

FINAL

S: 11 March 1996

CELD-ZE

7 February 1996

MEMORANDUM FOR COMMANDERS, ALL DIVISIONS, ATTN: Director of Logistics

SUBJECT: Policy Letter of Instruction (LOI) No. 96-1: Space Management

1. Based on feedback during Command Management Reviews (CMR), we want to take this opportunity to reemphasize the importance of space planning, utilization and management and provide additional guidance and direction. The downward trend in team members, coupled with reduced funding levels, makes it imperative that we continue our efforts to aggressively pursue cost reductions in space. We are also seeking your help in providing updated information regarding your space utilization and reduction plans.
2. In early FY95, all USACE commands submitted their plans to adjust/reduce administrative space toward the 162 nsf/pn goal. This action was aimed at reducing the overall rent bill, as well as compliance with space utilization policies contained in AR 405-70. Most of these plans were approved in principle by the DCG in March 1995 but little progress has been reflected in quarterly CMR updates. The Command still shows red with no overall strategy to attain the goal. We need your assistance to update where we stand and develop a practical way to track our progress. This input will enable us to track overall USACE progress in reducing space and associated costs. It will also be reflected in the quarterly CMR.
3. Please note that while 162 nsf/pn remains the overall USACE administrative space utilization goal, we recognize that there are many factors that may affect your ability and need to attain this goal. For example, building ownership, configuration, need for special space, and location merit special attention.
 - a. Most Corps activities are located in facilities leased from the General Services Administration (GSA), with well known annual rental rates on a per square foot basis. For these facilities, it makes good business sense to release excess contiguous space back to GSA when it is cost beneficial. In fact, this is where we can achieve the greatest impact in cost reduction.
 - b. We also want to recognize the special considerations resulting from Corps owned facilities located on or off military installations. In these cases, although we do not pay rent, operations and maintenance costs can still be significant. For PRIP-built buildings, substantial revolving fund capitalization costs must be added which can have a crippling effect on a district's ability to compete for work. In all cases, excess space should be vacated and when possible leased to another Federal tenant.

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c. On the other hand, this approach may not be applicable to facilities located on military installations which are provided at no charge other than base support services. The actual square feet used is less important to the Corps from a cost-of-doing-business standpoint. The prudent approach for these locations is to offer any excess space back to the host. If the host declines to accept it as unnecessary for its use and it is determined that no additional charges are being applied, we will not hold that location to the 162 nsf/pn standard based on your supporting documentation.

d. Other exceptions to the target utilization goal may be made for historic landmarks, buildings with large atriums, and buildings that meet exceptional storage/special space requirements due to support of special USACE missions (e.g., training centers).

e. Based on your input and justification, we will consider these and other factors in reviewing your tailored space utilization and cost reduction program to fit more realistic parameters. Enclosure 1 provides detailed guidance regarding exception criteria that may be considered in developing your program. We solicit your feedback on this approach and particularly on how the enclosed guidance may be improved.

4. Based on the above, we ask that you review and update the action plans that were developed and submitted last year by you and your district offices. Commands already at "green" need not submit.

a. These updates should identify how and when each site intends to achieve its end state, which should meet or exceed the USACE goal (or state the rationale for why it should be exempted from meeting the goal.)

b. Format at enclosure 2 should be used to show space utilization and funding actuals/projections starting with FY 95. (Milestones, target completion date, projected funding requirements (OMA and Civil), etc. should be included.) *Update quarterly for our tracking*
~~submit quarterly~~ *along with normal OMB input.* *Enclosure 2 updates are to be managed meet + tracking pay sec.*

c. Any mitigating factors that may delay your efforts should be identified along with the associated impact on your milestone plan.

d. Any major barriers to plan execution should be identified as they occur so that we can assist you in reaching the goal.

e. Please specify what assistance you need from HQ, USACE. (No central funding from USACE for relocation, etc., should be assumed.)

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5. For FY96, USACE is facing nearly a \$10 million shortfall in the centralized military rent account, although the prospects are better in the following years. We must do a better job both in reducing our costs and in building our rent dollar requirements into the Program Objective Memorandum (POM). In this area, we are exploring the delegation of military (OMA) funds to division/district level to give local commanders more control of and accountability for the space they occupy. But, we need your input to effectively work these issues. Request your input (using the enclosed format) as well as your feedback on our revised focus prior to 11 March 1996. With your help, we will revise the process to provide the meaningful management tools that will best serve the Corps.

/s/

2 Encl
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GARY L. ANDERSON
Director of Logistics

Enclosure 1

General: The standard of 162 nsf/pn for administrative space was established as the USACE space utilization goal during 1994. The goal was established in part to instill awareness and discipline into space management. It is based on AR 405-70, adopting the DA office space standard (130 nsf/pn) and allowing an additional 25% for special and storage space without justification. The 162 nsf/pn was an improvement in our space utilization evolution and understanding, but did not permit much field flexibility. Most importantly, it forced a "one size fits all" approach than may not be the best for USACE. Henceforth, we will call 162 nsf/pn the *interim* space goal as we continue to revise our focus to include cost.

Categories of Space Normally within 162 nsf/pn:

- Office space (immediate workstation area, including incidental circulation)
- Unit equipment space
- Conference rooms
- Building maintenance
- Duplicating rooms
- Mail rooms
- Classrooms
- Exhibit areas
- Reception areas
- Emergency operations center/communication
- Libraries (technical and legal)
- Disbursing office
- Computer room
- Audio/video
- Sample storage
- Space with unique architectural features
- Laboratories (incidental)

Categories of Space Normally Not included (exempt) within 162 nsf/pn:

- Warehouse
- Parking
- Stair cases/wells
- Fire egress corridors
- Elevator shafts
- Utility rooms/space
- Health unit
- Cafeteria/snack bar
- Classrooms (if the administrative facility has a special MACOM mission in education and/or training)
- Laboratories (if the administrative facility has a special MACOM mission in research and development)

Physical fitness/gym
Credit union/bank
Child care
Unfinished basements
Spaces with ceiling heights less than 7'0"

Personnel Allocations: In the current context, personnel allocations include uniformed military positions, full-time equivalent positions (as issued in manning documents by HQUSACE, and in turn, by MSCs), one-half allocations for cooperative students, full allocation for DA/Corps interns, and full allocation for Corps contractors when their contract stipulates that the Corps will provide the space. No allocation for space allowance is permitted for supplemental part time/stay-in-school positions.