

## **ACCO Defense, National Security and Climate Change Workshop**

March 30-31, 2011 | Washington, DC

Hosted by McKenna Long & Aldridge LLP

### **ROUNDTABLE NOTES**

#### **Track 2: Facilities Management**

#### **Session 1: Overcoming Barriers to Modernizing Facilities Management in Defense Installations**

**Moderators:** Rebecca Ranich, Michael Aimone

#### **Challenges and Takeaways:**

- **Data and Standards Issues**
  - What can be used as a standard for maintenance of energy efficient systems (and how do we compare systems with national performance benchmarks)?
    - How often should lighting systems and electrical infrastructure be upgraded or replaced?
    - What solutions are cost effective?
  - The CBECS (Commercial Building Energy Consumption Survey) database was mentioned as potentially the best benchmark with which to compare building types (e.g. hospitals, manufacturing, office, educational, etc.)
  - Advanced analytics tools not always available or allowed (e.g. SAS has a sustainability tool but it is not certified within DoD)
  - For managers of multiple buildings and assets, data needed at the building level – the databases that currently exist don't talk to each other (e.g. no cross-reference capabilities)
  - New software needed that can integrate beyond what an excel spreadsheet can provide – especially as data are rolled up above the installation level to give an enterprise view
  - Suggestion of metering with data transmitted directly to the installation commander's desk and the facilities manager's desk to raise their consciousness of the costs
    - How do we make the data vibrant and ensure attention on a long-term basis?
- **Financial Challenges**
  - Maintenance and utilities budgets don't typically cross-walk, so savings from energy efficiency cannot be kept by the saver to finance further projects
    - Financial incentive to save energy/money isn't there
    - Savings in federal buildings have been going back to the Treasury (see facilities management workforce below)
  - Perceptions that new technologies are more expensive are a challenge
    - Performance data, even of the simple things such as insulation, needs to be presented as an argument against first cost, particularly in value-engineering situations.
    - There is still the pressure to keep the first costs as low as possible.
  - Artificially low utility costs – a disincentive when doing life cycle cost analysis – are a problem
    - In some cases, low utility costs have been negotiated, or regional electricity rates may be lower than the national average, which then prolongs the payback period for any particular type of energy efficient technology, which makes them less cost-effective from a balance-sheet perspective, regardless of the KWh that might be saved.

- This tends to skew energy efficiency projects to places where utility costs are higher, rather than where the potential for energy efficiency/carbon emissions reduction are higher.
  - The metric we need to also focus on is energy intensity rather than just the money -- more than one energy metric may be needed to articulate accurately energy trends and analytics
  - The ability to move money between accounts, allow savings to be captured and used internally, potentially to pay for new projects
  - Recognition at the most senior levels of government that this incentive is needed.
  - Budgets are silo oriented
  - Need to establish an enterprise governance process to solve problems and pursue related opportunities
- **Culture and Communication**
  - Facilities management workforce skills and behavior are a challenge
    - Aged workforce doesn't necessarily want to do things differently, learn new approaches to doing their jobs, or enroll in training
    - Opposition to new technologies that require more training.
  - Facilities management departments aren't perceived or treated as a profit center or bottom-line operational contributor, or perceive themselves as valued in that capacity.
  - Decision-makers and users might have conflicting goals/missions
    - Energy efficiency and other aspects of sustainability are still seen as adjunct to or in the background of an agency's mission, even though they may directly support it
    - Decision-makers tend to focus on the high-profile activities and problems.
    - Real challenge is getting decision-makers to get enthusiastic about the energy and climate-change-related items
  - How to raise building standards or encourage better construction in less developed countries where some agencies and organizations may have to rent or construct?
    - It was noted that some of the most energy-efficient buildings are sometimes the simplest, and that passive systems are generally low-cost.
  - Data center computer personnel vs. the mechanical engineers
    - Data centers builders aren't considering energy costs
    - facilities managers don't talk to the data center engineers
    - Data center engineers are not necessarily considering energy and heat loads
    - There has not been a holistic appreciation for the integration of both systems
  - We still carry the philosophy of manifest destiny – with no concept of limits including resources and money. There has to be a bottom line consequence.

#### Reference Resources:

- The following reference materials were identified by roundtable participants as useful materials on the topics discussed during the session:
  - National Academies Reports
    - Investment in Federal Facilities: Asset Management Strategies for the 21<sup>st</sup> Century, 2004  
[http://www.nap.edu/catalog.php?record\\_id=11012](http://www.nap.edu/catalog.php?record_id=11012)
    - Capital Asset Management: Tools and Strategies for Decision Making, 2001  
[http://www.nap.edu/catalog.php?record\\_id=10113](http://www.nap.edu/catalog.php?record_id=10113)
    - Deferred Maintenance Reporting for Federal Facilities Meeting the Requirements of Federal Accounting Standards Advisory Board Standard Number 6, as Amended, 2001  
[http://www.nap.edu/catalog.php?record\\_id=10095](http://www.nap.edu/catalog.php?record_id=10095)
    - Stewardship of Federal Facilities: A Proactive Strategy for Managing the Nation's Public Assets, 1998 [http://www.nap.edu/catalog.php?record\\_id=6266](http://www.nap.edu/catalog.php?record_id=6266)
    - Federal Facilities Beyond the 1990s: Ensuring Quality in an Era of Limited Resources, 1997  
[http://www.nap.edu/catalog.php?record\\_id=5711](http://www.nap.edu/catalog.php?record_id=5711)
    - United Nations Environment Programme *Buildings and Climate Change: Summary for Decision-Makers* [http://www.unep.org/scp/sun/resources/pdf/BCC\\_Summary10.12.pdf](http://www.unep.org/scp/sun/resources/pdf/BCC_Summary10.12.pdf)

**Next Steps / Prospective Action Items:**

- Establish a model of an incentive fund for which managers can compete for funding to tackle innovative projects
- Establish a system for competition between/among sister agencies
  - Develop scorecard system
- Establish online training on energy efficiency and climate change to establish where everyone has a similar baseline of information on climate change for leadership, DOD workforce and contractor workforce
- Author white paper on developing accountability, games, communities of practice, commitment, etc. as solutions