United States Department of Transportation

Capital Planning Document for Real Property

FY 2021 – FY 2025

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1. PREFACE

On November 2019, the Office of Management and Budget (OMB) issued Memorandum M-20-3 “Implementation of Agency-wide Real Property Capital Planning” (RPCP). The Federal Real Property Council (FRPC) prepared and provided an instruction document to assist agencies with the implementation of OMB policy memorandum M-20-3 “Implementation of Agency-wide Real Property Capital Planning” to improve agency performance. In preparing the document, the Federal Real Property Council received input from several Chief Financial Officers Act agencies and the General Services Administration (GSA). The document provides agencies with implementation guidance to include: definition of the scope of real property assets covered by the policy, additional clarification regarding M-20-03’s text, and general guidelines to help align agencies’ effort to the policy’s intent.

The purpose of capital planning is for Federal agencies to effectively plan, procure, and use assets throughout their life cycle and eventually dispose of assets to achieve maximum return on investment for the government. OMB has long recognized the benefit that capital planning provides, and it issued the *Capital Programming Guide* (Guide) in 1997 to assist agencies in institutionalizing agency-wide capital planning processes. The Guide is part of OMB Circular A-11 “Preparation, Submission and Execution of the Budget” (Circular A-11) to recognize that the agency capital planning process must be fully integrated with agency budget development to provide the best investment return and protect the taxpayer interest.

2. INTRODUCTION

The mission of the U.S. Department of Transportation (DOT) is to ensure our Nation has the safest, most efficient and modern transportation system in the world, which improves the quality of life for all American people and communities, from rural to urban, and increases the productivity and competitiveness of American workers and businesses.

The DOT is responsible for overseeing and administering a wide range of transportation programs, policies, and regulations for both aviation, maritime, and surface transportation. DOT's top priorities are to keep the traveling public safe and secure, increase their mobility, and have our transportation system contribute to the Nation's economic growth.

The DOT includes nine Operating Administrations (OAs) as well as the Office of the Secretary of Transportation (OST) and the Office of the Inspector General (OIG), the nine OAs include:

- Federal Aviation Administration (FAA)
- Federal Highway Administration (FHWA)
- Federal Motor Carrier Safety Administration (FMCSA)
- Federal Railroad Administration (FRA)
- Federal Transit Administration (FTA)
- Maritime Administration (MARAD)
- National Highway Traffic Safety Administration (NHTSA)
- Pipeline and Hazardous Materials Safety Administration (PHMSA)
- Great Lakes Saint Lawrence Seaway Development Corporation (GLS)

SUMMARY:

On November 16, 2019 OMB issued Memorandum M-20-03, Implementation of Agency-wide Real Property Capital Planning. In accordance with the President's Management Agenda's goals of mission, service, and stewardship, this memorandum provides heads of executive departments and agencies with capital planning requirements for real property as required by the Federal Property Management Reform Act of 2016, (P.L. 114-318). It aligns with the administration's real property strategy to ensure that agencies consistently implement sound capital planning practices that optimize their portfolios to achieve their mission in a cost-effective manner.

The purpose of Capital Planning is for Federal agencies to effectively plan, procure, and use assets throughout their life cycle and eventually dispose of assets to achieve maximum return on investment consistent with government policies. OMB has long recognized the benefit that capital planning provides and it issued the Capital Programming Guide (Guide) in 1997 to assist agencies in institutionalizing agency-wide capital planning processes. The Guide is part of OMB Circular A-11 "Preparation, Submission and Execution of the Budget" (Circular A-11) to recognize that the agency capital planning process must be fully integrated with agency budget development to provide the best investment return and protect the taxpayer interest.

The FAA and MARAD own the majority of DOT real property that the General Services Administration (GSA) does not own. With the extensive portfolio FAA and MARAD manage and their unique mission requirements, the FAA and MARAD have several stand-alone and complementary processes to DOT's real property management. These processes are reflected in this document. The DOT's Capital Planning Document for Real Property will evolve based on future appropriations, management priorities, and mission needs.

A. MISSION REQUIREMENTS FOR REAL PROPERTY

The GSA is the DOT's executive agency for acquiring and executing real property acquisitions.

The Department owns property outside of GSA. FAA and MARAD have independent statutory authority for ownership, leasing, and operation of their real estate. FAA and MARAD have delegated real property leasing authority to lease on behalf of their organizations and DOT. Both FAA and MARAD have real property authority independent of GSA regulations, but will attempt to comply to the extent consistent with their respective mission requirements.

MARAD has delegated real estate operating, disposal, and leasing authority to act on behalf of MARAD which can be redelegated to appropriate personnel within MARAD. DOT Order 4300.2 provides MARAD overall guidance and procedural requirements for obtaining approval by the Office of the Secretary (OST) in advance to any actions pertaining to the acquisition and disposal of real property.

Unlike FAA and MARAD, the other OAs without direct delegated real property leasing authority must request space through GSA. Prior to acquiring real property each OA must have a valid mission requirement supported by managements approval, a business case analysis to include their current utilization rate (UR) and a cost analysis. These requests must follow the policies and procedures required by GSA for acquisition. OAs occupying GSA owned and leased facilities must abide by GSA's regulations governing facility management and other applicable policies and procedures.

The DOT developed a space policy that aligns with the Executive Orders and OMB directives regarding management of federal real property. The space order specifies office space design standards for the use in the design of owned and leased domestic office space, including GSA occupancy agreements. DOT's goal is to ensure that all office space is efficiently utilized, meets the space order, and supports a creative, collaborative, and adaptive work space.

In accordance with DOT 4330.3: Office Space Design Standard Policy, each OA is required to use the Departmental Policy Utilization Rate (UR) of 150 to 190 Usable Square Feet (USF) per person factored at 90 percent of peak staff occupancy, OAs must review their expiring leases in consideration of changing mission or space requirements to formulate their plan for required office space. For warehouses, OAs will monitor property stored to determine the long-term need to retain those items and the potential to reduce space.

The OA's work with OST real property personnel to review their Program of Requirements (POR) prior to submission to GSA. The Program of Requirements is a comprehensive planning document that blends a qualitative understanding of the OA's mission, culture, and work styles with a quantitative compilation of their space components that defines the space required to support the organization's future needs and goal. This process was put into place to better assist the OA's with their space requirements and to ensure that they adhere to the established DOT Order 4330.3 Office Space Standard Design Policy.

FAA and MARAD Mission Requirements for Real Property

The FAA and MARAD follow DOT's mission requirements for real property to guide real acquisition decisions with respect to non-emergency preparedness acquisitions that is not funded through the Department of Defense. The capital planning process also serves to advance the broader FAA mission to provide the safest, most efficient aerospace system in the world and MARAD's mission, to have a United States merchant marine industry capable of supporting the interests of the United States in the event of a national emergency. These efforts support the Agency in efficiently and effectively planning and executing mission critical real property opportunities.

Real property requirements are developed to meet needs across the portfolio, major Lines of Business (LOBs), and explain how the optimized portfolio supports the Agency's strategic plan in alignment with Federal policies and FAA Order 4665.4A, Federal Aviation Administration Administrative and Technical Space Standards.

FAA's approach to administrative, technical, housing, and land space portfolio capital planning begins with the identification of mission critical real property opportunities. An annual review of the entire portfolio focuses on space utilization, staffing, and alignment to the mission of the Agency. This annual review feeds into FAA's Real Property Strategic Plan for full analysis of over a five-year period of opportunities identified for co-location, relocation, right-sizing, or routine acquisition for prioritization. The steps in the real property space portfolio assessment include:

- Compare real property portfolio with known opportunities presented to FAA, or requests submitted by LOBs, to refine the list and establish a comprehensive baseline
- Assess the baseline by performing site surveys, which include a detailed review of the facility condition, mission needs assessment, and documentation of unutilized or underutilized space; all validated against existing and forecasted staffing requirements
- Conduct a 10-mile delineated area review to determine if there is a potential for co-location, if the facility type and mission allow
- Complete initial opportunity classification (e.g., co-location, relocation, right-sizing, or routine acquisition)
- Coordinate with LOBs and Real Estate Contracting Officers to finalize detailed space requirements
- Gather One Time Cost Estimates from LOB
- Prioritize potential opportunities based on implementation year and budget

DOT Space Not Managed by GSA

Operating Administration	Direct Leased SF	Owned SF
Federal Aviation Administration	4,030,132	1,592,569
Federal Highway Administration	0	247,446

Office of the Secretary of Transportation Research and Innovative Technology Volpe Center	0	365,193
Federal Railroad Administration	0	76,249
Maritime Administration	126,993	442,799
National Highway Traffic Safety Administration	77,336	0
Great Lakes Saint Lawrence Seaway Development Corp	0	79,109
Office of Inspector General	1,697	0
Total	**4,236,158**	**2,803,365**

The above chart shows direct leased and owned facilities by OAs. The non-GSA and Direct Lease totals include Inter/Intra Agency Agreements executed by the OAs for use of real property. The DOT has a unique real property initiative at the John A. Volpe National Transportation Systems Center located at 55 Broadway in Cambridge, Massachusetts. In 2017 the GSA and DOT entered a Memorandum of Understanding (MOU) transferring ownership of the property for the purpose of redevelopment of the space. As part of the MOU, DOT retained responsibility for the operation and maintenance of the Volpe Center during the construction of a New Volpe Center. The Massachusetts Institute of Technology was selected for the innovative public-private partnership for redevelopment of the Volpe Center. However, the Volpe Center is owned by GSA.

The DOT's real property inventory contains building space across 16 Federal Real Property Profile usage categories. The DOT's real property inventory also contains non-office space that is utilized for a specialized purpose. This type space is predominately occupied by FAA, FRA, MARAD, NHTSA and FHWA. Of DOT's building footprint, 10.0 million SF (30%) is categorized as Office and 2.0 million SF (9%) as Warehouse. Most of the space, 12.0 million SF (61%), is tied to unique mission or functional requirements.

These specialized facilities include Schools/Training (2.7%), Labs (4.7%), Navigation and Traffic Aids (33%), and other types (18%). The FAA is the largest holder of DOT real property, managing roughly 49,928 of the total assets. FAA assets are a combination of FAA owned, FAA leased, GSA owned, GSA leased and Federally owned but FAA controlled assets.

B. CHIEF FINANCIAL OFFICER (CFO) AND SENIOR REAL PROPERTY OFFICER (SRPO) RESPONSIBILITIES

Within the OST, the Deputy Assistant Secretary for Administration serves as the Senior Real Property Officer (SRPO) for the Department, with responsibility to monitor and report on real property inventories, establish policy to improve operational and financial management, measure and report real property performance, and provide corporate oversight of the Department's real property portfolio.

The SRPO leads engagements across the OAs, and with GSA, to promote corporate alignment and to identify and facilitate best-value solutions for DOT and the American public. Reporting to the SRPO, the Director of the Office of Facilities, Information, and Asset Management is responsible for supporting SRPO corporate responsibilities, establish and implement policy, and to provide guidance and oversight of the Department's real property program.

The Assistant Secretary for Budget and Programs serves as Chief Financial Officer (CFO) and is the principal advisor to the Secretary of Transportation on the development, review, and presentation of the Department's budget resource requirements and allocations. The CFO provides oversight of the Department's program performance and is responsible for all aspects of financial management. In accordance with the OMB Management Procedures Memorandum 2015-01 and GSA's 2018 Guidance for Real Property Inventory Reporting, the CFO certifies by letter to GSA that DOT's real property data submitted to the Federal Real Property Profile Management System was accurate and complete and that DOT has instituted effective internal controls to ensure accurate data submission.

The Office of the Assistant Secretary for Budget and Programs (OST-B) provides general budgetary guidance to the Department to identify and prioritize agency mission and goals. Each OA develops real property inputs based on mission needs for the upcoming and two successive fiscal years and ensures the OA budget reflects the real property requirements. These budgets are submitted to OST-B as part of the annual budget formulation process. As part of the annual budget submission, OMB requires each OA to complete a prepopulated Exhibit 54 document and submit as an attachment to their annual budget. The Exhibit 54 is a GSA prepopulated tool used to assist with space budget justifications.

C. REAL PROPERTY ASSESSMENT IN THE ANNUAL BUDGET PROCESS

As part of the DOT's annual budget process, the Department considers federal objectives to modernize and improve citizen-facing services, eliminate wasteful spending, and to reduce its real property footprint with a goal to promote value and efficiency in the use of taxpayer dollars. However, there are circumstances where mission changes may result in the Department exceeding its Reduce the Footprint (RTF) baseline in any given year.

For example, DOT programs may experience reauthorization changes within the timeframe of this Plan. Such statutory program mission changes may increase DOT's risk to not achieve property reduction targets as these changes may drive growth in real property inventory and increase expenditures to operate, maintain, and lease real property.

To reduce risks associated with mission growth in various OAs, DOT collaborates with GSA using portfolio analysis to identify opportunities to reduce space and feasibly compensate for moderate increases. For GSA leases, DOT receives estimates of rent expenses for the upcoming Fiscal Year (FY) during the annual budget formulation process. GSA's partnering with federal agencies, including DOT, helps identify potential RTF opportunities or rent cost avoidance.

GSA Occupancy Agreement changes that may not be captured in GSA rent estimates are also considered, in addition to mission changes that may increase or decrease in space requirements. DOT's considers rent cost increases, rent cost avoidance, and costs associated with efficiency and required operational projects. This trend continues through the years outlined in this Plan.

FAA's Assessment in the Annual Budget Process

FAA adheres to OST guidance for annual budget planning and execution. During budget formulation, the Approach Path Monitor (APM) Director oversees development of budget estimates associated with renovations, space moves, rent rates and briefs the FAA Chief Financial Officer (CFO) for finalization. After approval, the APM Director manages categorized expenditures against budget allocations. Categorized expenditures represents the market value of goods and services.

The FAA facilities and equipment budget requests follow the Capital Improvement Plans process, which begins each January. Included in this process are estimates for the next three years for direct leases, acquisitions, condemnations, surveys, program management support, and consolidation and disposal projects. Projections are first developed by the APM real property program office and the APM Director, then reviewed and approved by an FAA-wide budget team prior to roll-up into the DOT-level budget request. FAA follows a similar process in March of each year for GSA leases and direct leases associated with its Office of Security and Hazardous Materials Safety.

Congress appropriates funding to FAA from both the General Fund of the Treasury and the Airport and Airway Trust Fund. The funds are appropriated into four primary accounts: 1) Operations, 2) Facilities and Equipment, 3) Research, Engineering and Development, and 4) Grants-in-Aid for Airports. The Operations account funds the cost of administration, operation, repair, and maintenance of FAA activities supporting the National Airspace System (NAS) and has a period of availability for obligation of two years. These costs include operations and maintenance of all FAA equipment and facilities, capital purchases to support administrative functions and establishment of air navigation facilities.

The Facilities & Equipment (F&E) account funds capital improvement projects necessary to accomplish FAA's mission by providing funds to establish, replace, relocate, or improve air navigation facilities and equipment and aviation safety systems. F&E also funds program management (e.g., federal salaries, benefits, travel, supplies, office equipment, and services) toward developing capital assets.

F&E accounts may reimburse non-F&E accounts for the costs of FAA personnel temporarily supporting F&E systems implementation. However, clear documentation of a specific F&E business need must be in place before the reimbursement occurs. The F&E account may retain certain operations and maintenance costs of newly commissioned systems for up to 24 months.

MARAD's Assessment in the Annual Budget Process

MARAD's guidance for annual budgeting is outlined in DOT 4300.2. Prior to any action to commit the Government to acquire an interest in real property covered and outlined in DOT 4300.2, MARAD must advise the Assistant Secretary for Administration with an information copy to the Deputy Assistant Secretary for Administration and the Director of the Office of Facilities, Information and Asset Management and request approval from the Assistant Secretary for Administration of the proposed acquisition. A memorandum should be forwarded as early as feasible after the specific real property has been identified and will include, as appropriate all pertinent information pertaining to the real property. Other than in those instances where funding for real estate acquisition originates from outside the DOT budget process, budget submittals for real property acquisition submitted by means of Departmental budget process should be in accordance with requirements outlined in DOT 4300.2.

D. IDENTIFY MAJOR LINES OF BUSINESS

The DOT's Major Line of Business (LOB) is separately identified by each OA for their budgetary transactions. For example, NHTSA's Lines of Business for real property are as follows:

- Headquarters Facility: Houses NHTSA's Headquarters Operations
- The Regional Offices: Provides leadership, technical guidance and assistance to the States in their development and implementation of comprehensive Highway Safety
- Vehicle Research and Test Center: Conducts in-house applied and basic research in support of NHTSA and DOT programs and goals for fatal and injury crash reduction on the nation's roadways
- Uniform Tire Quality Grading Facility: Evaluates new test procedures to monitor the condition of the treadwear course, the skid pads, and calibration of the instrumentation and equipment.

FAA's LOBs are directly involved in the capital planning process for the future state goal of administrative, technical, and land space. The LOBs provide detailed space requirements needed to determine the feasibility of real property opportunities as they relate to FAA's mission and cost savings potential. These opportunities are documented in the FAA Real Property Strategic Plan after being reviewed and approved by the FAA Real Property Council.

Air Traffic Organization (ATO) accounts for approximately 99 percent of FAA's real property assets. The second largest is multiple tenant facilities; these are spaces where multiple LOBs are co-located due to the nature of the real property portfolio space sharing. The table below presents FAA's total real property assets by LOB affiliation.

LOB	Number of Assets
Air Traffic Organization	49,606
Multiple Tenant Facility	372
Aviation Safety	107
Human Resource Management	37
Security and Hazardous Materials Safety	13
Information Services	7
Airports	6

E. NEEDS ASSESSMENT

The Department provides overall guidance to the OAs regarding the planning, operation and maintenance of real property. The FAA and MARAD hold the majority of the real property held outside of the GSA portfolio. FAA and MARAD have specific guidance and procedures in support of their unique real property portfolio.

DOT will continue to seek opportunities to reduce office and warehouse space to the extent that such actions are deemed consistent with emergency preparedness needs of the United States. To achieve the “Reduce the Footprint” goals, the Department created a Real Property Workgroup, led by OST, comprised of subject matter experts from each OA, including FAA, and the OIG. The cross-corporate team is focused to improve processes and streamline procedures to support efficient management of the real property portfolio. By actively managing the portfolio, DOT has identified the following considerations associated with FY 2021-FY 2025 reduction targets:

- OA Executive-level engagement
- Active coordination across all OAs through the Real Property Workgroup
- Budget considerations within DOT and each OA
- Coordinating the timing of lease expiration dates
- Timely completion of pre-disposal activities
- Incorporating national office design standards and flexible workspace options

The FAA provides management and system oversight for the Department’s real estate system of record data base known as FRAMES, the FAA Real Estate and Asset Management Enterprise System. FRAMES is the DOT Departmental System of Record to account and manage real property assets. FRAMES is used by all DOT OAs to view, update, and maintain, and provide required reporting for their real property records and overall portfolio. FAA is OST’s partner in the collection, maintenance, and reporting of data throughout the year by supporting the FRAMES system for management of the Department's national real property portfolio. OST provides corporate guidance and oversight to each OA to ensure effective real property management focused on minimizing costs, reducing, and consolidating space where possible, and disposing of unused or underutilized assets. The primary collaborative and oversight techniques include:

- Proactive evaluation of workforce changes and collocation opportunities within the Department.
- Leveraging market data to support cost effective lease agreements.
- Monitoring and reporting asset management and maintenance requirements.
- Planning and disposing of decommissioned assets based on functional requirements.
- Planning and consolidating space in response to shifting business requirements.
- Integrating workspace designs conducive to collaboration, engaged teams, and positive workplace communities, and.
- Incorporating innovative real estate solutions and facility management practices.

F. ALTERNATIVE ANALYSIS

The DOT strives to improve processes, engage stakeholders, and work closely with OMB and GSA to identify opportunities for improvement to DOT’s management of real property and real property planning. DOT utilizes industry best practices to identify and prioritize consolidation and disposal targets. For direct leases and owned locations, local market analysis using comparable rates and costs are performed by GSA along with representatives from each OA. For GSA leases, DOT collaborates with GSA in reviewing expiring leases to identify potential reduction and consolidation targets. To achieve the Reduce the Footprint goals, the Department created a Real Property Workgroup, led by OST, comprised of subject matter experts from each OA, and the OIG.

The FAA routinely analyzes alternative approaches to address the performance objectives of their real property investments. FAA performs this analysis prior to the initial decision to make an investment and updates the project level analysis periodically as appropriate to capture changes in the context for an investment decision. For example, with FAA’s Regional Office portfolio, FAA performs a high-level risk analysis based on FAA Acquisition System Toolset best practices for identified alternatives and assesses the probability of risk occurrence in the following categories:

- Technical Risk - Associated with how well the facility operates to design and safety specifications
- Operability Risk - Associated with the operations of the facility, the efficiency of those operations, and the degree to which the operational concept has been demonstrated and evolved to the point of a design baseline
- Product Risk - Associated with designing and constructing the facility by location
- Supportability Risk - Associated with maintaining facility infrastructure
- Cost Estimate Risk - Associated with the accuracy of the cost estimate and whether the alternative is well defined.
- Schedule Risk - Considers the likelihood that the alternative will be completed within the specified schedule
- Complexity Risk - Considers each alternative’s feasibility and its impact to each alternative’s outcome
- Funding Risk - Addresses the availability of funding annually and whether this funding will be congressionally approved within the appropriate timeframe
- Stakeholder Risk - Associated with the project stakeholders supporting the design, construction, and a suitable location inclusive of bargaining unit approval of alternatives within appropriate timeframe
- Security Risk - Associated with vulnerability to external threats and the ability to achieve security accreditation
- Human Factors Risk - Focuses on the effectiveness and suitability of transitioning from the current facility to a new facility, such as new operation systems, temporary locations, childcare, transit, and staffing shortages

The soundness of the opportunity’s business case for the selected alternative is then determined. Following the risk analysis, each alternative is evaluated based on the following scoring categories:

- Elimination of shortfalls

- Support of Operations and Agency Direction
- Efficient management of real property inventory
- Project risk
- Investment Cost

G. PRIORITIZATION PROCESS

The DOT's resource prioritization process for real property is based on monitoring the real estate portfolio for upcoming lease termination and renewal dates. Once these actions are identified, then the process begins to determine if there is still a valid need for the space or if the space can be terminated.

FAA uses a similar approach to prioritize, execute, and manage real property opportunities. This approach incorporates data including estimated potential cost savings over a 20-year period and high-level relocation estimates to inform execution recommendations. Specially, the methodology follows the below steps to prioritize and rank current and future real property non-regional office administrative space opportunities**:**

- Calculate the 20-year present value for lease cost scenarios 1) remain in place at current rate 2) right-size and relocate to 170 SF all-in utilization at Costar Class A market rate
- Estimate high-level one-time cost for relocation by scenario
- Calculate net present value of potential lease cost savings by scenario
- Prioritize opportunities with potential cost savings and identified facility conditions issues
- Include detailed information on out-year prioritization methodology
- Coordinate timing of lease expiration dates

In FY 2020, FAA prioritized a total of 55 administrative leases for spaces or lease costs savings using this approach and plans to execute actions to recognize these savings beginning in FY 2022 through FY 2026. Of these prioritized opportunities, 21 leases are identified with a potential lease cost avoidance of approximately $15.9 million, with a reduction of about 164,000 square feet, through right-sizing under current and projected market rate.

H. LIFE CYCLE COST ESTIMATE

Each OA within DOT is responsible for determining a methodology for their cost allocation during the capital planning process for financial reporting purposes.

FAA allocates costs during the capital planning process according to lifecycle phases: planning, acquisition, operations, maintenance, modernization, and disposal. These investment costs and indirect F&E and operations and maintenance costs help determine which opportunities have a cost savings when compared to the other alternatives. Investment costs also inform project future needs and estimate capital costs to relocate or consolidate. Significant Critical Environmental and Occupational Safety and Health and Facility Condition concerns may supersede financial cost considerations.

Life cycle cost components can include the following:

- Shell rental rates
- Operating rental rates
- Real estate taxes
- Parking costs
- Furniture and signage
- IT costs
- Telephone Company costs
- Security equipment costs
- Architectural and engineering costs
- Tenant Improvement construction costs
- Swing space lease costs
- Restoration costs

I. PERFORMANCE GOALS AND METRICS

The DOT uses the Performance Management Review metrics which is the OST's 5-year roadmap to space reductions as it relates to the previous Real Property Efficiency Plan which has since been replaced by the Capital Planning document. The PMR relates to the previous GSA Template for Owned and Leased Office and Warehouse Assets. This template showed the intended space reductions and acquisition targets by acquisition type, project, property use, square footage, reduction total, name of tenant, address, and fiscal year. Meaningful metrics depict clear intended results.

FAA develops performance goals and indicators in conjunction with the annual Real Property Strategic Plan to effectively plan, procure, and use assets throughout their life cycle and eventually dispose of assets to achieve maximum return on investment for their stakeholders.

The FAA has an annual internal business plan goal to reduce its administrative square footage by 25 percent when acquiring new space or consolidating locations for one or more LOBs or groups of employees. FAA establishes the performance goal in alignment with nation-wide management, oversight, and assignment of space allocations via FAA Order 4665.4A, Federal Aviation Administration Administrative and Technical Space Standards.

This goal is achieved through a variety of space consolidation, collocation, and relocation opportunities identified through review and analysis of the FAA real property portfolio. FAA identifies potential space initiatives for further research by analyzing current leased and owned utilization rates against the FAA standard of 170 USF per person and compares current lease rates against market rates. This all-in UR standard includes administrative, support, special-use, and joint-use space; but does not include technical space.

The RPC also delivers portfolio-wide accountability of FAA real property opportunities in accordance with the Space Order to the Agency and defines measurable objectives and quantitative metrics that measure progress toward the capital plan goals and how they will be used to measure progress to reducing gaps.

FAA tracks and monitors progress against their performance goals on a project level. In the project execution phase, key performance metrics are tracked to monitor progress on projects within FAA's real property portfolio. To promote transparency among RPC stakeholders, the RPC established the RPC Opportunity Dashboard to monitor data points such as cost savings, square footage reduction, utilization rate, and other benchmarks.

The dashboard is revised and published monthly, which encourages stakeholders to reference and review opportunities and FAA can identify areas for continuous process improvement. The next FAA Real Property Strategic Plan will include initial benchmarks from FY 2022 real property opportunities and areas for optimization.

J. LIST OF PROJECTS

FAA's Capital Projects scheduled for FY 2021 have been impacted due to COVID-19.

Appendix A: Domestic Office and Warehouse SF Reduction Targets FY 2021-FY 2025

	FY2021	FY2022	FY2023	FY2024	FY2025	Total
Office Target* (Net SF Reduction)	117,312	89,504	159,860	179,483	7,715	553,874
Warehouse Targets* (Net SF Reduction)	0	0	0	0	0	0

The Department conducts recurring high-level assessments of real property to identify opportunities for space reduction and cost savings with a goal to achieve space efficiencies across all the OAs.

OST has developed and implemented DOT Order 4330.3 Office Space Standard Policy to ensure that each OA adheres to the established 190 UR recommendation. DOT OAs are aligned to develop business cases containing thorough analysis leading to sound decision- making tied to business needs.

There are opportunities to improve space efficiencies and several projects are currently underway which will improve the established 190 UR. In the Headquarters facility, PHMSA is currently engaged in a Space Planning PII (Performance Improvement Initiative) which includes committees and Telework Studies. The executive team will finalize its space planning decisions and the appropriate space gap strategies based on the PHMSA Performance Improvement Initiatives (PII) outcome on telework.

FAA manages approximately 49,928 of the Department's total assets. FAA assets are a combination of FAA-owned, FAA-leased, GSA-owned, GSA-leased and Federally-owned but FAA controlled assets.

NHTSA currently has two consolidation efforts underway. In Matteson, Illinois NHTSA has committed to alignment with the 190 UR. The new lease, anticipated to be approximately 1,860 USF, which will result in a decrease of 48 percent from the current leased space of 3544 USF. This acquisition is targeted for FY 2021. A consolidation effort is underway in Kansas City, Missouri in which NHTSA has committed to alignment with the 190 UR. The new lease, anticipated to be approximately 1,786 USF, will result in a decrease of 50% from the current leased space of 3,573 USF. This acquisition is targeted for FY 2025.

Disposal Targets for Owned Buildings FY 2021-FY 2025

	FY2021	FY2022	FY2023	FY2024	FY2025	Total
Disposal Target (Net SF Reduction)	18,764	29,069	52,247	33,260	24,140	157,480
Disposal Target (Number of Buildings	59	46	93	65	59	322

The DOT's disposal targets for owned non-Office, non-Warehouse space are based on FAA's Air Traffic Organization (ATO) Disposal Plan and result from discontinuation of facilities as NAS becomes obsolete or is replaced by other capabilities. These facilities typically support unstaffed navigation or communications systems and have an equipment shelter of approximately 50 to 500 SF.

FAA's infrastructure portfolio is complex with several facilities located at remote sites requiring unique logistical solutions necessary to complete pre-disposal activities. In addition, pre-disposal and disposal activities can shift with unanticipated events, such as inclement weather conditions that may hinder access to the site or increase pre-disposal requirements.

FAA's five-year plan identifies opportunities to consolidate, gain space efficiencies, and/or save costs. FAA Office space reduction projects are identified with input from portfolio subject matter experts and evaluation of existing lease terms, market rents, and utilization rates.

RESPONSIBILITIES AND SIGNATURES:

The agency Senior Real Property Officer (SRPO), Chief Financial Officer (CFO), and Budget Officer are jointly responsible for developing the capital planning process, integrating it into the agency's annual budget formulation cycle, monitoring its execution, and analyzing cost and performance information. The SRPO and CFO are jointly responsible for development of the capital planning process to maximize cost efficiency and mission effectiveness, and to ensure better real property information informs the annual budget formulation process. These three officials shall also jointly establish annual performance objectives/metrics for the plan to assess whether the agency is progressing towards portfolio optimization and eliminating identified gaps.

Per OMB guidance the Capital Planning Plan requires review, integration, execution and signatures from the Chief Financial Officer, Budget Officer and the Senior Real Property Officer for DOT. The attached Real Property Capital Planning Plan submitted by DOT to OMB for FY2021 through FY2025 has been reviewed for accuracy and completeness. By signing below, we agree that the information submitted in the Capital Planning Plan is accurate and complete based on the OMB instructions and guidance and to implement and execute the plan. OMB has agreed that this year's Capital Plan for DOT can be submitted with only the SRPO's signature.

Keith Washington
Deputy Assistant Secretary for Administration
Office of the Secretary
Department of Transportation