



Functional Bureau Strategy

Overseas Buildings Operations (OBO)

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1. Executive Statement

Adequate infrastructure to support operations is absolutely essential for all overseas personnel on the front lines of American diplomacy. As the single real property manager for the U.S. government's diplomatic facilities overseas, the Bureau of Overseas Buildings Operations (OBO) is charged with establishing, implementing, and overseeing all programs, projects, policies, and procedures governing the international real property program. With the support of Congress and other Department bureaus, OBO sets worldwide priorities for acquiring, designing, constructing, operating, maintaining, leasing, or selling diplomatic properties. OBO has identified four strategic goals and fourteen cross-cutting objectives to clarify for employees and the Department how we execute our **mission to provide safe, secure, and functional facilities that represent the U.S. government to the host nation and support our staff in the achievement of U.S. foreign policy objectives.**

Security and safety are of paramount concerns that impact every aspect of our embassies and consulates. Terrorist attacks of the last decade have elevated the importance of building security beyond the traditional concerns of potential fire, electrical, physical, and natural hazards. Our first goal is to **bolster security and safety to ensure individuals are safe while in Department facilities and residences overseas.** U.S. embassies and consulates must comply with stringent security, health, safety, environmental and building code requirements, while conveying an image of openness and accessibility that supports the diplomatic mission. OBO works side by side with the Bureau of Diplomatic Security (DS) and regional bureaus to prioritize facility projects, and addresses other security requirements consistent with available resources. Beginning in 2001, OBO was tasked with replacing more than 180 aging embassies that did not comply with physical security standards, and were functionally deficient and/or in poor condition. Soon after the mandate to provide a large number of new secure facilities, OBO developed a prototypical embassy compound known as the Standard Embassy Design which was used to build numerous facilities around the world. Looking to the next generation of secure embassies and consulates, and building on lessons learned from our past projects, OBO authored Guiding Principles of Excellence in Diplomatic Facilities. These principles emphasize that our embassies and consulates are the most tangible reflection of diplomacy, and must provide a secure, modern and functional platform that incorporates safety, environmental efficiency, good architecture, and urbanity. Constructing or leasing secure and safe facilities continues to be the primary goal for architects, engineers, project managers, and other stakeholders.

U.S. Embassies and Consulates must provide a functional physical platform to advance American foreign policy abroad. Functional workspaces and residences foster collaboration and support the U.S diplomatic community while living and working overseas. Accordingly, our second goal is to **provide a functional platform for diplomacy that represents the**

best in American innovation, design, engineering, construction, planning, real property and portfolio management, technology, art, and culture. OBO must construct or lease facilities that meet functional and representational requirements, while meeting or exceeding all security and safety specifications. Our diplomatic missions need to accommodate the specific space and equipment needs of our staff, and also supply cultural artifacts, interior finishes, and art installations (particularly in entry spaces, conference rooms, and other locations or spaces with public access). The bureau will continue to implement solutions that optimize the use and efficiency of our real estate portfolios, and take advantage of private and public sector innovations and best practices to improve performance-based criteria and preserve the functional use of our assets. OBO's staff, our Department colleagues, other U.S. government agencies with an overseas presence and the private sector must work together to support diplomatic and development efforts by delivering secure, high-performance, and sustainable diplomatic facilities of the 21st Century.

OBO also supports our diplomatic missions by promoting effective use of our real property assets, as well as the disposal of real property that is no longer mission-critical. Our third goal is to **support U.S. diplomatic facilities cost effectively.** To achieve this, OBO's management and staff work to ensure our policies, programs, and projects can respond to shifting priorities and demands, and adjust as staffing levels change. We will continue to implement solutions that will improve the functional use and efficiency of our real estate portfolio, and align existing real-estate portfolio resources and investments efficiently to anticipate, capture, and advise on future needs. From an operational perspective, and in order to support our facilities, OBO monitors facility conditions worldwide; provides comprehensive design and support services to posts; evaluates risk; and ensures responsible stewardship of fiscal resources. OBO is committed to providing high-performance and cost-effective buildings, and will continue to integrate and optimize all major performance attributes including security, energy conservation, accessibility, functionality, cost-benefit, and operational considerations.

The bureau faces a unique environment for executing project, real estate, asset, and work order management tasks including: performing in increasingly dangerous environments; changing security threats; working with foreign governments to ensure reciprocal property rights; navigating complex foreign ownership and construction regulatory frameworks; protecting against and responding to natural hazards and threats; balancing the cost versus benefit of environmentally conscious construction; leasing, operating, renovating and managing more facilities on a limited budget; addressing the rise in maintenance needs critical to extending the useful life of existing and new facilities; and increasing acquisition costs for leased and owned real estate. OBO has put forth several initiatives to address these

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challenges, and created a management goal to **ensure that data is ready, reliable, and relevant at any point in the life cycle of a project or real property to inform decisions.**

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2. Bureau Strategic Framework

Goal 1: Bolster security and safety to ensure individuals are safe while in Department facilities and residences overseas.

Objective 1.1: Prioritize facility projects based on the vulnerability list ranked by the Bureau of Diplomatic Security and address other security requirements consistent with available resources.

Objective 1.2: Improve conditions for staff overseas through new construction, major renovations, and systems upgrades.

Objective 1.3: Ensure to the maximum extent possible that our buildings and facilities comply with relevant policies, regulations, building codes, design standards, and security requirements.

Objective 1.4: Provide project management, cost estimating, and technical support to address security, safety, environmental, and energy issues at overseas posts.

Goal 2: Provide a functional platform for diplomacy that represents the best in American innovation, design, engineering, construction, planning, real property and portfolio management, technology, art, and culture.

Objective 2.1: Improve how we acquire, plan, design, construct, maintain and dispose of our global portfolio of diplomatic and consular facilities.

Objective 2.2: Use federal and industry performance standards to develop sustainable solutions throughout the life cycle of our facilities.

Objective 2.3: Engage with industry professionals to ensure we are utilizing the latest industry concepts, methods, and approaches.

Objective 2.4: Support cultural diplomacy, and preserve the integrity and safety of our art, representational assets, and culturally significant properties and artifacts.

Goal 3: Support U.S. diplomatic facilities cost effectively.

Objective 3.1: Optimize the service life and performance of our facilities, materials, and equipment to preserve our facilities and investments.

Objective 3.2: Align existing real-estate portfolio resources and investments efficiently to effectively anticipate, capture, and advise on future portfolio needs.

Objective 3.3: Provide quality technical and management expertise to support day-to-day and long-term operations of embassies and consulates.

Objective 3.4: Execute programs and building management practices that promote optimal decisions regarding space, acquisition, disposition, construction, renovation and leasing.

Goal 4: Ensure that data is ready, reliable, and relevant at any point in the lifecycle of a project or real property to inform decisions.

Objective 4.1: Improve and standardize policies and processes to support OBO's goal of enabling ready, reliable, and relevant information to make data-driven decisions.

Objective 4.2: Improve data quality, reporting, and analytics capabilities **to** manage a large amount of information in our complex organization.

3. Goals and Objectives

Bureau Goal 1: Bolster security and safety to ensure individuals are safe while in Department facilities and residences overseas.

a. Description and Linkages

The security and safety of staff and visitors is paramount, and OBO is committed to improving security and safety at our diplomatic missions. The tragic bombings in 1998 of the U.S Embassies in Nairobi, Kenya, and Dar es Salaam, Tanzania and the enactment of the Secure Embassy Construction and Counterterrorism Act in 1999 have greatly impacted how OBO assesses physical risks and vulnerabilities, and other pressing concerns about security. Designs and construction must meet or exceed all security and safety standards and specifications. Architects and engineers are challenged to develop ever-improving methods, materials, and solutions and to thoughtfully integrate these into overall designs. To meet current and future challenges, our experts in fire protection, physical security, safety and health, engineering, energy and environmental management work closely with posts to reduce risks and improve operations. OBO provides project oversight, design and engineering reviews, cost estimating, and other support services for the development of safe and secure facilities around the world. OBO implements risk management practices to protect from threats posed to our organization's financial, organizational, or reputational standing resulting from violations of laws, regulations, codes of conduct, or organizational standards of practice. We will also ensure to the maximum extent possible, and within available funding, that our facilities are in compliance with relevant policies, regulations, mandatory building codes, design standards, and security procedures. This may include purchasing or leasing buildings or land, new construction, or renovating older facilities to meet today's standards.

Key Partners and Stakeholders:

- Regional Bureaus (AF, EAP, EUR, IO, NEA, SCA, & WHA)
- Posts
- Under Secretary for Management (M)
- Office of Management Policy, Rightsizing, and Innovation (M/PRI)
- Bureau of Administration (A)
- Bureau of Diplomatic Security (DS)
- Other U.S. government agencies
- Private Sector (i.e. A&E Firms, construction firms, etc.)
- Office of Management Budget

- Congress

Bureau Objective 1.1: Prioritize facility projects based on the vulnerability list ranked by the Bureau of Diplomatic Security and address other security requirements consistent with available resources.

b. Justification

OBO will continue to construct diplomatic facilities based on the Department's list of the most vulnerable facilities and to address other security concerns overseas consistent with available resources. This Vulnerability List, published each year by DS, ranks posts according to their vulnerability across different security threats. The process for identifying and prioritizing projects begins with a review of the Vulnerability List mandated by SECCA. The Vulnerability List is then used to establish the Top 80 list that helps OBO to prioritize facilities that need to reduce security vulnerability. In addition to new construction projects, OBO must also design and construct security upgrades to existing facilities. Working closely with DS, our security projects will incorporate changes to standards as the threats to Department facilities and personnel evolve. The Long-Range Plan gives all stakeholders especially other U. S. government agencies that are co-located with the DOS at overseas facilities, a strategic overview upon which they can base their own planning.

Bureau Objective 1.2: Improve conditions for staff overseas through new construction, major renovations, and systems upgrades consistent with available resources.

b. Justification

OBO is committed to using the best construction practices and craftsmanship possible and adhering to safety and security standards for all new construction, major rehabilitation, and smaller projects. Careful planning is required to balance preservation objectives with interior systems, such as fire prevention systems, HVAC, electrical, plumbing, structural systems, information and communication technologies, and conveyance systems. OBO must identify and prioritize facility requirements at posts, confirm existing requirements, and identify those requirements that make sense to consolidate into a comprehensive Major Rehab projects. As problems at overseas facilities around the world are identified, they are compiled, evaluated, and prioritized. This prioritized listing of global issues is used as the basis for allocating limited repair resources to ensure that the most essential facility problems with the greatest impact are addressed first.

Bureau Objective 1.3: Ensure to the maximum extent possible that our buildings and facilities comply with relevant policies, regulations, building codes, design standards, and security requirements.

b. Justification

Our buildings range from historic structures that have been adapted for diplomatic use to purpose-built modern structures. In some cases they have been constructed in accordance with, or in the absence of local building codes, and require additional work to ensure their safe use. Our facilities must comply with the building regulatory framework throughout the building asset life cycle. OBO must consider relevant local and federal regulations, and construct and maintain building assets to at least the minimum standards prescribed in applicable codes and laws. To meet OBO's fire, life safety, Americans with Disabilities Act (ADA) and seismic standards globally, posts must lease newer residences typically with higher rents than the replaced housing. Effective compliance and enforcement unlocks deeper energy savings, produces higher building resale value, and minimizes environmental impact and cost.

Bureau Objective 1.4: Provide project management, cost estimating, and technical support to address security, safety, environmental, and energy issues at overseas posts.

b. Justification

OBO provides professional and technical oversight at each project work site to ensure that the specified standards of quality, safety, and security are achieved while meeting schedule and budgetary constraints. A systematic strategy for the identification, elimination or management of hazardous activities or conditions is integral and critical to effectively conserve and protect valuable resources. OBO ensures the timely identification and resolution of hazardous conditions and activities; identify and eliminate property/facility selection and design process factors which can result in safety, health or environmental risks during building use and maintenance; educate/train overseas federal employees under COM authority and family members residing overseas about measures to reduce risks. OBO also has employees who are certified fire & explosive investigators and are available to travel immediately to any fire incident requiring a formal, on-site investigation. OBO provides project management, design and engineering reviews, cost estimating, and other support services for the development of safe and secure facilities around the world. OBO also continues to expand and support the DriveCam driver risk management program which has reduced official overseas vehicle fatalities by 75% since 2009.

Bureau Goal 2: Provide a functional platform for diplomacy that represents the best in American innovation, design, engineering, construction, planning, real property and portfolio management, technology, art, and culture.

a. Description and Linkages

Our facilities must provide U.S. diplomats and staff with a safe, secure, and functional workplace while reflecting America’s history and values. Our projects and programs, consistent with available resources, help to foster a diplomatic community and represent the U.S. to the host country. A well-planned and organized workspace will help to increase productivity and maximum our ability to provide a functional and representational work space for staff overseas. Our staff and industry partners support the department’s diplomatic missions by providing space planning, office furniture specification, and other services to promote a productive work environment. To further our mission to deliver safe, secure and functional facilities that best represent the U.S. government to host nations, OBO is committed to incorporating new innovations, and adopting the best practices for our facilities. Our programs and projects will use industry and federal tools to improve the utilization of space and land, and fiscal stewardship. In collaboration with internal and external partners, OBO will design, construct, support and maintain safe, secure, functional, and inspiring diplomatic facilities. OBO is also responsible for the overall stewardship of over 18,500 Cultural Heritage assets—State Department-owned antiques, works of art, and other cultural heritage objects maintained in some 200 posts throughout the world.

Key Partners and Stakeholders:

- Regional Bureaus (AF, EAP, EUR, IO, NEA, SCA, & WHA)
- Posts
- Under Secretary for Management (M)
- Office of Management Policy, Rightsizing, and Innovation (M/PRI)
- Bureau of Administration (A)
- Bureau of Diplomatic Security (DS)
- Other U.S. government agencies
- Private Sector (i.e. A&E Firms, construction firms, etc.)

Bureau Objective 2.1: Improve how we acquire, plan, design, construct, maintain and dispose of our global portfolio of diplomatic and consular facilities.

b. Justification

Our commitment to design and deliver the workplace of the 21st Century will maximize our facilities' long-term security, economic, and strategic purpose. OBO must find innovated solutions to acquire, plan, design, construct, maintain and dispose of property and maximize our asset's value. OBO also conducts purchase and sales appraisals, market surveys and undertakes new initiatives by evaluating long-term trends and exploring opportunities for improved real estate and property management

Bureau Objective 2.2: Use federal and industry performance standards to develop sustainable solutions throughout the life cycle of our facilities.

b. Justification

Delivering and managing excellent high performing facilities is a comprehensive process that seeks to utilize the best methods and technologies. To improve the quality of our facilities, OBO will continue to be actively engaged in researching best practices throughout the life cycle of our facilities. OBO describes itself as a "learning organization," and to the extent possible, OBO will leverage industry and federal tools or applications, and cost-effective solutions to protect our investments.

Bureau Objective 2.3: Engage with industry professionals to ensure we are utilizing the latest industry concepts, methods, and approaches.

b. Justification

In an increasingly complex, and evolving world it is imperative to meet the critical needs of our foreign missions and to deliver the best value to for the American taxpayer. To ensure a high standard of security and excellence for our staff and the American public, OBO engages the best private-sector architects and engineers to design, modernize existing, and construct new diplomatic buildings. OBO also must create policies and procedures for selecting the finest and most appropriate architects to work on our facilities overseas.

Bureau Objective 2.4: Support cultural diplomacy, and preserve the integrity and safety of our art, representational assets, and culturally significant properties and artifacts.

b. Justification

Our representational residences and facilities incorporate the best of American and local art and design to encourage cross-cultural communication and understanding. OBO takes pride in the interior design of our representational residences and facilities as these

locations are used to host various official functions and showcase our commitment to excellence. The conservation of our cultural heritage buildings or assets is instrumental in promoting the preservation of American history and architecture. OBO provides professional stewardship, preservation, and maintenance of unique and significant buildings. OBO is also responsible for all interior design, art, furniture, furnishings, appliances, and equipment for 418 official residences worldwide. OBO must make sure that we have proper life cycle practices in place to handle the deterioration of our interior design, furniture, furnishings, appliances, and equipment for 418 official residences worldwide. The current life cycle for furniture, furnishings, appliances, and equipment is roughly 10 to 12 years; however, due to funding restrictions our current review and replacement cycle is 18 years (+/- one or two years depending on numerous variables). Due to the frequent use of our diplomatic residences for living and representational needs, our resources must be allocated to cover un-scheduled mid-cycle interim replacements or maintenance. In order to reduce the amount of un-scheduled replacements or maintenance, OBO seeks to reduce our scheduled replacement cycle for furniture and furnishings to 13 years.

Bureau Goal 3: Support U.S. diplomatic facilities cost-effectively.

a. Description and Linkages:

OBO is responsible for acquiring space on behalf of diplomatic missions through new construction and leasing, and managing department properties across the globe. Our staff negotiates land acquisitions, property exchanges, and long-term leases, and managing the major program schedules for Capital Security Construction and the Major Rehabilitation Programs. OBO will continue to acquire, manage, and dispose of the Department's overseas real estate properties in a manner consistent with U.S. foreign policy needs, and manage the \$500 million leasehold account in a way that maximizes value and increases options for funding transactions without additional appropriated funds. Over the years, funding for maintenance, repair, and rehabilitation has not kept pace with the aging of the U.S. government's overseas portfolio and the technical maintenance requirements of new construction. OBO is committed to preserving our legacy properties while ensuring proper stewardship of all properties through effective and timely preventive maintenance, repairs, and replacement of systems and components.

Key Partners and Stakeholders:

- Regional Bureaus (AF, EAP, EUR, IO, NEA, SCA, & WHA)
- Posts
- Under Secretary for Management (M)
- Office of Management Policy, Rightsizing, and Innovation (M/PRI)

- Bureau of Administration (A)
- Bureau of Diplomatic Security (DS)
- Other U.S. government agencies
- External Vendors (i.e. A&E Firms, construction firms, etc.)
- OMB
- Congress

Bureau Objective 3.1: Optimize the service life and performance of our facilities, materials, and equipment to preserve our facilities and investments.

b. Justification

Proper stewardship of our overseas assets requires appropriate investment to provide and maintain functional, productive, safe and secure work and living environments to advance the Department's mission. Appropriate investment both in terms of funding levels and timing is essential to protect our assets useful service life. The service life of a facility systems depends on many factors, such as the quality of the building's design or construction, the durability and reliability of the construction materials and component systems, the complexity of installed systems and equipment, capability to effectively operate and maintain, the location and climate, the use and intensity of use, and damage caused by human error and nature. These all influence how well and quickly a facility, system, and components age and the amount of maintenance and repair it requires over its life cycle. Although a building's performance inevitably declines because of aging, wear and tear, and functional changes, its service life can be optimized through adequate and timely maintenance and repairs as long as the intended function of the system continues to meet the need. When maintenance and repair activities are continuously deferred, the result can be an irreversible loss of service life far beyond a facility's normal deterioration rate and often leads to emergencies that can impact safety, security, and cost. OBO will continue to create creative solutions to address these challenges and preserve our facilities, materials, and equipment.

Bureau Objective 3.2: Align existing real-estate portfolio resources and investments efficiently to effectively anticipate, capture, and advise on future portfolio needs.

b. Justification

OBO is the single real property manager for diplomatic and consular real estate abroad, operating and maintaining over 18,000 properties at 285 missions worldwide, with an estimated replacement value of \$53 billion. OBO acquires functional and residential

properties for foreign affairs agencies through lease, lease-purchase and build-to-lease agreements under the Leasehold Program. OBO has implemented a number of cost containment strategies to ensure costs remain affordable including a lease benchmarking program that establishes reasonable lease rates based on market surveys, a lease waiver program requiring that leases comply with cost and size standards, and post specific funding targets that require field personnel to manage requirements within limited resources. This maximizes value for money spent and increases options for funding transactions without additional appropriated funds using methods consistent with sound financial management practices. Proper planning is a critical element to complete projects on time and within budget while providing the right platform to successfully support operations in the field. The OBO planning component provides deliverables such as master planning, evaluating public/private partnership business cases, and performing real property appraisals.

Bureau Objective 3.3: Provide quality technical and management expertise to support day-to-day and long-term operations of embassies and consulates.

b. Justification

OBO provides comprehensive and timely support to overseas missions, and serves to link the bureau and posts by acting as a practical, effective, and results-oriented ombudsman, explaining post's needs and limitations to staff at headquarters and help to implementing OBO's policies and procedures at our missions. OBO also conduct surveys on existing facilities; provide troubleshooting and on-site consultations to resolve problems. Each post has a different operational climate, and OBO must assess how different local conditions and environmental concerns will continue to impact construction projects, maintenance, operations, cost, and other OBO programs.

Bureau Objective 3.4: Execute programs and building management practices that promote optimal decisions regarding space, acquisition, disposition, construction, renovation, and leasing.

b. Justification

To modernize the way we do diplomacy, OBO must orient the bureau's internal operations to improve how we execute our overseas programs and building management practices. Successful operations require OBO to execute programs and building management practices that will reduce duplication, excess cost, and confusion. OBO works to identify key business processes which need improvement and execute activities that ensure optimal decisions regarding the real property program. OBO follows the Code of Federal Regulation's

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(CFR) recommendations for space planning based on organizational needs. OBO also reports on the investment, percentage of demand, and estimated payback of renewable energy deployed at overseas facilities.

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4. Management Goal

Management Goal 4: Ensure that data is ready, reliable, and relevant at any point in the lifecycle of a project or real property to inform decisions.

a. Description and Linkages

OBO seeks to improve its information management, data accuracy, and processes. This includes establishing an integrated Enterprise System to enable ready, reliable, and relevant data to make strategic business decisions. The Enterprise System will support OBO's business processes in a consolidated data environment, using four main systems that will provide more capabilities to enhance the overall user experience both domestically and overseas. Additionally, standardized work, defined roles and responsibilities, and clearly stated, easy-to-understand policies and standard operating procedures (SOPs) across OBO will foster a truly integrated organization, incorporating regional bureaus and posts, and aligning to our Enterprise System.

Consistent with the department's strategic priorities outlined in the 2015 Quadrennial Diplomacy and Development Review (QDDR), this effort will promote quality information management and innovation by "harnessing knowledge, data, and technology" through a data-driven, evidence-based approach. The Enterprise System will provide a single hub to improve data quality and encourage collaboration across the organization, integrating data from various sources and increasing the flow of information between our offices, bureaus, and overseas posts.

OBO plans to implement the Integrated Workplace Management System (IWMS) to provide end-to-end facilities life cycle management from real estate transactions, lease administration, project management, facility maintenance and operations management to sustainability; roll out improved Budget Management tool to automate budget formulations and budget execution processes; launch Content Management solution to revamp existing capabilities and provide expanded functionality to meet our business needs for creating, sharing, and leveraging information across the bureau and posts; and improve Business Intelligence and Analytics capability to utilize data in cutting-edge visualizations and dashboards, providing more dynamic reporting capabilities.

Key Partners and Stakeholders

- Regional Bureaus (AF, EAP, EUR, IO, NEA, SCA, & WHA)
- Posts
- Under Secretary for Management (M)
- Office of Management Policy, Rightsizing, and Innovation (M/PRI)

- Bureau of Administration (A)
- Bureau of Diplomatic Security (DS)
- External Vendors (i.e. A&E Firms, construction firms, etc.)

Management Objective 4.1: Improve and standardize policies and processes to support OBO's goal of enabling ready, reliable, and relevant information to make data-driven decisions.

b. Justification

In order to achieve consistently reliable, centrally-managed project management data, OBO continues to focus on process improvement and data accountability via four key initiatives to include standardization of processes to increase efficiency in design and construction of new facilities, improved project performance management to decrease change orders, improved life-cycle cost management techniques and introduction of industry standard processes and software applications. These efforts empower OBO managers and staff to focus on management, collaboration, metrics, best practices, and technology and have the primary mission to improve security, efficiency, and quality, while reducing the cost to plan, design, operate, and maintain Department facilities.

Management Objective 4.2: Improve data quality, reporting, and analytics capabilities to manage a large amount of information in our complex organization.

b. Justification

Delivering and managing excellent high performing facilities requires the use of adaptable and cooperative data analytics technologies. To improve the quality of our data, and our ability to quickly respond to current and emerging reporting requirements, OBO will continue to be actively engaged in researching best practices in information management technology. OBO describes itself as a "learning organization," and to the extent possible, OBO will leverage industry and federal tools or applications, and cost-effective solutions to manage our informational needs.