, Site VPN, and Leased Line. For access via CITGO, the CDC will only provide key fobs. There may be rare instances where unique GFE requirements may apply and will be handled on an individual basis. Any variation will be subject to Contracting Officer and Contracting Officer Representative's approval.

6. Rights in Data

The Contractor is prohibited from publicizing or disseminating information without the prior written approval of the Program Project Officer. All data and products developed under this order shall become and remain the property of the Government.

7. Deliverables and Milestones

Contractor will develop the following:

The deliverables include:

- Current state assessment: A comprehensive assessment of all existing structures, processes and systems is needed to accurately and completely describe AMSO's current state. This assessment should encompass all systems and tools used to support AMSO's core business processes of asset management and include a review of the core functions of AMSO as defined during the consolidation process in 2012/13 to determine if the current state fully addresses services required by customers through an analysis of workflow processes at the Branch and Division level –

including project management, work orders, project prioritization and planning and AMSO/OD workflow process.

- Future State Assessment: Produce a detailed description of the future state (facility industry and government best practices) needed to efficiently and effectively support facilities and asset management throughout the lifecycle of these core business processes and organizational structures.

- Gap Analysis: Conduct a gap analysis to clearly describe differences between the current state and the desired state that is based on benchmarking AMSO's operational elements and structures against facility industry and government best practices. The analysis should include:
    - Deficiencies in current structures/processes
    - Business functions that are currently not supported with technology but would be significantly improved with automation or systems support
    - Areas where existing processes could be refined to efficiently support business function(s)
    - Structural and process improvements at all phases of the facilities management lifecycle

- Final Report and Roadmap: Produce final report that details all recommendations and analysis including a roadmap that identifies the steps needed to move from current to desired future state. The roadmap should include:
    - Recommended actions for potential process and organizational improvements
    - Prioritization of recommendations taking into account cost, feasibility, and impact
    - Estimated level of effort and cost for each major priority
    - References for best practices and/or "best of breed" organization and processes that would assist in implementing recommendations
    - Recommendations for improving customer service

Deliverable	Due Date
Kick-off Meeting to address project plan for first six months including but not limited to: 1. **Organizational Assessment and Evaluation**: Review and evaluation analysis of operations, management oversight, workflow evaluation to identify strengths and weaknesses, recommend and/or implement a strategy to improve effectiveness and efficiency to fulfill mission of the Office. • Production of Reports, materials and presentations • Evaluation • Benchmark report of current operations • Final report including current state, future state recommendations, gap analysis, and implementation roadmap 2. **Resource Management:** Review analysis may include financial resources, inventory, human skills, production resources, or information technology (IT). In the realm of project management, processes, techniques, and philosophies as to the best approach for allocating resources have been developed. These include discussions on functional vs. cross-functional resource allocation.	Within 10 business days of award

- Production of Reports, materials and presentations
- Evaluation
- Benchmark report of current operations
- Final report including current state, future state recommendations, gap analysis, and implementation roadmap

3. **Risk Management (Preventative Maintenance):** Develop a structured approach to managing uncertainty-related events, through a sequence of activities including: Risk assessment, strategies development to manage it, and mitigation of risk using managerial resources. Evaluate programs and processes, provide recognition and recommendation for mitigation and possible assistance with implementation; integrating risk recognition and mitigation into strategic and operating processes throughout AMSO.
- Production of Reports, materials and presentations
- Evaluation
- Benchmark report of current operations
- Final report including current state, future state recommendations, gap analysis, and implementation roadmap

4. **Management Oversight and Operations**: Key performance indicators, customer satisfaction (pulse check), communications, financial analysis, reporting procedures, collection and use of data (IT resources).
- Production of Reports, materials and presentations
- Evaluation
- Benchmark report of current operations
- Final report including current state, future state recommendations, gap analysis, and implementation roadmap

5. **Financial Review and Analysis**: Evaluation, review, analysis of procedures, approvals, budget planning, budget spending, budget controls, Working Capital Fund (WCF) service lines, and recommendations for aligning organizational operations.
- Production of Reports, materials and presentations
- Evaluation
- Benchmark report of current operations
- Final report including current state, future state recommendations, gap analysis, and implementation roadmap

6. **Project Planning and Implementation:** Provide support, including planning and implementing contract requirements.

Committees and Meeting Management
- Developing Working Committee Charter (include deliverables, schedule, benchmarking partners, goals, scope of work, etc and schedule)
- Developing Leadership Committee Charter (include deliverables, schedule, benchmarking partners, goals, scope of work, etc and

schedule) • Organizing and supporting 1x1 and group meetings with relevant staff 7. **Communication and Change Management:** Provide ad hoc support, including but not limited to the following assisting with the development, packaging, and implementation of internal and external messaging approaches, and change management activities associated with this contract. • Developing Communication and Change Management Plan, talking points and initial communications messaging	
Status Reports Containing, at a minimum: • Brief description of requirements • Accomplishments during the reporting period and significant events regarding the task order • Deliverables submitted or progress on deliverable products • Any current or anticipated problems and solutions proposed • Brief summary of activity planned for the next reporting period	Monthly
Final Report	October 26, 2015

Deliverable Development and Review (Acceptance) Process

Deliverable Definition:	For each major deliverable, the following shall be provided by the Contractor to the Contractor Officer Representative The form the deliverable will take (e.g., a Word document, PowerPoint presentation, Excel spreadsheet, or HTML page) • The objective of, and audience for the deliverable • An outline of the deliverable, including a table of contents • The formatting rules for the document (e.g., font type and size, color)
Draft Examination and Review:	The contractor shall provide CDC, with the opportunity to review at least one full draft of all deliverables prior to their completion and submission for formal acceptance When appropriate: • Key messages to be included in the deliverables shall be reviewed and agreed prior to deliverable's development • Deliverable messages and conclusions shall be included in communications materials (e.g., presentations, project status reports) • Section drafts shall be made available for review and comment

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Public Health Service

Centers for Disease Control
and Prevention (CDC)
Atlanta GA 30333

August 13, 2019

Via email

This letter is regarding to your Centers for Disease Control and Prevention and Agency for Toxic Substances and Disease Registry (CDC/ATSDR) Freedom of Information Act (FOIA) request of April 29, 2019, assigned #19-00758-FOIA, for the organizational assessment of CDC (report and presentation) prepared by McKinsey & Company under contract HHSD2002015F62241, parent award GS10F01185, solicitation 2015Q16999.

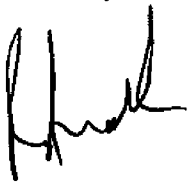
We located 123 pages of responsive records (83 pages released in full or in part; 40 pages withheld in full). After a careful review of these pages, some information was withheld from release pursuant to 5 U.S.C. §552 Exemption 5.

Exemption 5 protects inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency. Exemption 5 therefore incorporates the privileges that protect materials from discovery in litigation, including the deliberative process, attorney work-product, and attorney-client privileges. Information withheld under this exemption was protected under the deliberative process privilege. The deliberative process privilege protects the decision-making process of government agencies. The deliberative process privilege protects materials that are both predecisional and deliberative. The materials that have been withheld under the deliberative process privilege of Exemption 5 are both predecisional and deliberative, and do not contain or represent formal or informal agency policies or decisions. Examples of information withheld include predecisional assessments and analysis.

You may contact our FOIA Public Liaison at 770-488-6277 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.

If you are not satisfied with the response to this request, you may administratively appeal by writing to the Deputy Agency Chief FOIA Officer, Office of the Assistant Secretary for Public Affairs, U.S. Department of Health and Human Services, Hubert H. Humphrey Building, 200 Independence Avenue, Suite 729H, Washington, D.C. 20201. Please mark both your appeal letter and envelope "FOIA Appeal." Your appeal must be postmarked or electronically transmitted by November 6, 2019.

Sincerely,



Roger Andoh
CDC/ATSDR FOIA Officer
Office of the Chief Operating Officer
(770) 488-6399
Fax: (404) 235-1852

Enclosures

19-00758-FOIA

Centers for Disease Control and Prevention

CDC 24/7: Saving Lives, Protecting People™

AMSO: facilities and asset management organizational assessment

Assessment Report

PRE-DECISIONAL – PROPRIETARY & CONFIDENTIAL

Please see the separate 'AMSO Assessment Executive Summary' for a full summary of this report

Summary contents:

- **Scope:** A description of the topics covered in this assessment, as per the original scope and additional requests
- **Assessment methodology:** Our approach to conducting this assessment, including categories of data sources and analytical methods
- **How to read this assessment report:** An overview of what is covered in the report, and where different pieces of content can be located
- **Assessment summary:** A high-level description of the assessment findings
- **Cross-cutting findings:** Overall findings that apply across assessment areas
- **Assessment area findings:** Findings specific to each assessment area
- **Next steps:** An overview of potential next steps to implement the results of this assessment

Contents

Objectives and assessment approach

Objectives of the AMSO assessment

Evaluate, recommend, and aid the implementation of enhancements to operational structures, core processes, communications, and ongoing activities in the following areas:

- Organizational assessment and evaluation
- Resource management
- Risk management (incl. preventative maintenance)
- Management oversight and operations
- Financial review and analysis

Approach to conduct the assessment

We have assessed each of the following functions:

- Strategy
- Capital planning and financial allocation
- Design and construction
- Leasing
- Logistics
- Facility management
- Risk

Each of these functions was addressed through the following lenses:

- Outcomes
- Processes
- People
- Systems
- Interactions with other entities

1 Organizational assessment and evaluation, Resource management, Risk management, Management oversight and operations financial review and analysis
2 DEMSO, PCMSO, LPMS, LMSO, EMOSO and Portfolio managers

Page 005

(b)(5)

(b)(5)

Observations and options are based on multiple sources, and have been developed in collaboration with stakeholders

Activities conducted during this assessment

- Interviews
- Workshops and site visits
- Data
- OHI Survey

(b)(5)

Contents

Contents

Executive summary: Strategy assessment

In recent years, the stage of the facilities lifecycle upon which AMSO has focused has shifted significantly from masterplanning to construction to operations

- In the early 2000s, AMSO underwent a masterplanning effort to renew and expand its footprint, primarily on the three campuses in Atlanta
- Over the course of the last decade, AMSO has completed the design, construction and renovation of the three campuses through multiple capital projects worth approximately $1.5B
- In the past 5 years, AMSO's efforts have been focused on operations and maintenance of existing facilities in addition to reducing square footage

(b)(5)

SOURCE: See remaining pages of this document for elaboration and sources on each of these observations

Three questions were addressed in reviewing AMSO's strategy

Addressed in subsequent sections

Questions to address

(b)(5)

(b)(5)

(b)(5)

(b)(5)

O&M: Operating demands will either remain steady or increase due to stability in O&M intensive owned space and increasing density

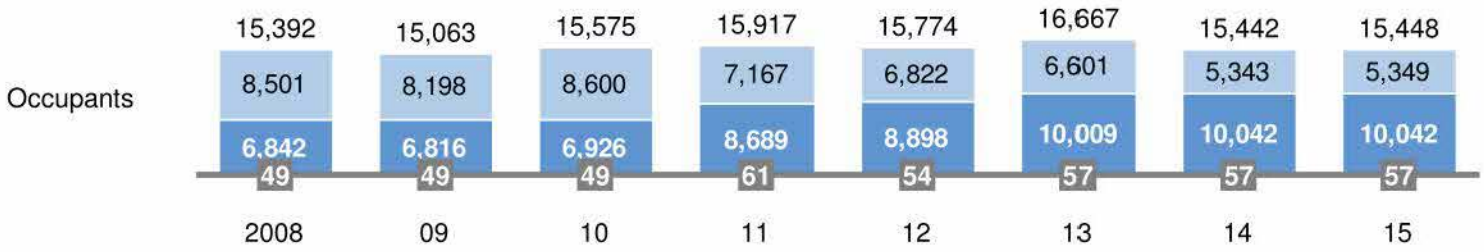
Changes by Fiscal Year for last 8 years

Change in portfolio

In gross sqft (000s)

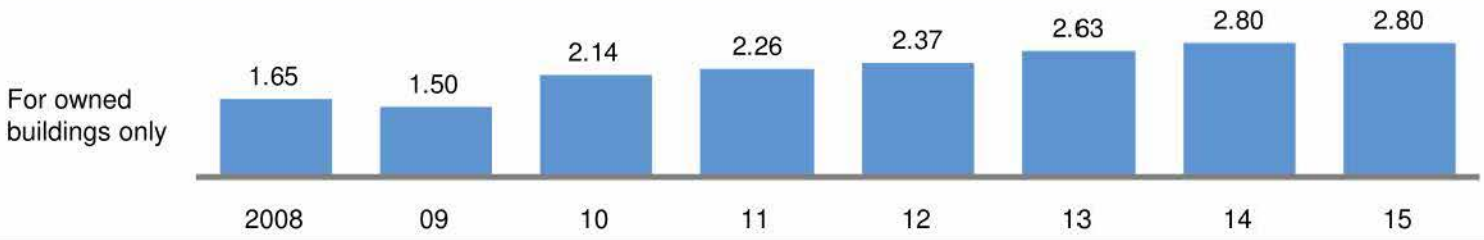
Change in occupants

In number



Change in density of owned buildings

In # per 1000 usable sqft



O&M workload is impacted by:

- A **stable** portfolio of **owned facilities**
- **Marginal increase** in total number of CDC occupants
- **Significant increase** in the **density** in **owned facilities** due to a decrease in leased space

SOURCE: CDC ARIS reports

In addition to capital, R&I, and O&M demands, AMSO's workload is expected to become more volatile and geographically dispersed

Detailed next

Potential variables impacting AMSO

Impact timeline	Description	Examples
Emergency	▪ Increase in need of space due to a sudden outbreak of an infectious disease ▪ Increase in need of facilities related services due to a recent outbreak or event	▪ Ebola outbreak requiring immediate space for up to 300 personnel ▪ Ebola outbreak increasing waste management and logistics workload
Medium-term	▪ Increase in services or space due to an emerging disease that requires ramping up capacity for a number of years	▪ Recurring outbreaks of infectious diseases such as MERS ▪ Increase in bioterrorism threat over the next decade
Long-term	▪ An evolving mission due to new mandates that enduringly changes the demand for space and facilities related services that are required by CDC	▪ Potential jurisdiction for international facilities ▪ Potential increase in responsibility for facilities of partner organizations (e.g. NIOSH)

▪ **Volatility** and **geographic dispersion**, along with future **increase in demand** based on funding, may require a re-assessment of capacity, potentially necessitating **incremental hiring**

SOURCE: Interviews and workshops

Page 017

(b)(5)

Mandates may place additional demands on the AMSO organization

	Description	Challenge
Energy and sustainability mandates	▪ CDC facilities are required to follow the energy mandates that aim to increase energy efficiency for the buildings	▪ (b)(5)
Space reduction mandates	▪ AMSO should uphold the "freeze-the-footprint" mandate which aims to add additional space for federal agencies	▪
B&F funding variation	▪ Building and Facilities funding varies significantly annually ▪ Unpredictable stimulus funding leads to sudden influx of available funds for execution	▪
Program funding expiration	▪ Certain program funding relating to supplies and equipment expires within one year	▪
Program perception	▪ Due to recent use of the Working Capital Fund, the programs now pay directly for facilities management	▪
Program stickiness	▪ Programs usually evolve in response to mandate or a crises	▪

SOURCE: Champion team meetings, internal interviews

(b)(5)

To meet all of the above demands, AMSO (b)(5)

(b)(5)

Functional capabilities	Description	Assessment highlights
Space management	▪ Day-to-day space management across Programs ▪ Long-term space management and planning	(b)(5)
Master planning	▪ In-depth project masterplanning support to revise and update aspects of a 10 year master-plan due to cadence of planning cycle	
Design	▪ Design of R&I and industrial design projects ▪ Regular updates on design specifications and standards for new buildings ▪ Design and constructability review for new buildings	
Construction management	▪ Manage large and small capital projects simultaneously for on-cost and on-schedule delivery ▪ Manage scope across evolution of projects ▪ Provide costs and constructability consultation during project planning phases	
Rapid leasing	▪ Ability to support GSA leasing process (market surveys, administrative support) to achieve the agility needed for surge space needs	
Operation of highly complex buildings	▪ Ability to commission, operate, and maintain an increasingly complex facilities portfolio to minimize facilities related risks	

SOURCE: AMSO Interviews, Champions Team meetings

Contents

Executive summary: capital and financial allocation

(b)(5)

SOURCE: See remaining pages of this document for elaboration and sources on each of these observations

AMSO's financial and capital allocation was assessed against three best practice criteria for effective capital allocation

Allocation should be…	Details
1	(b)(5)
2	
3	

SOURCE: Expert interviews

(b)(5)

1 Condition Index related R&I projects constitute the majority of the backlog

Category	Description	Backlog (# of projects and $M USD)
Emergency	▪ An area of contingency planning that supports items that may fall into other categories but may not have been identified previously due to urgent and critical nature of an event, crisis, etc.	
Safety	▪ Engineering projects that improve or sustain Safety, Fire & Life Safety Code compliance through repairs and improvements.	
Security	▪ Projects that improve or sustain the condition and functionality of physical and IT security features of an asset. This category includes automated control systems that currently reside within the IT security architecture.	
Condition Index	▪ The Federal Real Property Council asset performance metric Condition Index (CI) is a well-known and widely used general measure of a constructed asset's condition at a specific point in time. CI is the ratio of the asset's repair needs to its Functional Replacement Value. R&I projects are prioritized to maintain an asset's CI.	(b)(5)
Program support	▪ Customer-driven projects that support specific mission-related activities to sustain or improve scientific and research support systems and activities, installation of scientific equipment, reasonable accommodations requests, and similar activities.	
Space utilization	▪ Initiatives undertaken to increase space utilization of an asset and promote efficiency of use. Examples include: building demolition/disposal, special studies, space alterations that promote increased utilization, and alterations necessary for hoteling/teleworking.	
Other	▪ Specific activities that support B&F, such as strategic and campus-level planning, project development studies, building evaluation reports, facilities-related National Environmental Policy Act and Historic Preservation Act compliance, and similar projects.	

SOURCE: CDC 2016 Budget Justification

2 AMSO's current approach for R&I project allocation engages the key stakeholders and uses PERT, a metric driven tool for prioritization

R&I Project Evaluation and Ranking Tool (PERT)

For facilities driven projects

Evaluation criteria	Max possible score
1 Addresses fire, life safety, code deficiencies	(b)(5)
2 Improves or maintains Facility Condition Index	
3 Accounts for location and affected assets (e.g. the differing space types - lab vs office)	
4 Impacts environmental and energy targets quantifiably	
5 Reduces annual costs in O&M, lease, or other costs	
6 Increases space utilization category (under-or overutilized to utilized or non-utilized to underutilized)	
7 Addresses facilities disposition status to maximize R&I investment per FRPC decision tree	

For Program driven projects

Evaluation criteria	Max possible score
1 Mission dependency	(b)(5)
2 Health safety impact	
3 Client project ranking	
4 Project location or affected assets	
5 Facility disposition status	
6 Facility CI impact	
7 Cost (O&M, life cycle, lease) improvement	
8 Space utilization	
9 Historic property	
10 Energy efficiency	
11 Environmental	

Observations

- (b)(5)

FRPC: Federal Real Property Council

SOURCE: Federal Real Property Asset Management – Daily Decision Making (June 2011 version)

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(b)(5)

3 Current R&I allocation process can benefit from better project scrubbing

PRELIMINARY

Areas for improvement | Pockets of excellence | # Approval gates

Project initiation and initial approval

1 Formulate project list
Projects are sourced from:
- Asset Business Plan (EMOSO identified projects and others)
- Annual planning call (Program identified projects)
- Out-of-cycle requests
- Emergency requests (ongoing basis, notification only, facility and CDC response emergences)

2 Rank projects and receive CDC approval
Portfolio Managers rank some projects using PERT[1] and AMT discussions. Submit to CDC Capital Investment Review Board (CCIRB) for approval

(b)(5)

Assign project office
Asset Management Team assigns project office (EMOSO, DEMSO, or PCMSO) to lead project execution for approved projects (in priority of PERT scores and Approved Projects List)

Verify scope
Project teams develop scope, justification, verify order of magnitude, identify FRPC data, identify potential dispositions

Project detailed design

(b)(5)

Final approval

(b)(5)

4A Approval within AMSO
1. Portfolio Managers (OD Review),
2. AMSO Deputy Director
3. AMSO Director
approve FPAA in IFMS for project execution

4B Approval within EMOSO
Approval by EMOSO Associate Directors in IFMS (or Portfolio Managers)

Request funding
Certified Account Number request submitted and approved in IFMS (If funding required exceeds budget amount or project was not in FY Approved Projects List, additional AMSO OD approval required)

Submit to PGO
Project package submitted to PGO for procurement

1 PERT: Project Evaluation Rating Tool – two versions: for facilities driven projects and for program driven projects

SOURCE: internal interviews with portfolio managers and AMSO staff and draft R&I Project Development Process (2007)

(b)(5)

Capital planning options (1/2)

● Highest ◔ Lowest

Option	Rationale	Impact	Feasibility	Likely owner
(b)(5)				EMOSO and AMSO OD
				EMOSO and AMSO OD
				EMOSO and DEMSO with support from AMSO OD
				AMSO OD with support from DEMSO, PCMSO, and EMOSO
				AMSO OD

Capital planning options (2/2)

Highest Lowest

Options	Rationale	Impact	Feasibility	Likely owner
(b)(5)				AMSO OD with support from OSSAM OD
				AMSO OD and OSSAM OD
				CDC OD with support from AMSO

Contents

Executive summary: Design and Construction assessment

(b)(5)

SOURCE: See remaining pages of this document for elaboration and sources on each of these observations

Project budgets evolve from the initial cost estimate to ultimately obligated funds

Cost milestones for projects

	Initial cost estimate	IGE	FPAA	CAN	Obligated
Description	Initial Cost Estimate of projects performed by AMSO or programs	Independent Government Estimate performed by DEMSO for R&I or external for Capital projects	Facilities Project Approval Agreement submitted to HHS for projects above thresholds[1]	Common Accounting Number is the amount requested for the project from PGO	Actual funds committed and obligated for the project
Applicability	▪ All R&I projects ▪ All Capital projects (often part of Project Development Study)	▪ All R&I projects ▪ All Capital projects (often part of Project Development Study)	▪ All Capital projects ▪ All R&I projects above HHS thresholds[1] ▪ Internal FPAA for R&I above $110k	▪ All projects	▪ All projects
Adherence	▪ **High for all projects**	▪ High for Capital ▪ **Medium for R&I under $110K**	▪ High for Capital ▪ High for R&I above $110k	▪ High for all projects	▪ **High for all projects**

- AMSO views overruns as:
  - Obligated exceeds FPAA for projects greater than $110,000
  - Obligated exceeds IGE for projects less than $110,000

1 Thresholds defined by project type and funding source in the Appendix

SOURCE: AMSO interviews

Largely, R&I projects met initial estimated costs but final results show high performance fluctuation

R&I projects completed in IFMS

Total planned cost	# of projects	Spend[2] in $M USD
$0-$110K[2]	71	3
$110K-$700K	36	8
$700K+	10	16
Total R&I	117	26

Cost performance

In % over planned (IGE)[1] cost

Unknown	0%
2011[1]	-36%
2012	-18%
2013	-12%
2014	-12%
2015	-26%
Average	-12%

Cost performance

In % over planned (FPAA)[1] cost

2012	-11%
2013	-36%
2014	16%
Average	-4%

Schedule performance data has not been received

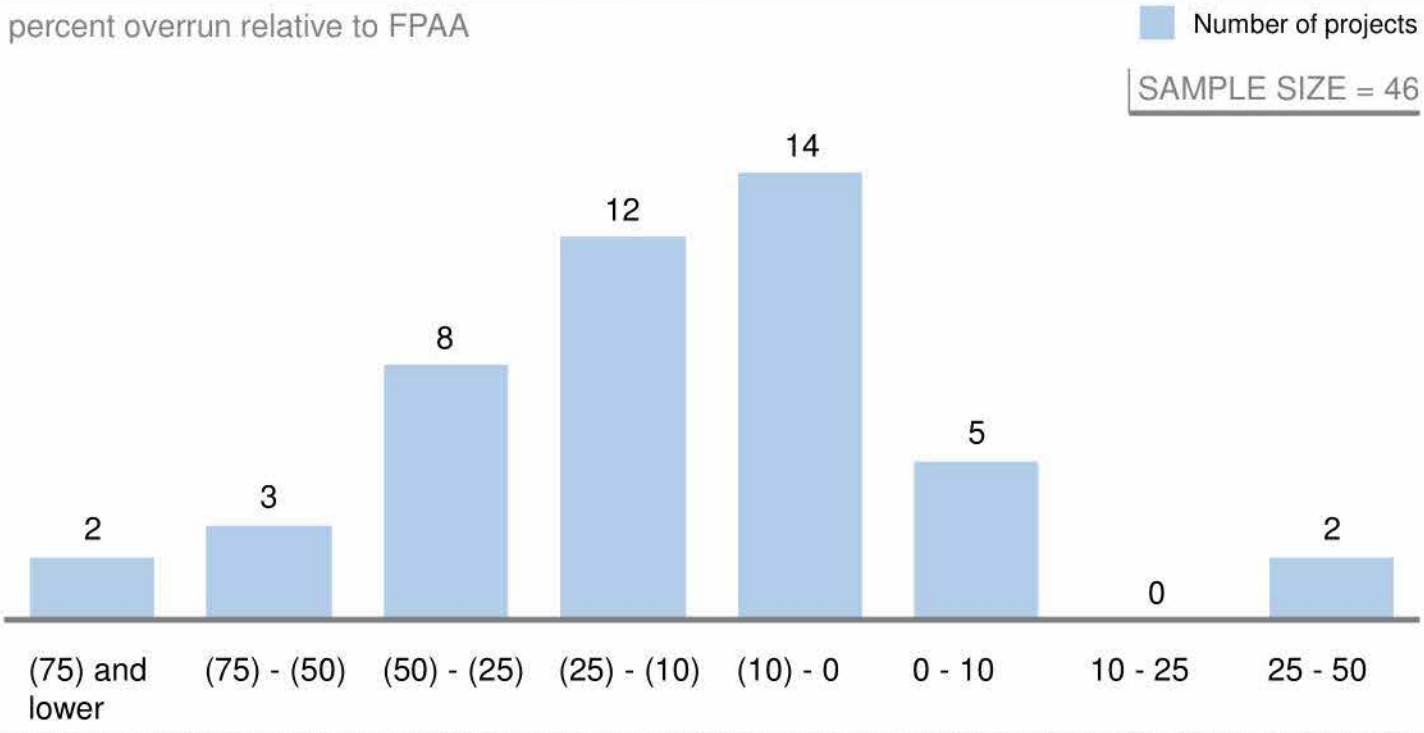
AMSO defines overrun as obligated over IGE for projects less than $110k and obligated over FPAA for projects above $100k
4 projects were excluded from data set due to lack of data for obligated and committed funds

SOURCE: Customized IFMS report 2;

Projects with FPAA (usually over $110k) perform 8.6% under requested budget

Number of projects within a cost overrun range

In percent overrun relative to FPAA



(b)(5)

Averages:

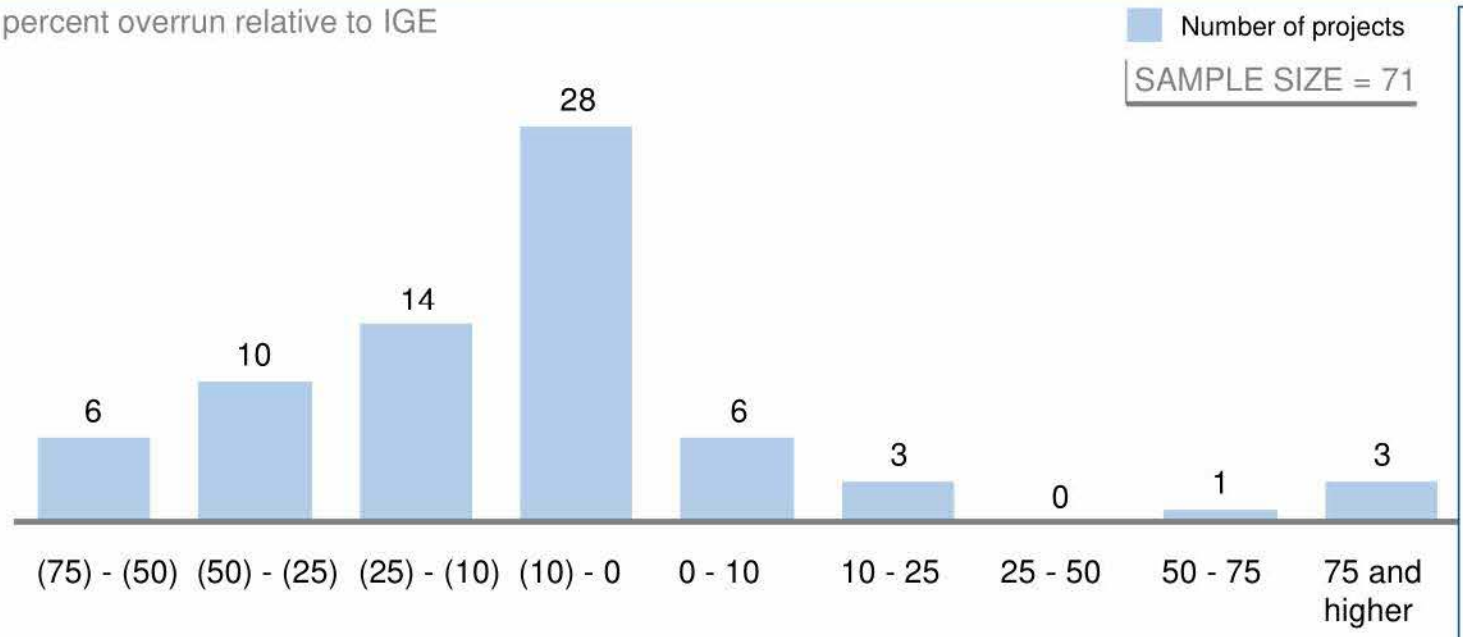
Completed in:	Earlier	2011	2012	2013	2014	2015	Overall
Cost overrun:	(24)%	(16%)	(14%)	(30)%	9%	(14%)	(8.6%)
Schedule overrun:	?	?	?	?	?	?	?
# of projects:	5	2	12	10	13	4	46

SOURCE: IFMS customized report, all projects with FPAA, ICE>0, obligated & committed >0, excluding capital projects

Projects without FPAA (usually under $110k) are usually within budget with an average of 12.4% under the Independent Government Estimate (IGE)

Number of projects within a cost overrun range

In percent overrun relative to IGE



Averages:

Completed in:	Earlier	2011	2012	2013	2014	2015	Overall
Cost overrun:	0%	(36%)	(18%)	(12)%	(12)%	(26%)	(12.4%)
Schedule overrun:	?	?	?	?	?	?	?
# of projects:	14	5	11	19	18	4	71

Takeaways

(b)(5)

SOURCE: IFMS customized report, all projects without FPAA, ICE>0, and obligated & committed >0

(b)(5)

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(b)(5)

(b)(5)

(b)(5)

(b)(5)

(b)(5)

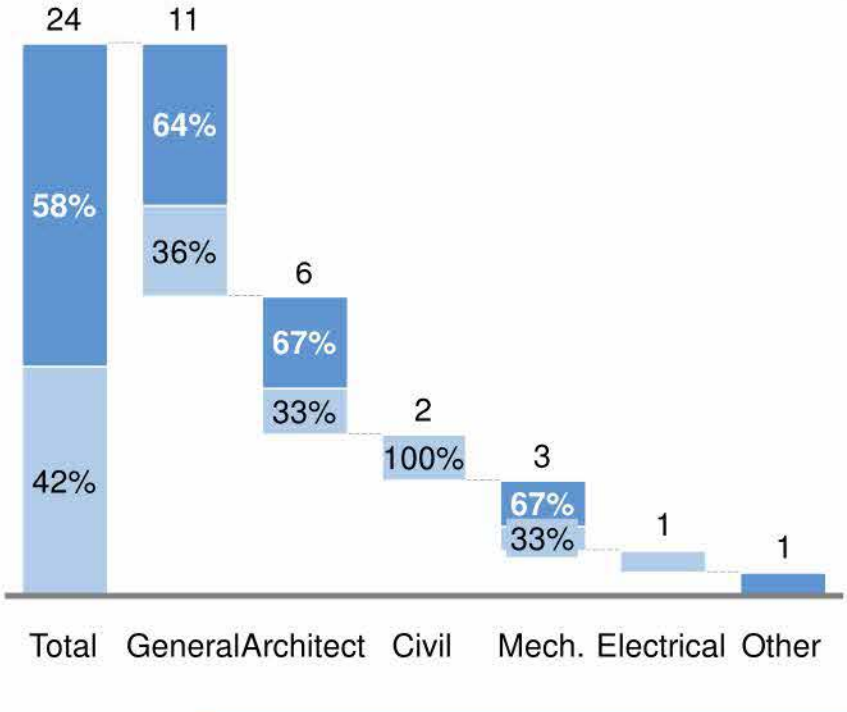
(b)(5)

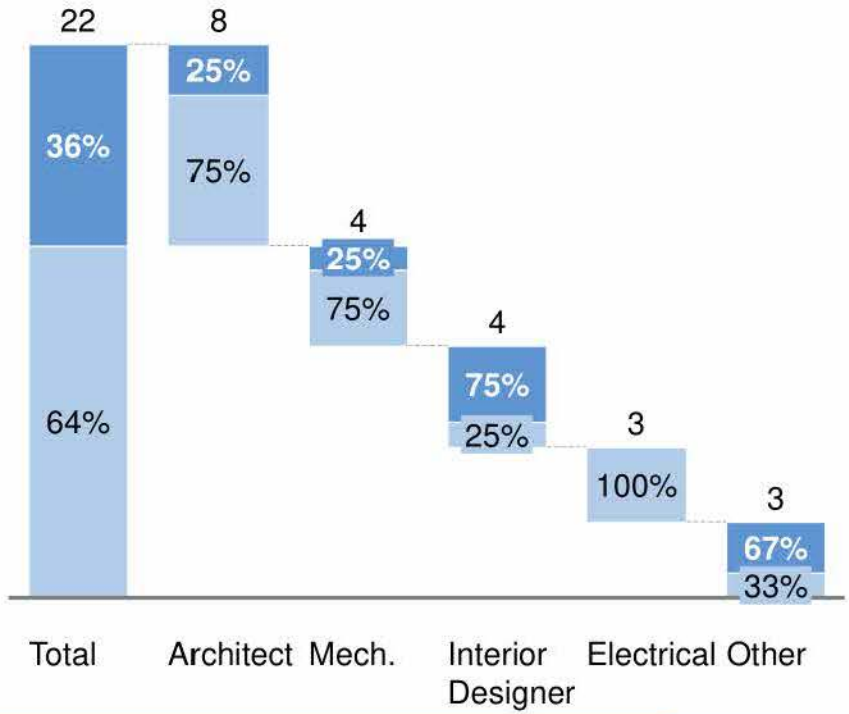
PCMSO and DEMSO will want to plan for succession as a significant portion of their workforce is eligible for retirement within 5 years

FTE distribution

Number of FTEs

Retirement eligibility <5 years Future



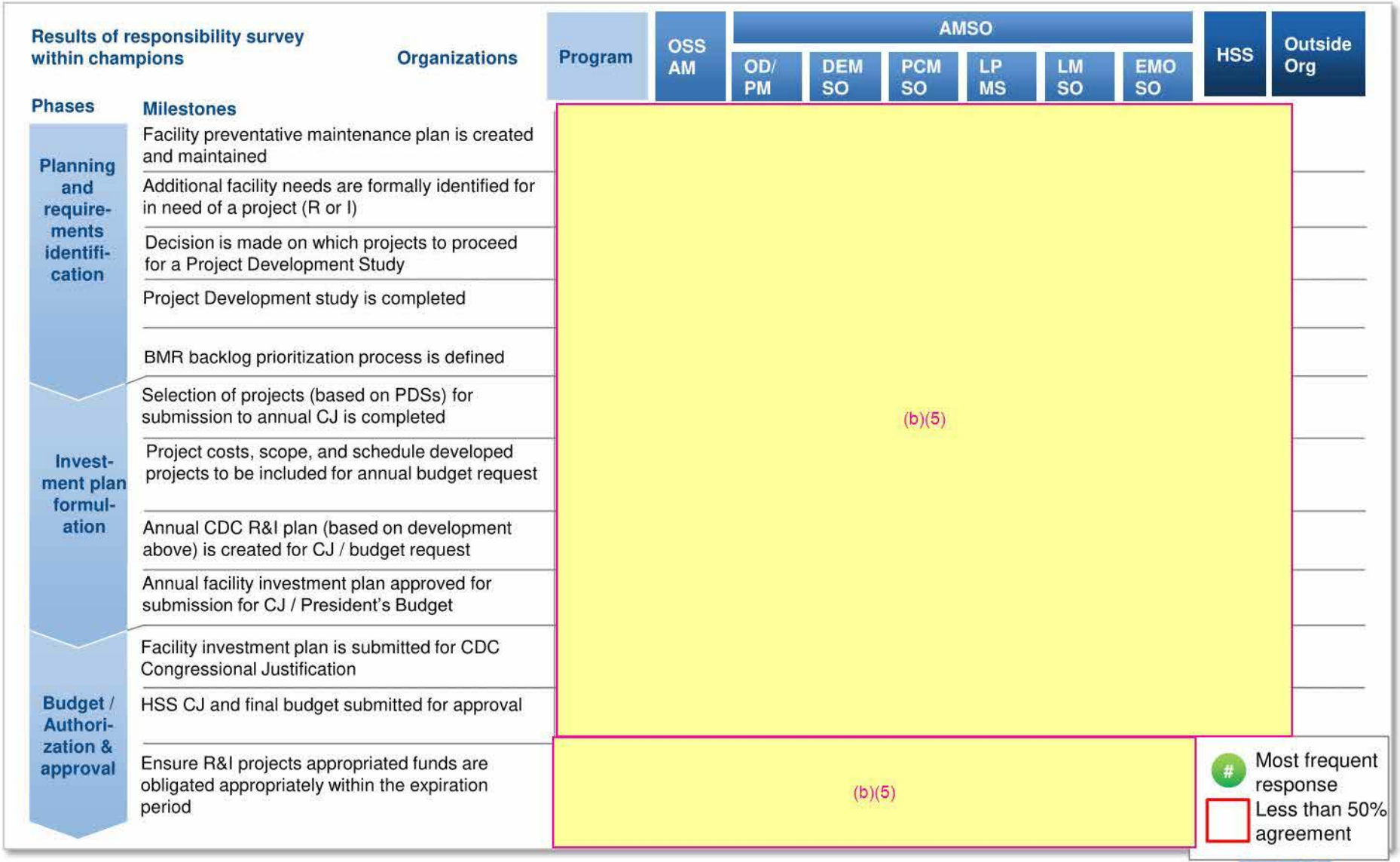


Concerns:

-
- (b)(5)

SOURCE: AMSO retirement eligibility data, Data includes management positions and is not suitable for a staffing assessment by professional discipline

A project delivery manual that clearly defines roles and responsibilities for each department would assist in cross-departmental understanding and collaboration (1/2)[1]



1 Survey of the Champions Team members was conducted to understand perspectives of who was responsible for each aspect of the design and construction process

A project delivery manual that clearly defines roles and responsibilities for each department would assist in cross-departmental understanding and collaboration (2/2)[1]

Results of responsibility survey within champions

Phases	Milestones	Program	OSS AM	AMSO					HSS	Outside Org
				OD/ PM	DEM SO	PCM SO	LP MS	LM SO	EMO SO		
Planning and requirements identification	Facility needs formally identified for masterplan	(b)(5)								
	(10 year) Facility Masterplan created									
	Decision is made on which projects to proceed for a Project Development Study									
	Project Development study is completed									
	Project scoring criteria is established									
Investment plan formulation	Selection of projects (based on PDSs) for submission to annual CJ is completed									
	Project costs, scope, and schedule developed for budget submission									
	Annual CDC capital projects investment plan is created (all projects / phases)									
	Annual CDC investment plan approved for submission for CJ / President's Budget									
Budget / Authorization & approval	Facility investment plan is submitted for CDC Congressional Justification									
	HSS CJ and final budget submitted for approval									
	Ensure capital projects appropriated funds are obligated appropriately within the expiration period	(b)(5)								

Organizations

Most frequent response

Less than 50% agreement

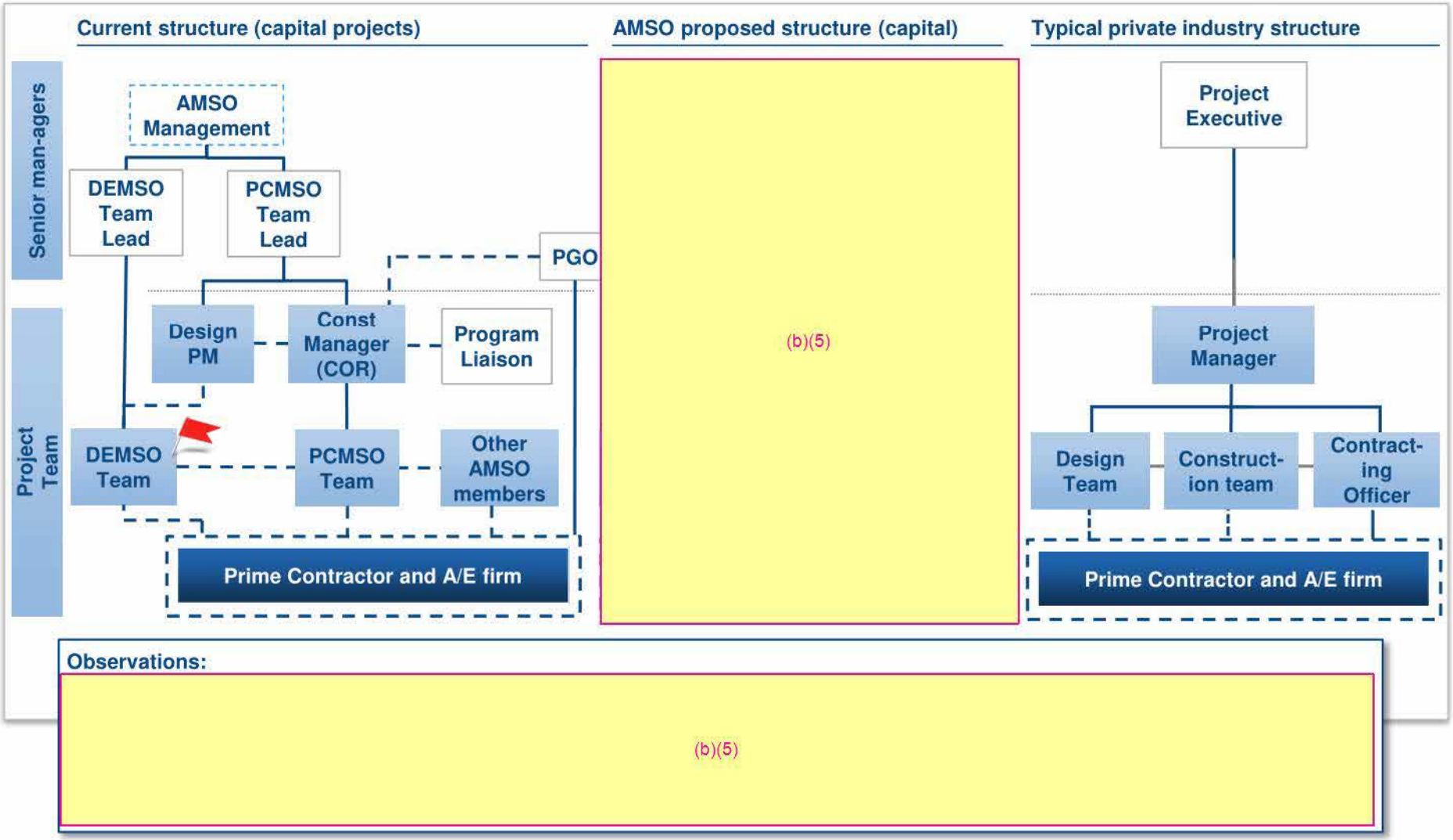
1 Survey of the Champions Team members was conducted to understand perspectives of who was responsible for each aspect of the design and construction process

The recently instituted project delivery team structure moves AMSO closer to industry best practice

Steering Committee

Matrix reporting | PRELIMINARY

Project dedicated staff



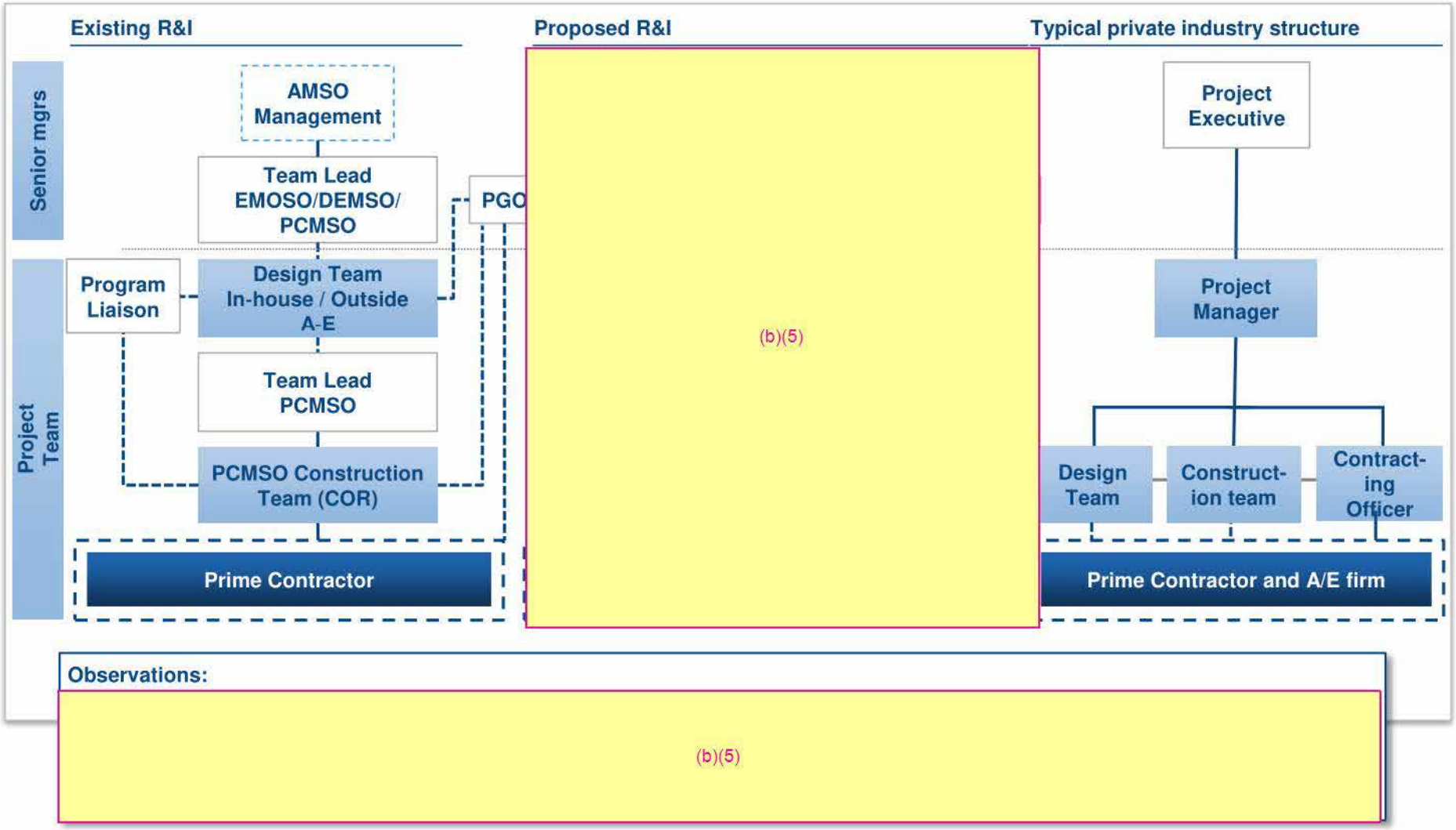
SOURCE: Interviews with AMSO representatives and Champions Team

PCMSO provided the existing and proposed R&I project structure

Steering Committee

PRELIMINARY

Project dedicated staff



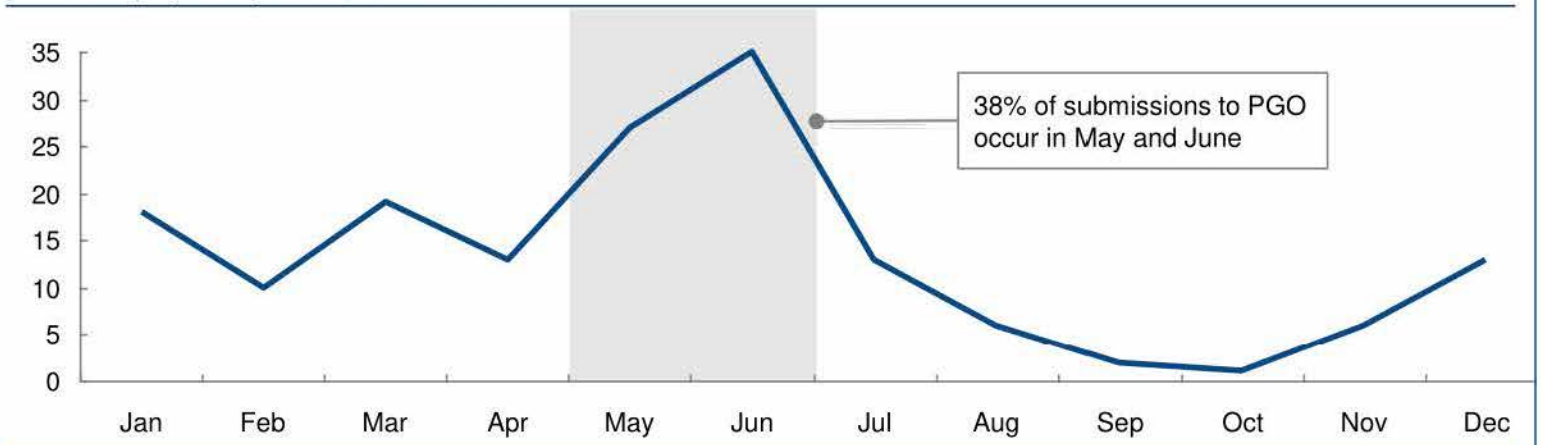
SOURCE: Provided by PCMSO

(b)(5)

(b)(5)

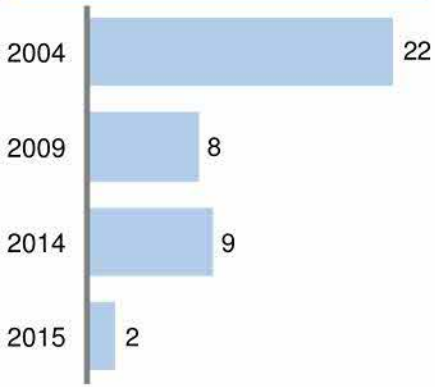
Projects submitted to PGO

Number of projects by month, CY 2011-2014[1]

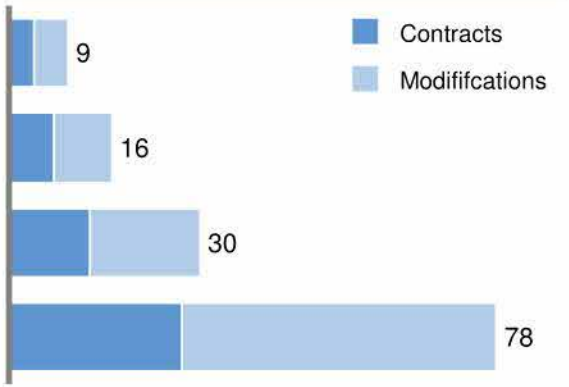


PGO staff

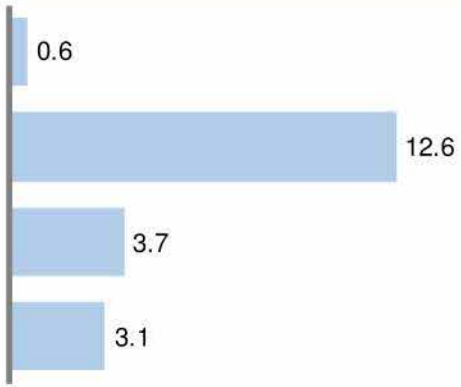
Number of PGO FTEs dedicated to AMSO by FY[2]



Number of contracts and modifications per FTE[3]



Dollar value (M) of contracts and modifications per FTE



Takeaways

- **38% of projects** are submitted to PGO in May and June
- The number of contracts and modifications per PGO FTE has **increased by ~9x** since 2004

(b)(5)

SOURCE: 1. IFMS report 2. PGO interviews 3. FPDS NAICS sector 23

Design and construction options

Highest Lowest

Options	Rationale	Impact	Feasibility	Likely owner
(b)(5)				PCMSO with support from DEMSO
				AMSO OD with support from D,P,E
				OSSAM OD with support from AMSO
				AMSO OD
				DEMSO with support from PCMSO and EMOSO
				AMOSO OD with support from DEMSO, PCMSO, and EMOSO
				AMSO

Contents

Executive summary: Leasing assessment

(b)(5)

SOURCE: See remaining pages of this document for elaboration and sources on each of these observations

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(b)(5)

(b)(5)

(b)(5)

Leasing is pleased with services provided by lessors and lease occupants are generally satisfied with quality of facilities

Benefits	Description	Lease occupants
Breaking lease	▪ Can break lease with four months notice, once first year has been completed	"We can easily break our leases after the first year, if we'd like"
Property alteration	▪ Minimal to no restrictions on alterations to be performed by tenant during the term	"I was able to paint my office and add furniture before settling in"
Facility maintenance	▪ Lessors provide satisfactory facility maintenance for leased buildings	"Our offices are well taken care of and quality is good considering our rates"

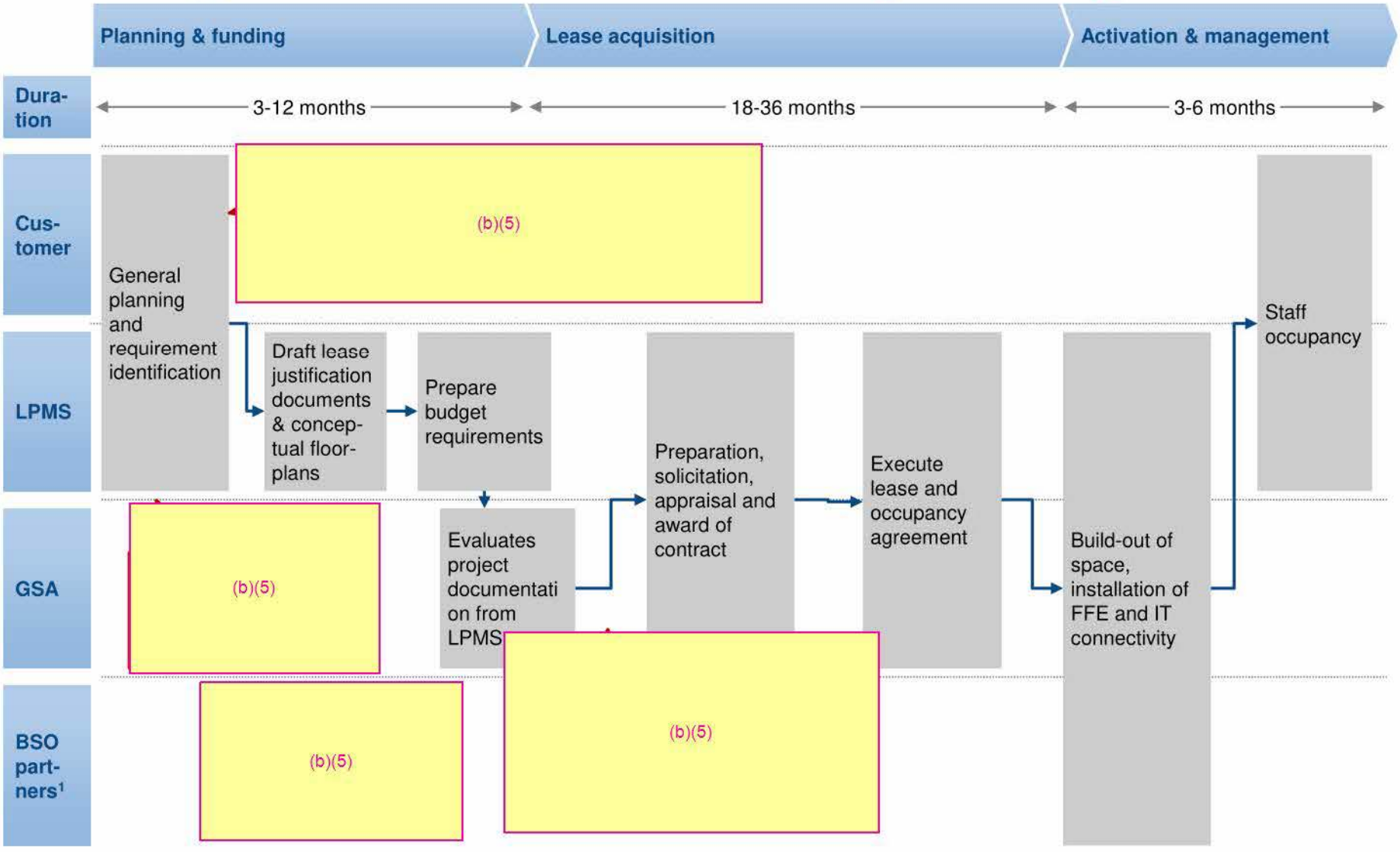
SOURCE: Internal interviews; Champion's Team LPMS internal assessment and feedback matrix

External and internal constraints arise during the leasing process

NOT EXHAUSTIVE

Pockets of excellence

Developmental area



1 BSO: Business Service Office partners. Includes DEMSO, ITSO, Security, Safety

SOURCE: Internal interviews; GSA standard lease file checklist, version 1.1, March 2013

(b)(5)

(b)(5)

(b)(5)

(b)(5)

Contents

Executive summary: Logistics assessment

(b)(5)

SOURCE: See remaining pages of this document for elaboration and sources on each of these observations

(b)(5)

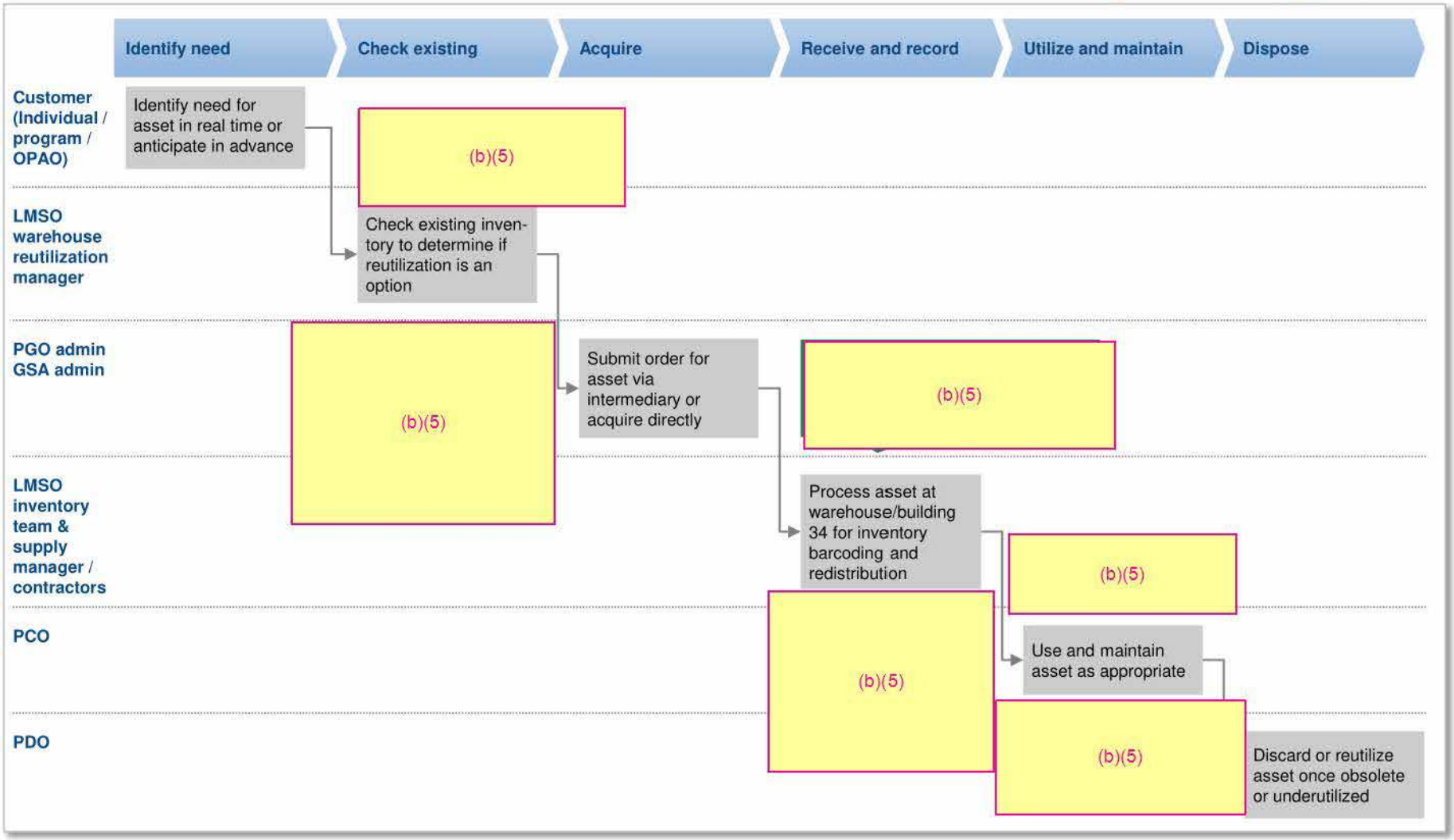
(b)(5)

(b)(5)

NOT EXHAUSTIVE

Pockets of excellence

Developmental area



Note: OPAO: Operational Property Accountability Officer; PCO: Property Custodial Officer; PDO: Property Disposal Officer

SOURCE: External and internal interviews

Initial champions survey

(b)(5)

(b)(5)

NOT EXHAUSTIVE

X Most frequent response

☐ Less than 50% agreement

Phases	Milestones & activities	Organizations: Program	OSSAM	PGO	AMSO Board	AMSO: OD/PM	AMSO: DEMSO	AMSO: PCMSO	AMSO: LPMS	AMSO: LMSO	AMSO: EMOSO	HSS	Outside Org
Inventory management & distribution	Inventory management & distribution	(b)(5)											
	Track agency accountable property												
	Investigate lost, damaged, or stolen property												
	Supply management												
	Property records												
	Audit inventory												
	Logistics management systems												
	Distribute property and equipment												
Property administration	Property administration												
	Accountability of property administration policy												
	Provide trainings to program property leads												
	Logistics and movement planning support												
	Contract management of asset service projects												
	Property maintenance management												
	CDC loan program management												
Property disposal & reutilization	Property disposal & reutilization												
	Chemical HazMat disposal												
	Quality assurance												
	Materials reutilization and disposal												
	Recycling of specific waste streams												
	Warehouse short-term storage												
	Furniture reuse program												
	Contracts for waste and recycling												

1 Survey of the Champions Team members was conducted to understand perspectives of who was responsible for each aspect of the logistics process

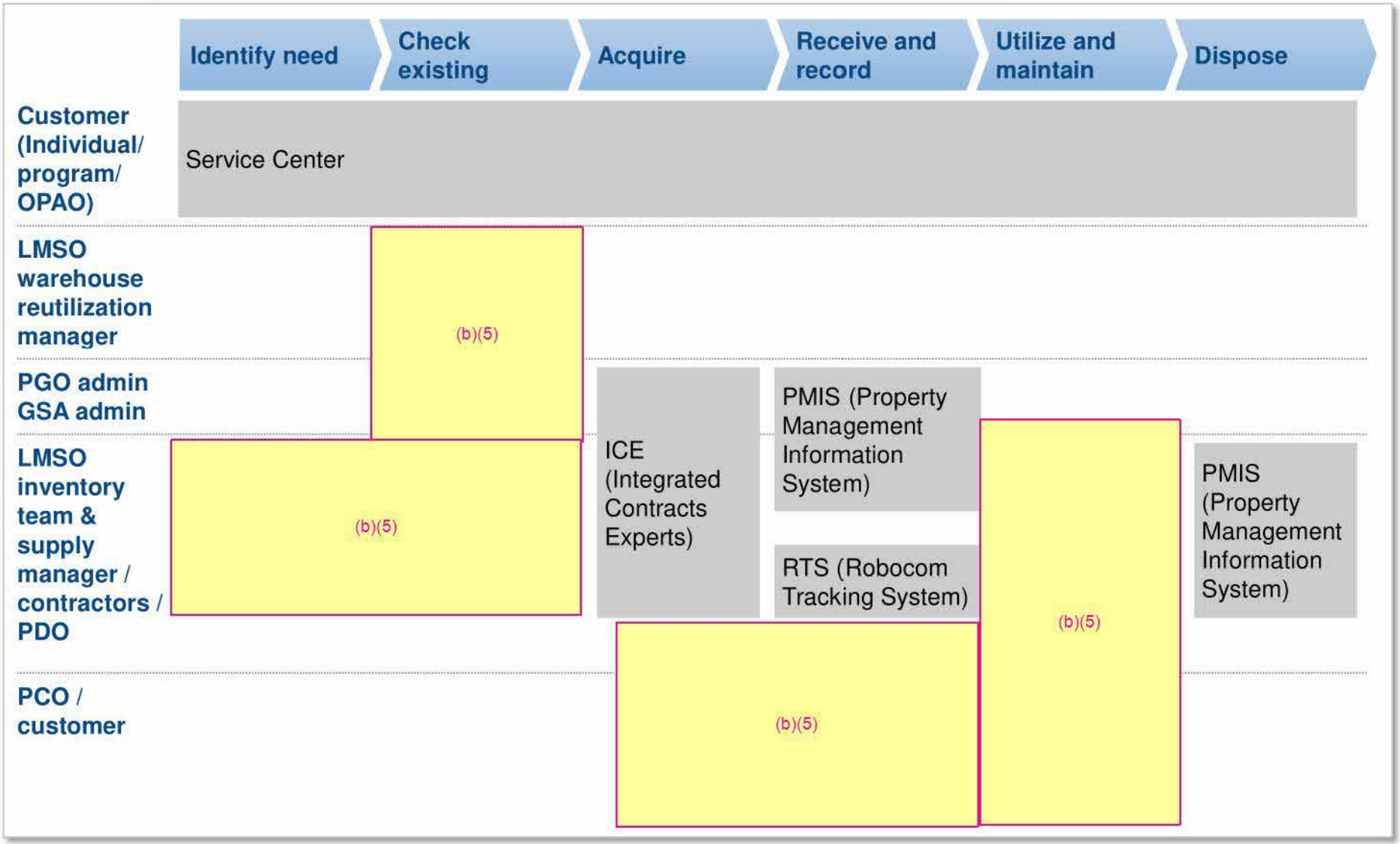
SOURCE: AMSO Champions team survey

Consolidation of systems used throughout the logistics process

(b)(5)

NOT EXHAUSTIVE

Pain point



Note: OPAO: Operational Property Accountability Officer; PCO: Property Custodial Officer; PDO: Property Disposal Officer

SOURCE: Internal interviews

Logistics options

Lowest Highest

Options	Rationale	Impact	Feasibility	Likely owner
(b)(5)				LMSO
				LMSO / relevant program
				CDC / LMSO
				LMSO / EMOSO
				DEMSO / LMSO

Contents

Executive summary: Facilities management assessment

(b)(5)

SOURCE: See remaining pages of this document for elaboration and sources on each of these observations 1. As per interviews with EMOSO staff

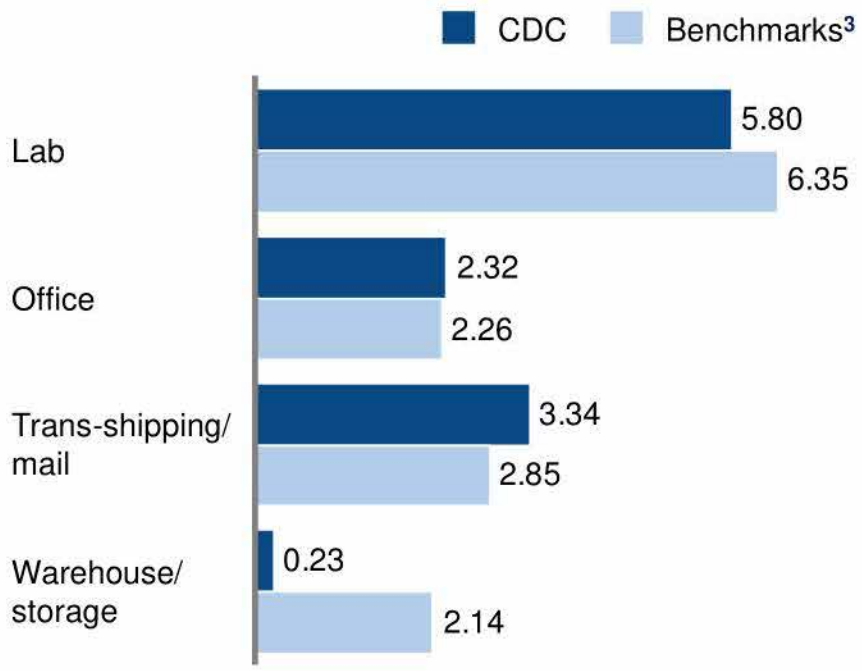
Utilities and O&M costs

(b)(5)

(b)(5)

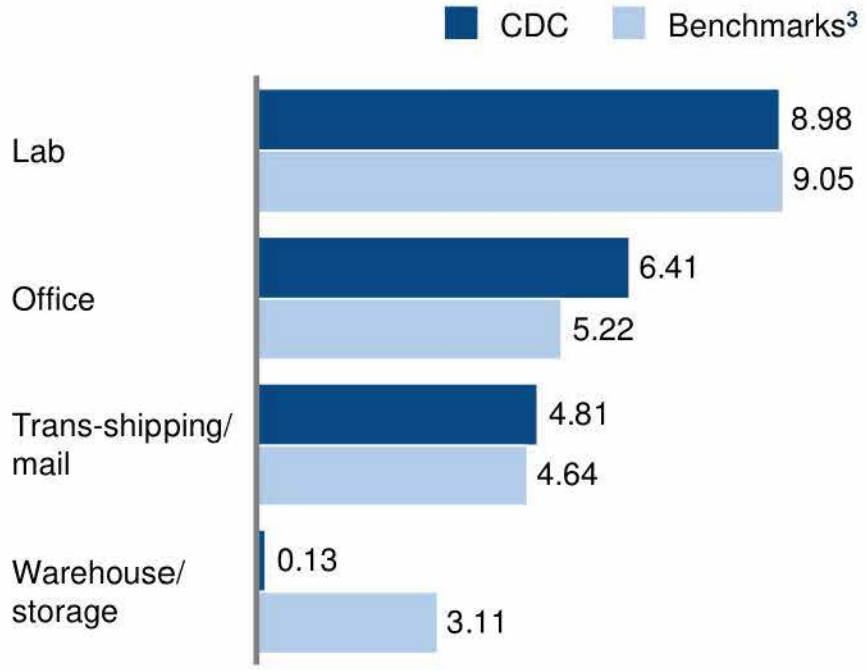
Average utilities costs by facility type[1]

$ / sf[2]



Average O&M costs by facility type[1]

$ / sf[2]



Additional considerations:

(b)(5)

1 Data reflects buildings serviced by EMOSO (n = 90); Excludes NIOSH facilities; Excludes data points where utilities or O&M spend equals zero
2 CDC data in GSF while combined benchmarks (private and public sector) in GSF/USF/RSF (conversion rates not available)
3 Lab and office benchmarks from CBRE study; Trans-shipping/mail and warehouse/storage benchmarks from IFMA (Intl. Facility Mgmt. Assn.)

SOURCE: EMOSO Cost Allocations, 2014; CDC / CBRE OpEx benchmarking study, 2012. IFMA USA benchmarks, 2009

While AMSO [redacted] (b)(5)

(b)(5)

Analysis of work order completion, Jan 2015 – July 2015 (N=36,740)

CDC | Private sector

Work order type	Most common requests	Days to close Average #	Share of work orders Percent	Benchmark share of work orders, Percent
Alarm monitoring (emergency)	▪ Life safety alarm ▪ HVAC ▪ Building automation system	(b)(5)		
Dispatch work request (emergency)	▪ HVAC ▪ Plumbing system ▪ Electrical system			
General work request (corrective)	▪ General maintenance ▪ HVAC ▪ Electrical system			
Preventive	▪ Refrig/HVAC ▪ System operation ▪ Power plant maintenance			

Additional considerations:

(b)(5)

Note: Data set excludes active, cancelled, hold, and system operation work orders

SOURCE: Expert interviews; IFMS CMMS work ticket orders, Jan 1, 2015 – July 1, 2015; Benchmarking Best Practices for Maintenance, Reliability and Asset Management, Third Edition, 2014

(b)(5)

Longest closure times Shortest closure times

Average time for closing tickets by property type and work order type

Working days from Entry to Closure, Tickets Jan 2015 through July 2015 (N=36,740)[1]

	All Campus Average	Roybal	Chamblee	Other	Lawrenceville
Alarm Monitoring	(b)(5)				
Dispatch Work Request					
General Work Request					
Preventive					
% of total orders	(b)(5)				

1 Dataset only consists of completed work orders; excludes active, cancelled, hold, and system operation work orders
2 No alarm monitoring work orders completed in data set for this time period
3 There are 225 contractors total: 150 Roybal, 61 Chamblee, 14 Lawrenceville; 5 specialized Roybal contractors cover all three campuses

SOURCE: IFMS CMMS work ticket orders, Jan 1, 2015 – July 1, 2015; Internal interviews

Specific types of work order requests show greater variability in completion rates across facilities

Longest closure times[1] Shortest closure times

Average time for closing tickets by property type and most common work request types

Working days from Entry to Closure, Tickets Jan 2015 through July 2015 (N=36,740) [2]

	Average	Roybal	Chamblee	Other	Lawrenceville
PM-Refrig/HVAC					
PM-System Operation					
PM-Power Plant Maint.					
PM-Weekly					
PM-Steam/Plumbing					
HVAC					
PM-Electrical					
General Maintenance			(b)(5)		
Plumbing System					
PM-Monthly					
Electrical Systems					
Life Safety, Alarms					
Other					
% of total orders					

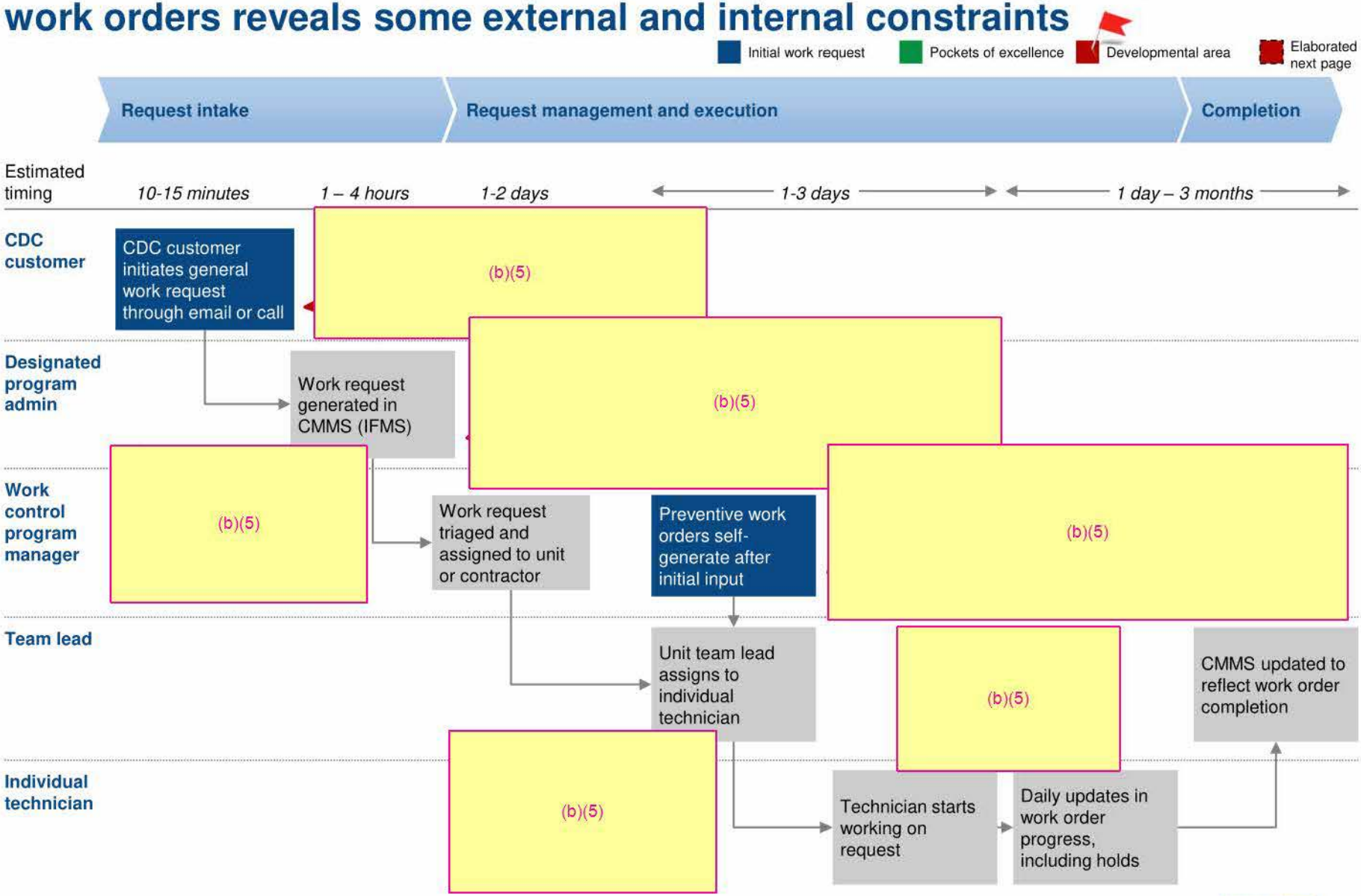
Additional considerations:

(b)(5)

1 Closure time comparisons highlighted if difference of four or more days compared to overall average
2 Excludes active, cancelled, hold, and system operation work orders; preventative maintenance work request
SOURCE: IFMS CMMS work ticket orders, Jan 1, 2015 – July 1, 2015

Facilities management process for corrective and preventive work orders reveals some external and internal constraints

NOT EXHAUSTIVE



Note: Emergency dispatch work requests are triaged and serviced directly by contractor (Four Seasons); steps not shown here

SOURCE: External and internal interviews

Current approach to preventive maintenance work is comprehensive, although occurrence of facilities incidents may be related to PM approach

Inputs	Current state	Pros and cons
Manufacturer guidelines	▪ Follow equipment guidelines provided by manufacturers in operations and maintenance manuals	(b)(5)
Prior experience	▪ FTEs and contractors contribute carefully reviewed suggestions based on their prior experience and from working elsewhere	
Experiential learnings	▪ After an emergency or corrective task, a preventive order is sometimes created based on understanding of cause	

Additional considerations:

(b)(5)

SOURCE: Expert interviews; Internal interviews; Champion's Team EMOSO internal assessment and feedback matrix

Initial champions survey suggests variable beliefs about primary responsibilities for disposal types and responses[1]

NOT EXHAUSTIVE

X Most frequent response

☐ Less than 50% agreement

Work type	Activities	Organizations: Program	OSSAM	PGO	AMSO Board	AMSO: OD/PM	AMSO: DEMSO	AMSO: PCMSO	AMSO: LPMS	AMSO: LMSO	AMSO: EMOSO	HSS	Outside Org
Planned	Manage buildings for day to day operations	(b)(5)											
	Provide work control and planning												
	Test campus emergency systems												
	Provide grounds maintenance												
	Provide textile cleaning												
	Provide regular property disposal												
Admini-strative	Write definition & engineering requirements												
	Manage O&M contracts												
	Manage janitorial contracts												
	Manage integrated pest management progra												
	Coordinate with State authorities												
	Manage energy management program												
	Manage recycle program												
	Commission buildings												
Request	Provide emergency response												
	Provide technical response												
	Provide property disposal upon request												
	Provide turnkey R&I repairs												
	Provide chemical HazMat disposal												
	Provide landscape repair and maintenance												

1 Survey of the Champions Team members was conducted to understand perspectives of who was responsible for each aspect of the facility management process

SOURCE: AMSO Champions team survey

(b)(5)

Strong performance
Weak performance

Quality performance categories	Description of leading practice	Current state
Clear metrics	▪ Balance of performance metrics that are **well-defined** ▪ Metrics **cascade** up and down organization ▪ Metrics **easily understood** and **consistently applied**	(b)(5)
Relevant targets	▪ **Targets established** for each measurement ▪ Targets defined with customer and other stakeholder **input** ▪ Long term or **"stretch" targets** established and worked toward	
Effective performance tracking	▪ **Data collected and stored** in easy-to-retrieve format ▪ Performance is tracked and charted in **reporting formats** ▪ Measurements are **easy** to read, effective, simple, and visual	
Robust performance dialogues	▪ Regular performance **meetings** with standardized agenda ▪ **Action planning** is responsive, effective, and dynamic ▪ When root-causes identified, solutions **implemented** with results	
Accountability and ownership	▪ Individuals held **accountable** for performance ▪ **Consequences** defined and acted upon for positive and negative results ▪ Robust mechanism for gathering and acting on **feedback**	

SOURCE: Expert interviews; Internal interviews

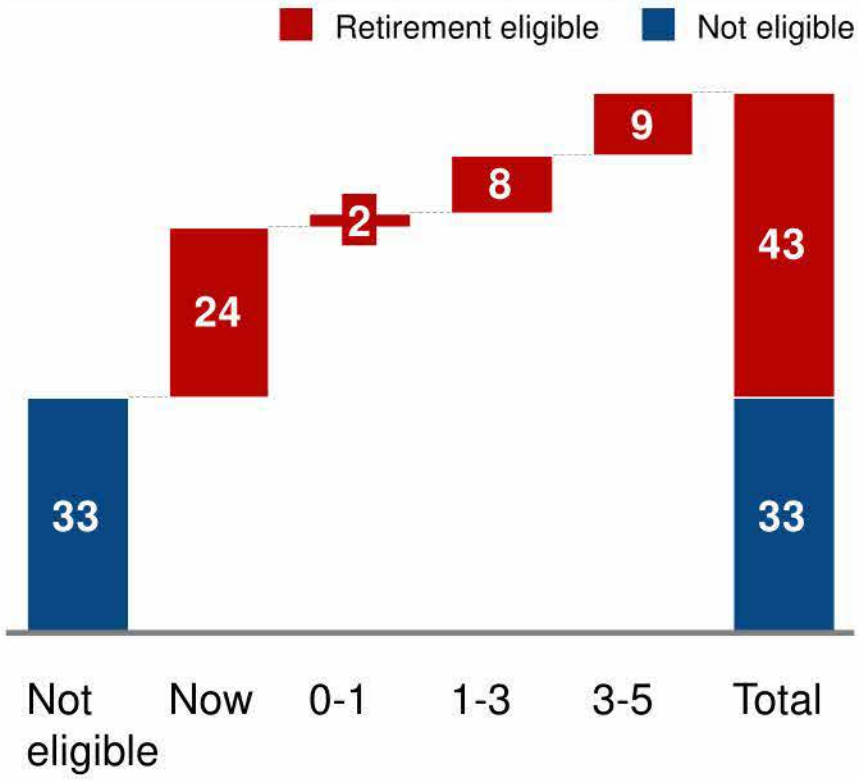
~55% of EMOSO will be eligible for retirement within the next five years,

(b)(5)

~55% of EMOSO staff will be eligible for retirement within next five years

Retirement eligibility within next 5 years

Number of FTEs per year (n=76)



Putting essential existing strengths of the department at risk

(b)(5)

SOURCE: Expert interviews; Internal interviews; Champion's Team EMOSO internal assessment and feedback matrix; AMSO Employee listing workforce management reporting data request, June 2015

Current systems may not be leveraged to their full potential, although

(b)(5)

	Limitations of current systems/processes	Potential progress underway
Customer notifications	(b)(5)	
Work hours		
Data accuracy		

SOURCE: Internal interviews; PMEI Asset Inventory and IT/IFMS Support documentation

Facility management options

Lowest Highest

Options	Rationale	Impact	Feasibility	Likely owner
(b)(5)				EMOSO / relevant program
				EMOSO / OSSAM / AMSO OD
				EMOSO
				EMOSO / OSSAM
				EMOSO / relevant department
				EMOSO
				EMOSO

Contents

(b)(5)

While AMSO departments are addressing and mitigating risks, there is

(b)(5)

Observed risk mitigating activities within AMSO

Portfolio Managers	Design Engineering & Management Services	Projects & Construction Management Services	Leased Property Management Services	Logistics Management Services	Engineering Maintenance & Operations Mgmt Services

(b)(5)

Observations

(b)(5)

We believe AMSO requires 7 activities for robust risk management across its departments

No identified activity Ad hoc activities Well documented activities with appropriate cadence Detailed next

(b)(5)

SOURCE: Best practice risk management, interviews

1 For AMSO, a risk register should include a combination of project delivery risks and operational risks

Risks	Risk subcategories	Description	Example
Project delivery risk	Design	(b)(5)	
	Finance		
	Contractor selection		
	Construction site		
	Post-construction		
Operational risk	Physical risks for properties		
	Employee related risk		
	Equipment related risk		

SOURCE: Best practice risk management

3 In addition to risk identification, clearly defined roles and responsibilities are essential to risk management

- No role identified
- Ad hoc roles identified
- Clear roles identified

Role		Responsibilities	Assessment[1]
Executive guidance	Risk steering committee	(b)(5)	
Coordination	Risk lead manager		
	Risk coordinators		
Execution	Risk group owners		
	Risk owners		

1 Assessment is qualitative rating across all AMSO departments and across multiple risks

SOURCE: Best practice risk management

Risk management options

Highest Lowest

Options	Rationale	Impact	Feasibility	Likely owner
(b)(5)				AMSO OD
				AMSO OD
				AMSO OD
				AMSO OD
				OSSAM OD

Contents

Throughout the past months, the current state has been assessed, best practices reviewed, and options to move forward identified

Focus of following pages

1. **Assess** – Where are we now?
2. **Aspire** – Where do we want to go?
3. **Architect** – What do we need to do to get there?
4. **Act** – How do we manage the journey?
5. **Advance** – How do we keep moving forward?

Performance	Health
(b)(5)	

SOURCE: Scott Keller and Colin Price, Beyond Performance: How Great Organizations Build Ultimate Competitive Advantage. 2011

In addition to the options described in each assessment area above, AMSO could pursue the following options (1/2)

Option	Rationale	Likely owner
Processes		
(b)(5)		AMSO OD
		AMSO OD
		AMSO OD / OSSAM OD
		AMSO OD
		AMSO OD
		OCOO
		AMSO OD

In addition to the options described in each assessment area above, AMSO could pursue the following options (2/2)

Option	Rationale	Likely owner
Systems		
(b)(5)		AMSO OD
		OSSAM OD
		OSSAM OD
		OCOO
		OCOO
		AMSO OD, Division Directors
		AMSO OD

1 Specific initiatives and plans to be clarified in conjunction with AMSO OD on the basis of the detailed Organizational Health Index results

The Champions Team has evaluated these cross-cutting options based on their impact and feasibility, and clustered options accordingly

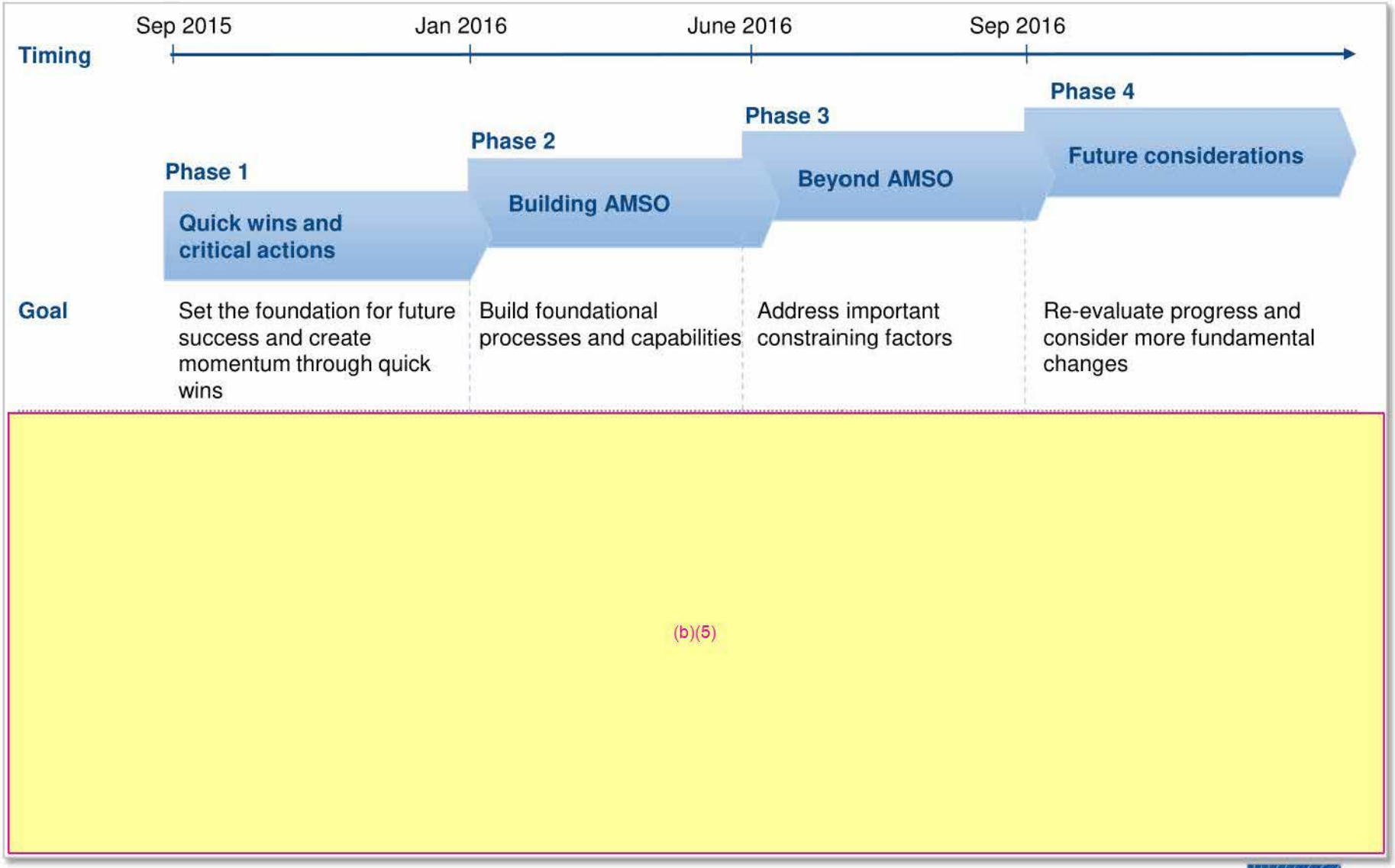
Relative evaluation of options

Cross-cutting options

Feas-
ibility

(b)(5)

Based on the evaluation of impact and feasibility, a roadmap for the cross-cutting options was developed



Compiled area-specific options (1/4)

Highest Lowest

Capital Planning Option	Rationale	Impact	Feasibility	Likely owner
(b)(5)				EMOSO and AMSO OD
				EMOSO and AMSO OD
				EMOSO and DEMSO with support from AMSO OD
				AMSO OD with support from DEMSO, PCMSO, and EMOSO
				AMSO OD
				AMSO OD with support from OSSAM OD
				AMSO OD and OSSAM OD
				CDC OD with support from AMSO

Compiled area-specific options (2/4)

Highest Lowest

Design and construction

Options	Rationale	Impact	Feasibility	Likely owner
(b)(5)				PCMSO with support from DEMSO
				AMSO OD with support from D,P,E
				OSSAM OD with support from AMSO
				AMSO OD
				DEMSO with support from PCMSO and EMOSO
				AMOSO OD with support from DEMSO, PCMSO, and EMOSO
				AMSO
				LPMS / GSA
				LPMS

Compiled area-specific options (3/4)

Lowest Highest

Leasing (continued)

Options	Rationale	Impact	Feasibility	Likely owner
(b)(5)				LPMS / relevant program
				LMSO
				LMSO / relevant program
				CDC / LMSO
				LMSO / EMOSO
				DEMSO / LMSO
				EMOSO / relevant program
				EMOSO / OSSAM / AMSO OD

Compiled area-specific options (4/4)

Lowest Highest

Facility management (continued)

Options	Rationale	Impact	Feasibility	Likely owner
(b)(5)				EMOSO
				EMOSO / OSSAM
				EMOSO / relevant department
				EMOSO
				EMOSO
				AMSO OD
				AMSO OD
				AMSO OD
				AMSO OD

Contents

There are three basic archetypes that are commonly seen across facilities organizations

ILLUSTRATIVE

	Function led	Region led	Asset type led
Overview	Con-struction - Region 1 - Region 2 - Region 3 Space manage-ment - Region 1 - Region 2 - Region 3 O&M - Region 1 - Region 2 - Region 3	Region 1 - O&M - Con-struction - Space mgmt Region 2 - O&M - Con-struction - Space mgmt Region 3 - O&M - Con-struction - Space mgmt	Office - O&M - Con-struction - Space mgmt Lab - O&M - Con-struction - Space mgmt Ware-house - O&M - Con-struction - Space mgmt
Pros and cons	⊕ Can result in strong and cost-effective central functions ⊖ Not appropriate if highly geographically dispersed assets	⊕ Creates regional knowledge, and accountability ⊖ Little central capability-building in functions, at risk of inefficiencies	⊕ Supports specialization when asset types require unique skills ⊖ Little central capability-building in functions, at risk of inefficiencies

Additional considerations

- Most organizations have a combination of these archetypes
- The main question is which axis to organize around

Note: Org structures are simplified for illustrative purposes
SOURCE: Expert interviews

Similar to CDC, most comparable public sector organizations are structured in a functional manner

ILLUSTRATIVE

FDA leads with a functional structure, which subdivides by geographic dimensions

FTEs ~130

- Planning, Engineering & Space Mgmt
  - Portfolio & Space Mgmt
  - Engineering Mgmt
- Operations Management
  - Facilities Maintenance & Operations
  - Logistics
- Facilities Program

DOI has a functional structure, and heavily uses contractors to performs its facilities work

FTEs ~70

- Office of Facilities & Administrative Services
  - Facilities maintenance
  - Administrative services
  - Support services

VA is organized by a functional structure, with regional considerations

FTEs

- Asset Enterprise Management
  - Capital Asset Management Service
  - Capital Asset Policy, Planning and Strategy Service
- Construction and Facilities Management
  - Facilities Planning
  - Facilities Acquisition
- Operations and Management
  - Procurement and Logistics
  - Capital Asset Mgmt

DOJ is largely organized by function and is highly decentralized across bureaus

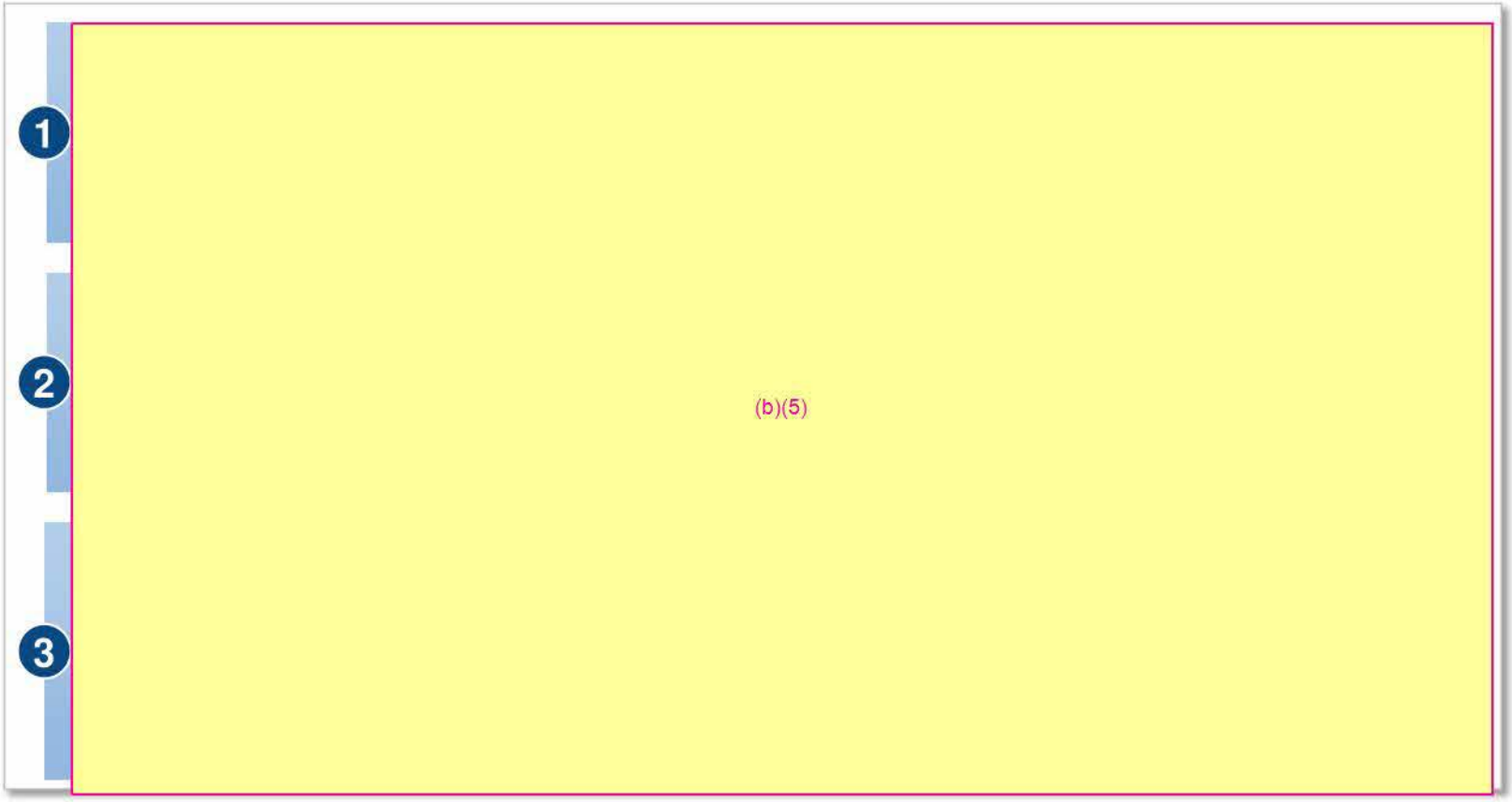
FTEs ~150

- Facilities Administrative Services Staff
  - Real Property Strategy & Planning
  - Maintenance & Operations
  - Ancillary Services

Note: Org structures are simplified for illustrative purposes
SOURCE: Expert interviews; Publicly available information

Given that CDC's structure is consistent with best practice, AMSO could focus (b)(5)

(b)(5)



Contents

(b)(5)

(b)(5)

Contents

Given ~50% of AMSO is eligible for retirement in the next five years, any necessary shifts in resource allocation can occur progressively

SOURCE: AMSO Employee listing workforce management reporting data request, June 2015; Excludes AMSO OD

Review of the HR process

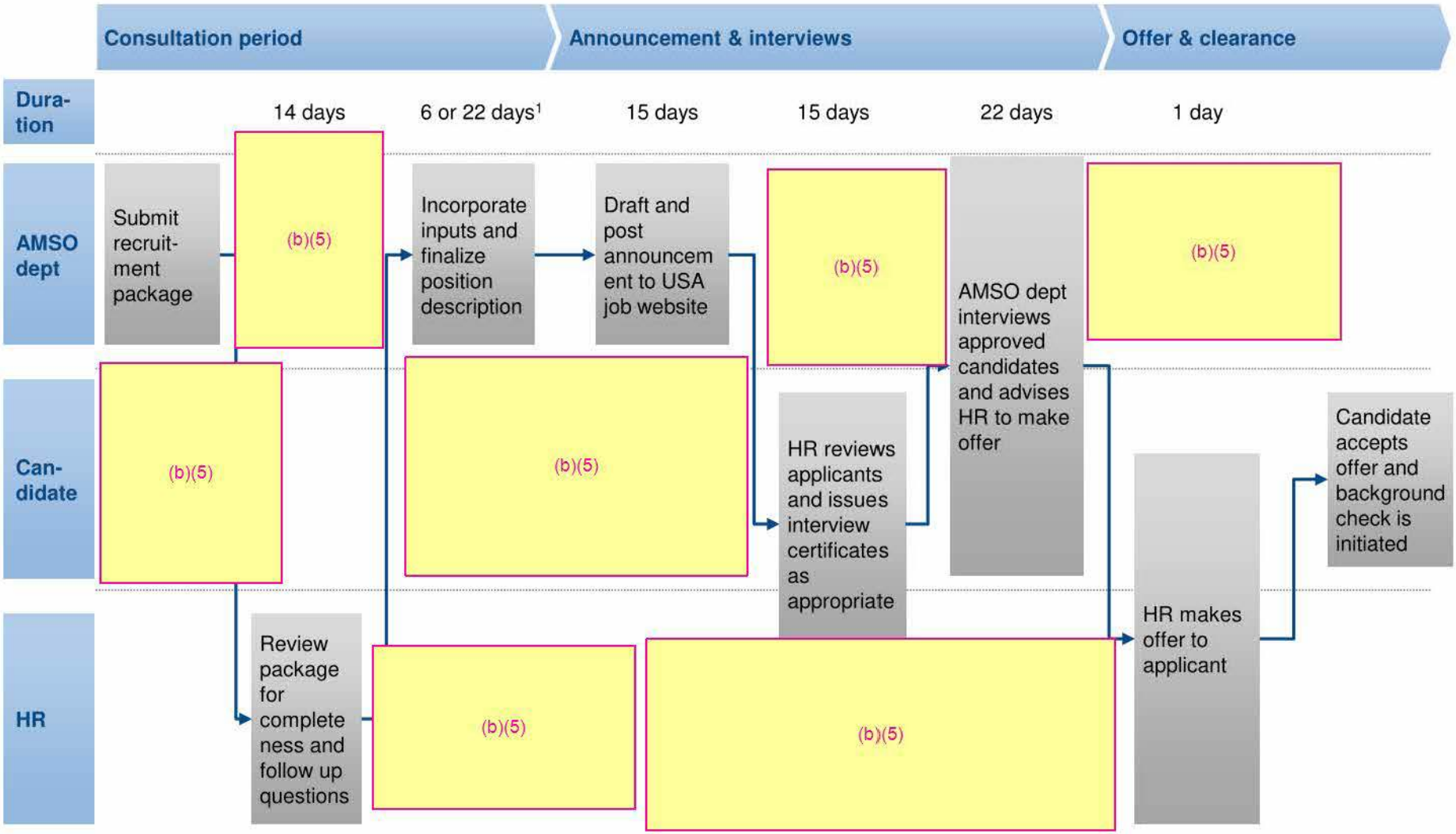
(b)(5)

NOT EXHAUSTIVE

(b)(5)

Pockets of excellence

Developmental area



1 Existing positions have 6 days, new position descriptions have 22 days

SOURCE: External and internal interviews; HR KPI tracking data request, July 2015

All construction costs and benchmarks were adjusted to 2015 Atlanta, GA dollars using the following methodology for analogous comparison

Time adjustment

Completed projects (majority of projects in the database)

- Construction costs ($/sqft) were **adjusted to 2015** using the ENR's Construction Cost Index History (1908-2015)
  - 200 hours of common labor at the 20-city average of common labor rates, plus 25 cwt of standard structural steel shapes at the mill price prior to 1996 and the fabricated 20-city price from 1996, plus 1.128 tons of portland cement at the 20-city price, plus 1,088 board ft of 2 x 4 lumber at the 20-city price.

In progress projects

- No change as escalation costs are included in the project estimates

ENR Engineering News-Record

Location adjustment

All projects were adjusted to the **National Average** using **R.S. Means City Cost Index (CCI)**

- CCI is a **composite index** that relies on **nine structures** (including a hospital)
- CCI currently consist of:
  - Specific quantities of 66 commonly used construction materials
  - Specific labor-hours for 21 building construction trades
  - Specific days of equipment rental for 6 types of construction equipment (normally used to install the 66 material items by the 21 trades).
- CCI was applied with the closest city if known or average of the sate if unknown

RSMeans FROM THE GORDIAN GROUP

SOURCE: ENR Construction Costs Index History; R.S. Means Online

CDC

AMSO executes numerous types of projects and contracts

(b)(5)

(b)(5)

Work type	Description	Approval levels and thresholds
Repairs and Improvements projects	▪ **Funding source:** – Building and Facilities (B&F) – R&I lump sum fund – 5 year lump sum annual appropriation by Congress ▪ **Project types:** – **Improvements:** renovations or alterations to an existing property to allow its continued or more efficient use within its designated purse or for use for a different purse or function. No addition to usable space allowed with few waivers. Example projects: upgrading MEP, site improvements, reconfiguration of current space. – **Repair:** restoration of a failed or failing primary building system or real property component to ensure effective use. Example projects: structural foundation, building HVAC system, etc. ▫ **Repair by replacement:** replacement of a building when cost of documented repairs is 75% of cost to replace	▪ **CDC (AMSO Director):** – Improvement projects: less than $2M ▫ Less than $110K by EMOSO AD or Portfolio Managers – Repair projects: less than $5M ▫ Less than $110K by EMOSO AD or Portfolio Managers ▪ **HHS (PSC/REL[1]):** – Improvement projects: $2M-$10M – Repair projects: $5M-$10M ▪ **HHS Capital Investment Review Board:** – Any project $10M+ – Any other project impacting more than one HHS component or high profile because of risks, O&M costs & visibility
Construction projects	▪ **Funding source:** – B&F Fund – R&I lump sum fund – B&F Fund – line item appropriation by Congress – No year lump sum appropriations (unless using R&I funds) ▪ Project types: projects that add space to the existing CDC portfolio ▪ Example projects: construction of a building or a room	▪ **CDC (AMSO Director):** – Project cost is less than $1M ▪ **HHS (PSC/REL[1]):** – Project cost is between $1M and $10M ▪ **HHS CIRB:** – Project cost is above $10M
Misc. projects	▪ **Funding source:** – B&F Fund – R&I lump sum fund ▪ **Project types**: minor renovations, temporary construction, equipment, etc.	▪ **CDC (AMSO Director):** – Same as R&I repairs, improvements, and construction project thresholds
Maintenance contracts	▪ **Funding source:** – Operations budget from Working Capital Fund ▪ **Contract type:** work to keep a property, facility, and/or a building system or component in a continuously usable state or condition ▪ Example contracts: Four Seasons, Goodwill	▪ **CDC (AMSO Director):** – Maintenance contracts: full authority over appropriated amount

1 PSC/REL: Program Support Center/Real Estate Logistics

SOURCE: HHS Facilities Manual; HHS Memo dated Feb 2009 for "changes to thresholds for projects and sustainable bldgs. Reqmts"

(b)(5)

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