Office of Property Management

Description	FY 2002 Approved	FY 2003 Proposed	% Change
Operating Budget	$33,820,164	$46,619,383	37.8

The mission of the Office of Property Management (OPM) is to meet the needs of the District by providing a work environment of the highest quality and services that meet industry best standards of excellence.

The core values of the organization's efforts are quality, integrity, a sense of community and a genuine commitment to people. The agency plans to fulfill its mission by achieving the following strategic result goals:

- Working toward implementation of a single, comprehensive real estate strategy.
- Managing the District's real property assets to their highest and best use, maximizing the value of the assets under the District's control.
- Developing appropriate strategies whereby District real property assets serve as stimuli for neighborhood planning and development.
- Improving financial accountability by developing and implementing activity based costing budget models and performance benchmarks.
- Improving customer service by assessing and documenting customer requirements and customer services.
- Maintaining or reducing operating costs and improving service delivery.

Did you know…

Repairs and improvement services consist of the following:
Electrical, heating, air-conditioning, welding, plumbing, carpentry, masonry, locksmith and painting work

Building operation and maintenance services include the following:
Engineering, janitorial, landscape, window washing, minor repairs and non-structural improvements

Where the Money Comes From

Table AM0-1 shows the sources of funding for the Office of Property Management.

Table AM0-1

FY 2003 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change From FY 2002
Local	7,163	12,511	7,262	8,429	1,168
Intra-District	0	0	0	0	0
Other	2,169	11,032	1,643	1,694	51
Intra-District	28,971	35,969	24,916	36,496	11,581
Gross Funds	**38,303**	**59,513**	**33,820**	**46,619**	**12,799**

How the Money is Allocated

Tables AM0-2 and AM0-3 show the FY 2003 proposed budget and FTEs for the agency at the Comptroller Source Group level (Object Class level).

Table AM0-2

FY 2003 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Regular Pay - Cont Full Time	10,465	8,753	9,837	10,738	901
Regular Pay - Other	0	2	0	0	0
Additional Gross Pay	2,925	824	507	534	26
Fringe Benefits - Curr Personnel	1,962	1,517	1,544	1,974	430
Personal Services	*15,351*	*11,096*	*11,888*	*13,246*	*1,358*
Supplies And Materials	543	560	848	761	-87
Energy, Comm. And Bldg Rentals	586	580	166	187	21
Telephone, Telegraph, Telegram, Etc	441	109	75	512	437
Rentals - Land And Structures	630	562	864	1,759	895
Janitorial Services	0	-39	171	115	-56
Security Services	0	0	201	216	16
Other Services And Charges	3,600	2,294	3,539	3,016	-523
Contractual Services - Other	16,944	43,499	15,620	26,757	11,138
Equipment & Equipment Rental	207	202	450	50	-400
Expense Not Budgeted Others	0	649	0	0	0
Non-personal Services	*22,951*	*48,416*	*21,932*	*33,374*	*11,441*
Total Proposed Operating Budget	**38,303**	**59,513**	**33,820**	**46,619**	**12,799**

Table AM0-3
FY 2003 Full-Time Equivalent Employment Levels

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Continuing full time	193.5	170.25	206	248	42
Total FTEs	**193.5**	**170.25**	**206**	**248**	**42**

Local Funds

The proposed Local budget is $8,429,321, an increase of $1,167,740 or 16.1 percent over the FY 2002 approved budget of $7,261,581. The variance includes an increase of $1,172,481 in personal services and a decrease of $4,741 in nonpersonal services. There are 57 FTEs funded by Local sources, an increase of nine FTEs over FY 2002. This increase is associated with both seven additional inspectors needed to support increased responsibilities associated with the "Omnibus Government Real Property Asset Management Reform Act of 1999" and an increase of two FTEs to support a Mayoral enhancement for policy and program analysis. In FY 2002, an amount of $2.5 million for the Omnibus Act was placed in nonpersonal services as a placeholder. In FY 2003, a portion of this funding will be used support personal costs.

Significant changes are:

- A net increase of $911,431 in regular pay associated with the pay increase approved in FY 2002, an increase due to the addition of seven FTEs to support the Omnibus Act (funded through a decrease in nonpersonal services), an increase of $102,000 to support a Mayoral enhancement, and a decrease of $50,000 for management cost-savings initiatives.
- An increase of $26,473 in additional gross pay to align the agency with historical spending.
- An increase of $234,577 in fringe benefits. This increase is due to the pay raise approved in FY 2002, the addition of $18,000 for a Mayoral enhancement supported by two FTEs, and additional funding for seven added FTEs to support the Omnibus Act.
- A net increase of $285,429 in fixed costs.
- An increase of $718,580 in occupancy costs due to OPM's expansion. In FY 2003 Protective Services Division will be expanding its operations and moving to Judiciary Square. In addition, OPM will continue to pay the shortfall in leasing costs for vacant properties.
- A decrease of $721,283 in other services and charges from the $2.5 million earmarked for the Omnibus Act to support the personal costs previously described.
- A decrease of $80,940 in supplies associated with cost-saving initiatives.
- A decrease of $181,448 in contractual services associated with cost-saving initiatives.

Other Funds

The proposed Other budget is $1,693,598, an increase of $50,622, or 3.1 percent, over the FY 2002 approved budget of $1,642,976. Of this amount, an increase of $222,630 is for personal services and a decrease of $172,008 is for nonpersonal services. There are five FTEs funded by Other revenue, an increase of three FTEs over FY 2002. The increase of three FTEs will support outleasing functions within the Office of Property Management. This fund consists of revenues collected through renting District properties and collecting fees for parking on District government properties.

Significant changes are:

- An increase of $222,630 in personal services to support the increase of three FTEs.
- A decrease of $172,008 in nonpersonal services due to a reduction in contractual services and other services and charges.

Intra-District

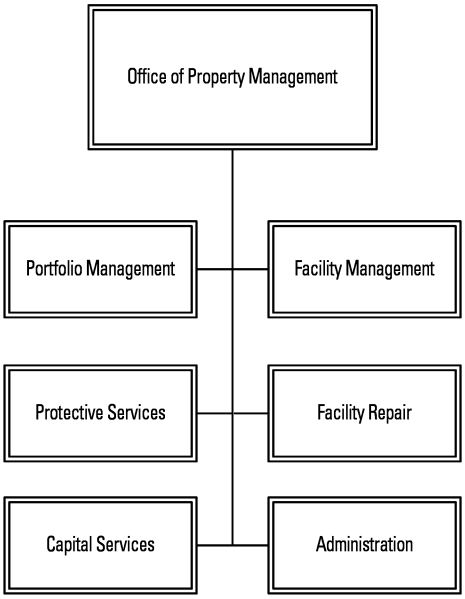
The proposed intra-District budget is $36,496,464, an increase of $11,580,857 or 46.5 percent, over the FY 2002 approved budget of $24,915,607. Of this net increase, $37,308 is a decrease in personal services, and $11,618,165

is an increase in nonpersonal services. There are 186 FTEs funded by intra-District sources, an increase of 30 FTEs over FY 2002. Of this increase 28 additional FTEs will replace existing contractual guards at the Wilson Building (27 of the 28 positions were FTEs transferred from the D.C. General Hospital closing, and will be funded through the Wilson Building fund), and two additional FTEs will occur in custodial services. intra-District funds will be used to fund janitorial contracts, building repair, security contracts, postage and occupancy costs, including elevator repair, air-conditioning repair, snow removal, and other building maintenance.

Significant changes are:

- A decrease of $37,308 in personal services due to a realignment of personnel costs from intra-District to Local funding.
- An increase of $309,701 in fixed costs, due to an increase in energy, occupancy, and telecommunications costs.
- An increase of $205,279 in other services and charges and supplies.
- An increase of $11,490,185 in contractual services due to expectancy of increased revenue collection in occupancy, custodial, and security services.
- A decrease of $375,000 in equipment due to vehicles purchased in FY 2002.

Figure AM0-1
Office of Property Management



Programs

The Office of Property Management operates the following programs:

Administration

This program provides strategic direction to the District's real estate operations. It also develops and implements polices, regulations, and guidelines. This program is fully funded by Local revenue sources.

A key initiative associated with the Administration program is:

- Providing oversight over technical, financial, and budgetary matters.

Portfolio Management

The purpose of this program is to direct matters relating to maximizing the utilization of real estate assets, including acquisition, lease management, and planning. Rent services, included

under Portfolio Management, is responsible for directing and maintaining the District's portfolio of properties that are rented to private-sector clients. The program is fully funded by Other revenue sources.

A key initiative associated with the Portfolio Management program is:

- Implementation of the Omnibus Government Real Property Asset Management Reform Act to inventory, classify, maintain and dispose of real estate assets.

Facility Management

The purpose of this program is to administer building operations and services, including engineering, custodial inspection, repair and non-structural improvements, as well as the energy conservation program. The office also manages and monitors contract compliance over the District's real property. Parking is included under Facility Management, which also is responsible for directing matters relating to the use of District-owned parking facilities. The program is fully funded by Other revenue sources.

A key initiative associated with the Facility Management program is:

- Establishing an elevated threshold for the number of facilities that are well maintained.

Protective Services

The purpose of this program is to administer security contracts and develop regulations, instructions, and procedures regarding security-related functions. It provides security services for District-owned and leased facilities, and manages the District's electronic surveillance systems. The program is fully funded by intra-District funding.

A key initiative associated with the Protective Services Program is:

- Maintaining high quality security services for District agencies.

Facility Repair

The purpose of this program is to manage facility repairs and building alterations, perform project management functions relating to repair activities, monitors contracts, and performs major and minor repairs. The program is fully funded by intra-District funding. A key initiative associated with the Facility Repair program is to continue the physical support for District agencies.

Capital Services

The purpose of this program is to provide design and engineering services, project management, and construction management oversight to the District's capital improvement program for facilities. The program is fully funded by intra-District funding.

A key initiative associated with the Capital Services Program is:

- Establishing a new framework that will reform the process for managing the implementation of the capital improvement program for facilities.

Capital Improvement Program

As part of the District wide cost savings initiative for FY 2002, the Office of Property Management's (OPM) total budget authority was reduced by $14,056,265 from $123,805,812 to $109749547. (Refer to Capital Improvements Plan, Appendix E). The FY 2003 proposed capital budget for new funding in OPM is $26,629,000.

New Projects

The Office of Property Management's capital budget reflects funding for the following new initiatives:

- Upgrades to the D.C. Warehouse. Electrical and fire alarm system upgrades will replace systems in need of modernization.
- Renovation of the facilities of the Recorder of Deeds. This effort will require replacement of existing mechanical system including all plumbing and major HVAC components. The electrical and fire alarm systems, elevators, restrooms, stairwells and other systems will be upgraded or replaced.
- Construction of a new Government Center in Anacostia to spur economic development and create job opportunities for District citizens as well as providing space for government agencies, including Fire and Emergency Services.

In addition, the agency will receive funding for the following ongoing projects:

- Renovation of the D.C. Armory which is in the second year of a six-year capital program. This project upgrades the building exterior, the electrical system and the roof to address life/safety issues at the facility. Upon completion, the Armory will be suitable as a site for major athletic events, conventions, and concerts.
- Continued renovations at the Reeves Municipal Center, including engineering studies of electrical, HVAC and elevator systems.
- Continued renovation of Government Centers throughout the District.
- Reconfiguration of existing office space at One Judiciary Square.
- Management and integration of information pertaining to District government office space, office equipment, furniture and parking spaces through the property management information technology system.
- Acquisition of property for the development of a Government Center to house the Departments of Employment Services and Human Services.
- Implementation of the Electronic Security Standardization project, which installs security safeguards and devices to raise the level of security for all District owned and leased properties.

Table AM0-4

Capital Improvement Plan, FY 2001-FY 2008

(dollars in thousands)

				FUNDING SCHEDULE							
Cost Elements	Through FY 2001	Budgeted FY 2002	Year 1 Total	Year 2 FY 2003	Year 3 FY 2004	Year 4 FY 2005	Year 5 FY 2006	Year 6 FY 2007	6 Years FY 2008	Budget	Total Budget
a. Long Term Financing:	29,630	9,303	38,933	20,629	11,109	4,903	4,000	1,000	0	41,641	80,574
b. Local Street Fund:	0	0	0	0	0	0	0	0	0	0	0
c. Grants:	0	0	0	0	0	0	0	0	0	0	0
d. Pay Go:	0	0	0	0	0	0	0	0	0	0	0
e. Hwy Trust Fund:	0	0	0	0	0	0	0	0	0	0	0
f. Equipment Lease	0	0	0	0	0	0	0	0	0	0	0
g. Alternative Financing	0	0	0	0	0	0	0	0	0	0	0
h. Other:	0	0	0	0	0	0	0	0	0	0	0
Total:	**29,630**	**9,303**	**38,933**	**20,629**	**11,109**	**4,903**	**4,000**	**1,000**	**0**	**41,641**	**80,574**
				EXPENDITURE SCHEDULE							
a. Design:	8,017	1,340	9,357	2,720	1,800	1,250	750	0	0	6,519	15,876
b. Site:	2,100	0	2,100	6,000	0	0	0	0	0	6,000	8,100
c. Project Management:	3,402	1,238	4,640	2,660	2,210	1,450	950	200	0	8,229	12,868
d. Construction:	14,641	5,726	20,367	7,100	4,800	800	800	800	0	14,300	34,667
e. Equipment:	1,470	1,000	2,470	2,150	2,300	1,403	1,500	0	0	7,353	9,823
Total:	**29,630**	**9,303**	**38,933**	**20,629**	**11,109**	**4,903**	**4,000**	**1,000**	**0**	**41,641**	**80,574**

Agency Goals and Performance Measures

Goal 1: Acquire operational locations for selected government agencies.

Citywide Strategic Priority Area: Making Government Work

Manager: Mike Lorusso, Deputy Director

Supervisor: Tim Dimond, Director

Measure 1.1: Acquire new or replacement locations

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	N/A	N/A	5	N/A	N/A
Actual	N/A	N/A	-	-	-

Note: New measure added 2/21/02. FY02 acquisition objectives are: 2 Government Centers (1st Quarter), DHS Lease buyout (1st Quarter), Ward 4 Aging Wellness Center site (3rd Quarter), DPW Impoundment Lot site (4th Quarter). FY03-04 targets are TBD.

Goal 2: Complete Wilson Building and One Judiciary Square space allocation.

Citywide Strategic Priority Area: Making Government Work

Managers: Alyssa Turner, Project Manager (Measure 2.1); Mike Lorusso, Deputy Director (Measure 2.2 & 2.3)

Supervisor: Tim Dimond, Director

Measure 2.1: Wilson Building: Close out of base building and reopening of adjacent street and front entrance (second quarter) and implementation of security design and protocol (fourth quarter).

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	N/A	N/A	100	N/A	N/A
Actual	N/A	N/A	-	-	-

Note: New measure added 2/21/02. Goal 2 will only apply for FY 2002 but will be included in the FY 2003 budget as the place of record for the modifications to OPM FY 2002 performance accountability goals. For this reason, no targets are presented for FY03 or FY04. FY 2002 target is meet milestones listed in measure title (100% completed).

Measure 2.2: Complete OJS backfill by assigning agencies all vacated space through Wilson Relocations and determine restacking plan (100% complete by second quarter).

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	N/A	N/A	100	N/A	N/A
Actual	N/A	N/A	-	-	-

Note: New performance measure added 2/21/02. Goal 2 will only apply for FY 2002 but will be included in the FY 2003 budget as the place of record for the modifications to OPM FY 2002 performance accountability goals. For this reason, no targets are presented for FY03 or FY04.

Measure 2.3: Establish and complete build-out of conferencing center on the 11th floor of OJS. (100% complete by 3rd quarter.)

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	N/A	N/A	100	N/A	N/A
Actual	N/A	N/A	-	-	-

Note: New measure added 2/21/02. Goal 2 will only apply for FY 2002 but will be included in the FY 2003 budget as the place of record for the modifications to OPM FY 2002 performance accountability goals. For this reason, no targets are presented for FY03 or FY04.

Goal 3: Reform the process for managing the implementation of the capital improvement program for facilities.

Citywide Strategic Priority Area: Making Government Work

Manager: Kandikere Krisnamurthy, Administrator, Capital Construction Division

Supervisors: Mike Lorusso, Deputy Director & Tim Dimond, Director

Measure 3.1: Establish baseline measurement for the average time it takes to design, procure, manage and implement a capital construction project and reduce it. (Percent reduction.)

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	N/A	N/A	N/A	-10	-15
Actual	N/A	N/A	-	-	-

Note: FY 2002 target is: "Establish baseline measurement by 4/02."

Goal 4: Establish recycling programs for District-owned facilities consistent with Sierra Club Agreement.

Citywide Strategic Priority Area: Making Government Work

Managers: Iris Proctor, Administrator of Facilities Management & Mike Lorusso, Deputy Director

Supervisor: Tim Dimond, Director

Measure 4.1: Percent of District facilities with fully operational office recycling programs according to timetable

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	N/A	N/A	100	100	100
Actual	N/A	N/A	-	-	-

Note: New measure added 2/21/02.

Measure 4.2: Recyclable rate as a percentage of total trash from four largest locations

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	N/A	N/A	N/A	20	25
Actual	N/A	N/A	-	-	-

Note: New performance measure added 2/21/02. FY02 target is: "Establish baseline."