

ARCHIBUS Success Story



Natural Resources Canada Awarded \$47 Million in Infrastructure Funds Using ARCHIBUS to Justify Grant

With a mandate to improve Canadian quality of life by creating a sustainable resource advantage, Natural Resources Canada (NRCan) is the Canadian federal government's steward of the country's rich land, minerals and energy portfolios. Recently, the department found itself with an opportunity to address deferred maintenance and modernization of its laboratories to ensure the ongoing integrity of these physical assets as they support regulatory functions and programs in research and technology development.

Under the Economic Action Plan of 2009, Canada's federal government allocated \$250 million in economic stimulus money to departments that could justify requests for refurbishment grants. NRCan took advantage of that opportunity to better maintain and perform upgrades to its nation-wide inventory of offices, warehouse, industrial space and wet and dry labs. These assets comprise 3.5 million square feet of space in a portfolio whose assets had an average age of 47 years.

Using ARCHIBUS Condition Assessment, the department was able to thoroughly document facility conditions at its coast-to-coast network of laboratories and other properties. That allowed it to capture \$47 million out of the total \$250 million in government funds.

NRCan's Real Property managers, like their colleagues in other federal departments and in the private sector, constantly attempt to efficiently maintain the organization's buildings without having to draw on resources needed to carry out the agency's organizational mission. ARCHIBUS proved to be the resource that helped them achieve their facilities goals.

Efficient Facilities Advance Sustainability, Economic Growth

In addition to contributing to Canada's commitments for sustainable development of natural resources, NRCan plays a central role in developing policies and programs to apply the country's mineral, metal and energy resources to expand the economy and improve Canadian quality of life. NRCan, for example, conducts innovative science at facilities across Canada to commercialize research and license technologies, a compelling reason to keep its facilities performing at a world-class standard.

The department found that Condition Assessment made a significant and positive change in the way it manages its real property, as has the



Natural Resources
Canada

Vital Statistics

Organization:

Natural Resources Canada
Ottawa, Canada

Facilities Facts:

4,200 employees, 313 buildings (75% owned),
324,000 square meters (3.5 million square feet);
owned portfolio with average age of 47 years
and \$1.3 billion (CND) replacement value;
41,000 hectares (158 square miles) of land

Reasons for Implementation:

Elimination of paper-based condition
assessment process, timelier condition data;
streamlined and integrated space and real
estate/lease management

ARCHIBUS Applications:

Space Management, Real Property & Lease
Management, Condition Assessment

ERP Applications Integrated with ARCHIBUS:

PeopleSoft HR and SAP Financial applications

Benefits Gained:

Streamlined, comprehensive condition
assessment processes; more accurate and
defensible condition documentation and real
estate portfolio scenario planning; awarded
\$47 million in Government of Canada
Economic Action Plan infrastructure funding
based on compelling, justifiable business case

Business Partner:

Horizant

Web Site:

www.nrcan-rncan.gc.ca

implementation of ARCHIBUS Space Management and Real Property & Lease Management applications, as well as their integration with PeopleSoft HR and SAP Finance systems.

Condition Assessment has allowed the department to go from a paper-based to an online Building Condition Report (BCR) capability and enables a more portfolio-focused, rather than a building-focused, approach to real estate management.

Condition Assessment has also made possible the implementation of a Facility Condition Index (FCI), which provides a relative and objective measure of building condition. Another added advantage is that the application enables a consistent condition feedback loop with property managers for maintaining “evergreen” data.

The condition assessment process is a straightforward one, with the initial commissioning of a BCR and the assessment of building components, followed by cost estimates for corrective action, project priority rankings and a risk management assessment. The BCR information is then entered into ARCHIBUS, validated with property managers, and supplemented with on-the-ground information.

The prioritized, portfolio-wide listing of real property projects are then submitted to a departmental Business Transformation Committee for review. The projects are subsequently entered into the department’s financial system and, at year-end, project information is downloaded from the financial system. ARCHIBUS is then updated, and planning for a new fiscal year begins.

ARCHIBUS Information Drives Multi-Million Dollar Results

NRCan has been able to group projects and take advantage of bulk contracting arrangements by leveraging ARCHIBUS functionality. For example, the department can group all “mechanical” projects coming due in a given time period and in a particular city.

Facilities investments can also be adjusted on the basis of the importance of assets to one’s mission by setting an FCI target of 5% for all mission-critical buildings, to cite one possibility.

Finally, NRCan’s Condition Assessment implementation facilitates the creation of strategic portfolio management scenarios, examining the FCIs of portfolios of buildings or individual buildings, to identify candidates for disposition.

Within days of receiving a request from Treasury Board for potential infrastructure projects, Natural Resources Canada was able to provide an objective, national, prioritized listing with information that clearly communicated the need to upgrade their aging laboratory infrastructure. The department’s prompt and well-supported submission resulted in funding to make necessary improvements. In addition, it made possible over \$2 million in cost-avoidance by reducing space requirements for NRCan’s employees.

The department’s success illustrates the power of ARCHIBUS to thoroughly document building conditions and produce actionable information for improved, cost-effective decision-making that helps achieve organizational goals.

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