

The Property Plan-You Are Now Free to Fly!!

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Presentation's Objectives

- ❑ Enhance your “picture” of property management’s role in developing The Plan
- ❑ Examine some sponsors’ requirements
- ❑ Review what some successful Plans have contained



Business components in today's world

- Every company large or small has four major components:
 - Finance...those \$s
 - Human resources...people
 - Operations...that which you provide and last but not least
 - **Property**, which is a major expense and unfortunately often overlooked...we've got change that!!

Objectives of an Effective Property Management Plan

- ❑ Optimize property utilization
- ❑ Meet sponsor's requirements (compliance)
- ❑ Support the Company's business and corporate goals
- ❑ Make a contribution to the bottom line

Compliance (from the previous slide) means...

- ❑ Merriam-Webster tells us it means conformity to official requirement
- ❑ In essence it is understood to satisfy the requirements of a sponsor or regulation
- ❑ It can also mean satisfactorily following organizational policies, procedures and operational guidelines

What The Plan could do for your “System”

- Develop an effective management tool
- Ensure effective stewardship
- Boost reutilization
- Increase cooperation & collaboration

Stewardship

- Change creating greater emphasis on the word **"Stewardship"**.

Easily defined as knowing what we have, where we have it and how its being used (sound familiar?).

Should place far greater roles and responsibilities on anyone who touches or uses property.

Some call this **"Individual Accountability"!**

Some of that legal stuff

- ❑ You just can't get away from it
- ❑ That's what we do...our roots are imbedded in law so there's just no way to get around it.

Where it all began-Federal Acquisition Regulation (FAR)

□ Public Law 93-400

- Office of Federal Procurement Policy (OFPP) Act of 1974

□ Amended by Public Law 96-83 and OFPP Letter dated August 19, 1985

- But some of our stuff went back to the DAR and the ASPRS!! (I remember those!)

The “Quantum Leap”

- ❑ So this new way of doing business is a cultural shift!!
- ❑ No...seriously, this is a big deal!!
- ❑ For some, it's subtle but for others...well...it's a **big transition**

Let's talk about it!!

Some advice...

- ❑ The next few slides are really important to think about whether you've already done your Plan and you're looking to enhance or revise it or you are still in the mist of initialing developing it.
- ❑ Both Skip and me just wish for you to think how you could improve things

Key words to consider

- **Accountability**-answerable
 - Two types of contractual accountability
 - Financial
 - Logistical
- **Fiduciary**-third party “financial” relationship
 - Taxpayer, USG and User
- **Materiality**-of real importance
 - Criticality of the asset or individual piece of property based on a number of issues
 - Cost, security, hazardous or risk, etc.

FAR's Guiding Principles

- FAR 1.102: Statement of Guiding Principles for the Federal Acquisition System:

Deliver on a timely basis the *best value* product or service to the customer, while maintaining the public's trust.

Contractor's responsibility: It all starts with a plan!

“Contractors shall develop property management plans and systems, at the contract, program, site or entity level that reflect their efforts to obtain best value”.

- ❑ Contractor ***to build*** plan using Voluntary Consensus Standards or Industrial Leading Practices.
- ❑ Government assumes risk as long as the contractor's practices do not place the Government at risk.

What is a Property Management Plan?

- A strategic look at how best to manage the government's property holdings ("I am a custodian") based on best value
 - Program
 - Site
 - Entity
- What should the plan provide?
 - Performance outcomes (Acquisition thru Contract Closeout)
 - Using primarily **Voluntary Consensus Standards** and **Industry Leading Practices**

Voluntary consensus standard

- VCS means common and repeated use of rules, conditions, guidelines or characteristics for products, or related processes and production methods and related management systems. Voluntary consensus standards are developed or adopted by domestic and international voluntary consensus standards making bodies. **The USG does not endorse any one VCS or VCS making body**
- However, the USG has had creative involvement with ASTM International E-53 Committee

Contractor outcomes

- What were once “functional areas” are now contractor outcomes:
 - Acquisition
 - Receiving
 - Records
 - Physical inventory
 - Subcontractor control
 - Reports
 - Relief of stewardship
 - Utilization
 - Maintenance
 - Contract close-out

Yet, there's more to it!

- Besides the 10 outcomes there are requirements addressed for the following in the clause 52.245-1:

Source documents

Procedures

Self-assessment

Reference documents

Developing the Property Plan

- ❑ Preparing your procedures (yep, ya' still gotta do those)
- ❑ Assess the **10 "Life cycle outcomes"** and how the standards may assist
- ❑ Tackling the added requirements outlined in the property clause 52.245-1

The “Plan”

- The Property Plan should address four major topics besides the Outcomes at the contract, program, site or entity level that reflect their efforts to obtain best value and should **be rather simple in nature** (don't complicate things):
 1. An Introduction
 2. The Scope
 3. The Purpose and
 4. Process Ownership

(Quick note...simplicity v. complexity...kind of difficult and contrary to other management concepts)

Self-Assessment-Extremely Important and Brand New!!

- The Contractor shall establish and maintain procedures necessary to assess its property management system effectiveness, and shall perform periodic internal reviews and audits. **Significant** findings and/or results of such reviews and audits pertaining to Government property shall be made available to the Property Administrator.

Self-Assessment (cont.)

- ❑ Develop, maintain and publish metrics (standards if you so choose) to measure the performance of the property management system.
- ❑ Metrics will be used to provide insight for initiating process improvements
- ❑ The program must reveal strengths as well as weaknesses so that resources can be directed where needed, when needed

Questions???

Thank you!

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