

## ***Chapter 2: Introduction***

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### **BASIS FOR THE DOE REAL ESTATE PROCESS**

The generic legislation under which the Department of Energy has real property holding authority is the Department of Energy Organization Act (PL 95-91). Generally, departments and agencies with such authority may exercise the full range of real estate activities. Section 647 of the Act specifically addresses the property holding responsibilities of DOE. Under this section, the Secretary of Energy is "authorized to acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain laboratories, research and testing sites and facilities, quarters, and related accommodations..."

In addition to these responsibilities, which are directly related to the accomplishment of DOE's technical missions, DOE may acquire general-purpose office and related space and certain special purpose space by virtue of delegated lease acquisition authority from the General Services Administration. DOE also may authorize its contractors to procure space needed in connection with DOE programs and projects. These latter authorities stem from the Federal Property and Administrative Services Act of 1949 (63. Stat. 471) which permits GSA to delegate to other Federal agencies its authority to procure leased space. In exercising its delegated authority, DOE is subject to the rules and requirements of the Federal Management Regulations (FMR, sections 101-17 and 101-18), the FMR section 102-72 (Delegation of Authority) and the Federal Acquisition Regulation (FAR) as incorporated into the General Services Acquisition Regulation (GSAR) for leasing.

Within the parameters of the enabling legislation and the delegated authority, DOE has established policies and procedures for the operation of its real estate function. The overall direction for the Department of Energy's real estate program is contained in DOE Order 430.1B, *Real Property Asset Management* (RPAM), issued September 24, 2003. The order establishes a corporate, holistic, and performance-based approach to real property life-cycle asset management that links real property asset planning, programming, budgeting, and evaluation to program mission projections and performance outcomes. To accomplish the objective, this Order identifies requirements and establishes reporting mechanisms and responsibilities for real property asset management. This Order implements Department of Energy (DOE) P 580.1 *Management Policy for Planning, Programming, Budgeting, Operations, Maintenance and Disposal of Real Property*, dated May 20, 2002.

Although certain real estate directives including DOE O 4300.1C, *Real Property Management* and DOE O 430.1A, *Life-Cycle Asset Management*, were cancelled as official policy documents by this new Order, their use as reference material is encouraged. They continue to serve a useful purpose as guides or roadmaps for the initiation and completion of real estate projects.

Documents that have proven particularly helpful in outlining the fundamental real estate processes are DOE Order 4300.1 C, *Real Property Management*, and the *Department of Energy Leasing Handbook*. These two documents, coupled with the Good Practice Guides on Site Selection (No. 024) and Comprehensive Land-use Planning (No. 033) provide an overall view of the essential matters that a Realty Specialist must address in performing his/her role. This Desk Guide brings together these documents, as well as others addressing capital asset management, GSA leasing procedures, outrants, etc., in a single, quickly accessible form. It broadens coverage of the real estate process by presenting the common steps Real Estate personnel will generally follow to complete either routine or complex real estate actions. A major goal of the Desk Guide is to identify the role of Real Estate in the planning and asset management areas of the process, and to focus on the necessity for close interaction between Real Estate and the other field elements with responsibility for meeting the RPAM requirements (see specifically, Chapters 3, 4, and 9).

To understand the roles of the offices involved in the real estate process, this Introduction includes brief explanations of the functions of these offices as they relate to the management of real property assets. These explanations are meant to be short general overviews of each office's role in the real estate process; they are not intended to describe all of the functions these offices perform.

## **ROLE OF REALTY SPECIALIST**

The Realty Specialists are responsible for managing the real estate program for their respective Operations Offices. They play the central role in the housing of DOE employees, whether through developing requirements for a GSA space acquisition, satisfying a property need themselves, or overseeing and approving a contractor leased space acquisition. Realty Specialists are charged with implementing the RPAM directive and other real estate/asset management policies, procedures, and initiatives developed by Headquarters. They participate directly in land-use planning for the site and are key players in plan implementation. The major tasks they perform include acquiring interests in real property; managing the site's real estate inventory, including the outranting of owned or leased property; identifying excess property and arranging for its disposition; and assuring that data covering the site's real property assets is maintained in the Facilities Information Management System. Pursuant to RPAM and formal delegations of authority from NA-1 and MB-1, Certified Realty Specialists (CRS) have been delegated unlimited real estate authority (except for acceptance of donations or the institution of condemnation actions) and only with a CRS's approval may DOE site managers authorize or contract for real estate actions. (The box at the end of this chapter identifies the central areas of responsibility of the Realty Specialist.)

***Interaction of Real Estate and Field Planning Activities***

The development of a comprehensive land-use plan and a Ten Year Site Plan requires close, integrated action between Real Estate and other key planning processes in the field, including NEPA, utility planning, asset management, and project planning. This interaction and joint plan formulation can facilitate implementation of land-use decisions, and make Real Estate better able to determine the necessary real property rights to be acquired to perform the mission, establish the appropriate space parameter requirements, assure the optimum usage of real property and space, and dispose of rights no longer needed to support the mission. (See Chapter 3 on Comprehensive Planning and the Land-use Planning and Management Processes.)

**ROLE OF THE OPERATIONS OFFICES**

The DOE Field Elements are responsible for preparation of budget requests and planning for physical assets, including real property. They have responsibility for identifying excess real property that has significant remaining useful life, and for notifying the Office of Field Management of its existence, when appropriate. The offices are charged with assuring that inactive and surplus facilities are managed adequately until a reuse is found or the property is disposed of. They also must assure the establishment of an efficient, economic approach to asset management in conjunction with program offices and the Office of Engineering and Construction Management (ME-90). These offices are accountable to the program offices and the Landlord program office for contractor performance, and coordinate all review and external oversight activities of the contractors.

**ROLE OF HEADQUARTERS****Secretary of Energy or Designee**

The Secretary of Energy, or NA-1 for NNSA sites, authorizes the acquisition of interests in real estate by condemnation; accepts real property donations; and approves critical strategic planning decisions. See Section 5a in RPAM for other rules and responsibilities.

**Office of Engineering and Construction Management**

OECM serves as the point-of-contact for external activities and issues relating to real property life-cycle asset management. They provide technical assistance to program offices, landlord programs, and field elements. See Section 5a in RPAM for other rules and responsibilities.

**Program Office**

The program office is responsible for defining, planning, and budgeting for program needs, including operations, facilities, and projects. It oversees field element program and project implementation, and field elements to assure an efficient, economic approach to asset management. See Section 5a in RPAM for other rules and responsibilities.

## **Program Office Designated as Landlord**

The Landlord program offices are responsible for establishing policies and procedures and funding for the site's implementation of programs and projects relative to the management of site infrastructure. For multi-program sites, the Landlord coordinates funding requirements with other program offices. The Landlord also reviews field element infrastructure activities in conjunction with the program offices and the Office of Field Management.

## **Real Estate**

Real Estate Officers in the Office of Engineering and Construction Management (OECM) are the Department of Energy's official point of contact for real estate matters outside the Washington D.C. National Capitol Region. OECM's Realty Officers provides guidance and assistance to the field in the entire range of real property activities including comprehensive land-use planning, acquisition (including condemnation and leasing), management (including outleasing), disposal, and data collection and reporting as part of the Facilities Information Management System (FIMS).

## **ROLE OF CONTRACTORS**

Contractors or subcontractors may be authorized to perform real estate work for DOE, which may involve the acquisition, lease or disposal of real estate or interests therein, and reimbursement of the contractor for the cost. DOE Realty Specialists review contractor practices and transactions relating to the lease, acquisition and management of real property to make sure that their actions are in accordance with the same laws, regulations, policies and standards as applicable to DOE for leasing such as competition in contracting, fair market appraisals and other pertinent requirement, and that proper consideration is given to economy, efficiency, and programmatic need.

### ***Key Areas of Responsibility for Realty Specialists***

- FIMS corporate real estate database
- Acquisition *of* real estate
- Withdrawal from public domain
- Donation of real estate to DOE by others.
- Condemnation of real estate
- Exchange of real estate
- CERCLA/RCRA real estate requirements.
- Transfer *of* DOE real estate to Community Re-Use Organizations
- Sale of DOE real estate
- Transfers of real estate to other government agencies
- Disposal of DOE real estate through GSA
- Leasing of real estate owned by others
- Leasing DOE real estate to others
- GSA assigned space
- DOE's Management and Operations Contractor's Leasing Program
- Utilization of real estate
- Demolition of buildings
- Land Use Plan (see Chapter 3 & Attachment 3-1)
- Relinquishment of DOE withdrawn land to the Department of Interior

