

AGPMR ADVISORY

ADVISORY No. 16-01, Rev. 1

EFFECTIVE: April 06, 2017

Title: Space Utilization Rate Policy

1. SUMMARY

This Advisory:

1. **Revises AGPMR Advisory No. 16-01, “Space Utilization Rate Policy,” dated February 04, 2016.** This revision eliminates the blanket exception for Succeeding and Superseding leases, formerly described in Part 1, Par. 3.b)i. on page 2, from meeting the space utilization rate policy in this Advisory. Effective immediately, Succeeding and Superseding leases (and related General Services Administration Occupancy Agreements) must either meet the requirements of this Advisory or the Agency must follow the Exception Memorandum process described in Part 3. EXCEPTIONS, starting on page 7. Part 3.1.a) on page 7 has also been revised to eliminate “Succeeding/Superseding leases.” No other changes have been made.
2. **Affirms USDA’s policy goal to not exceed a maximum 150 UR in all USDA leased, owned and General Services Administration (GSA) –assigned office space occupied by USDA.**
3. Adopts a **USDA National Space and Design Guide (Guide)**. The Guide, and related information and tools, such as an accompanying **Request for Space (RFS) Template** (optional) are posted on the Office of Procurement and Property Management’s (OPPM) Property Management Division (PMD) web page under “Information for USDA Employees/Real Property/Asset Management Reference Material.” Use this web link to access:
http://www.hqnet.usda.gov/pmd/physical_sec_library.html.

- a) **Purpose.** The Guide was developed based on studies conducted at various USDA offices nationwide. Its purpose is to promote space design standardization among agencies and facilitate the ability to meet the Department's 150 UR. It provides strategies to align workplaces with organizational goals and staff work patterns and offers design options of different space types and sizes.
 - b) **Application.** The Guide and this policy apply to all new USDA owned, leased, and GSA-assigned office space nationwide, regardless of its Predominate Use classification in the USDA Corporate Property Automated Information System (CPAIS). Planning strategies in the Guide should be implemented in existing space to the extent it is considered to be practical and feasible. Specifically covered are:
 - i. New and replacement leases and GSA Occupancy Agreements (except lease extensions and renewal options);
 - ii. Owned space acquisitions (e.g. property obtained via purchase/donation/construction/transfer).

Note: The competitive square foot (SF) range in a lease acquisition should not exceed the 150 UR, so that the space that is accepted meets this policy.
4. Provides guidance for drafting and executing an **Exception Memorandum** when compliance with the 150 UR maximum cannot be achieved.

2. DEFINITIONS & CALCULATIONS

The terms presented in this Part are provided as a basis for space planning and calculating a UR. They are supplemented with a running Example of an office with 21 full time permanent employees, and Office and Non-Office Special space, that illustrates how the terms and associated SF are used to calculate a UR number.

1. **Utilization Rate (UR).** This is a space management ratio based on occupancy that gauges space use efficiency. UR is calculated by dividing the total usable square footage (USF), minus total Special space, by the organization's total Personnel Count.

$$UR = (USF - Special) / Personnel\ Count$$

USDA's policy is to not exceed a 150 UR without a written Exception and justification. A lower UR indicates more efficient use of space compared to a higher number. The example that is shown in paragraph 4 on page 6 results in a 147 UR. This is 3 SF per person less than the allowable 150 UR and meets the policy.

2. **Usable Square Feet (USF).** USF is derived from a combination of several space components. It is the total of all Individual, Standard, Office Special, Circulation Area (CA) and Non-Office Special space. USF, minus total Special space, is the numerator in the UR calculation.

The example below shows how to calculate the USF using these components. These are each explained in detail following the example.

USF FORMULA

$$USF = Individual + Standard + Office\ Special + CA + Non\ Office\ Special$$

USF EXAMPLE

Individual (workstations):	912 SF (19 people x 48 SF workstation)
Individual (office):	<u>240 SF</u> (2 people x 120 SF office)
Total Individual:	1,152 SF

Standard (Meeting):	450 SF
Standard (Resource):	<u>500 SF</u>
Total Standard:	950 SF

Secured Storage:	200 SF
Lab Room:	<u>200 SF</u>
Total Office Special:	<u>400 SF</u>
Sub-Total:	2,502 SF

CA:	976 SF (see CA Example on page 5 for computation)
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Workshop:	100 SF
Warehouse:	<u>400 SF</u>
Total Non-Office Special:	500 SF

TOTAL USF:	3,978 SF
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$$USF = 1,152 SF + 950 SF + 400 SF + 976 SF + 500 SF$$

$$USF = 3,978 SF \text{ total}$$

- a) **Individual:** Space where personnel primarily conduct their work. Includes individual workstations, touchdown stations, and offices in open and enclosed settings.
- b) **Standard.** This shared support space is broken out into two categories:
 - i. **Meeting:** Includes Quiet Room / Phone Booth; Meeting / Conference Room; Training Room; and Open Meeting / Lounge Area.
 - ii. **Resource:** Includes space for lateral files away from desk; Standalone Printer; Copy / Print Room; Plotter Room; Service Desk (Field office); Reception Area; Coat Closet; Pantry; Break Area; Mail Room; Storage Room; and Wellness/Mother's Nursing Room.
- c) **Office Special:** Provides for programmatic needs in addition to Individual and Standard space needs. **Included in USF, as well as the Circulation Area calculation; excluded from the UR calculation.**

Examples: Mud / Shower Room; Information Technology (IT) or Automated Data Processing (ADP) Server Room; IT/ADP Storage Room; IT/ADP Staging Room; High Density Storage Room; Exercise Room; Class room; Aerial Photo / GIS – Open Storage and/or File Bar; Evidence Room; Lab Room; Exterior Processing Space; Secured Storage Room. The majority of these spaces are explained and defined in the Guide.

- d) **Circulation Area (CA):** Refers to the internal “spaces between the spaces” that personnel travel within an office workplace setting. Includes internal aisle ways and space around workstations. A **Circulation Multiplier (CM)** is applied to the sum total of the Individual, Standard and Office Special space. The resulting CA is part of the UR calculation. The CM is based on the following parameters:
 - i. Apply 29% circulation (CM of 1.29) if the total workstation area is < 25% of the Individual + Standard + Office Special space total;
 - ii. Apply 39% circulation (CM of 1.39) if the total workstation area is between 25% and 75% of the Individual + Standard + Office Special space total.
 - iii. Apply 49% circulation (CM of 1.49) if the total workstation area is > 75% of the Individual + Standard + Office Special space total.

Here is an example of how to calculate the CA:

CA FORMULA

CA= CM applied to the Individual + Standard + Office Special space total according to the parameters above.

CA EXAMPLE

As shown in the USF Example, this office's total **workstation** area is 912 SF. This is 36% of 2,502, or the Individual + Standard + Office Special space total. Therefore, per ii) above, this requires that a 1.39 CM be applied to 2,502. The resulting CA is 976 SF. It is calculated as follows:

$$1.39 \text{ CM} \times 2,502 \text{ SF} = 3,478 \text{ SF}$$

$$3,478 \text{ SF} - 2,502 \text{ SF} = 976 \text{ SF}$$

- e) **Non-Office Special.** Provides for specialized needs that are not directly related to office work or functions. **Included in USF, but excluded from the Circulation Area and UR calculations.** In the Example above, Non-Office Special space equals 100 SF Workshop + 400 SF Warehouse, for a total of 500 SF. This brings the total USF to 3,978 SF.

Examples: Auditorium; Cafeteria; Child Care Center; Commercial kitchen; Credit Union; Courtroom; Data Center (typically raised floor); Employee Association; Fitness Center (with lockers and showers); Training Center; Garage; Greenhouse; Laboratory; Law Library; Light Industrial; Health / Medical Unit; Shed; Storage – including cold storage rooms such as walk-in freezers or coolers; Private Toilet / Restrooms (located within the tenant's demised space, or for tenants leasing an entire floor, restrooms that exclusively serve the tenant's floor - not building common); Retail Space; Vault; Warehouse; Workshop; Wareyard.

3. **Personnel Count.** The denominator of the UR calculation consists of the organization's total personnel count. This is the total number of:
- a) Full and part-time employees who are permanently assigned to the office facility;
 - b) Seasonal hires, interns, and other temporary staff if they predominately work in the office and are employed for three months or longer;
 - c) Individuals who telework less than five days a week but are permanently assigned to the location;

- d) Resident contractors whose primary work location is the facility in question. The term “resident contractor” excludes janitorial staff, construction workers, movers, security guards, and all other contractors who do not work from a desk and are not typically considered “office workers.” USDA also includes in this category all State, county and local government employees, and non-federal partners and local cooperators.
4. **UR Calculation Example.** Now that all of the necessary variables have been identified, the following example shows how the UR is calculated. The UR in this example is 147 (rounded up), which is an average of 3 SF/person less than the maximum UR threshold. Thus, this example conforms to this policy.

UR FORMULA

$$UR = (USF - Special)/Personnel\ Count$$

Note: Special SF is the total of Office Special + Non-Office Special. In this case, it equates to 400 SF Office Special + 500 Non-Office Special, or 900 SF total Special SF.

UR EXAMPLE

$$(3,978\ USF - 900\ Special) = 3,078\ SF$$

$$3,078\ SF/21\ people = 147\ USF/person$$

5. **Other Space.** In addition to Non-Office Special space, the following areas are **not included the UR calculation** because they are typically not part of the office space that is under the occupant’s direct control and use. However, they may be used for other purposes such as space inventory tracking and the basis for rent or other charges.
- a) **Common:** This is typically fixed building support space that is usually located outside the tenant’s demised space – because it is either public or used by all tenants and building management. This is not part of USF.

Examples: Atriums; Courtyards; Electrical/Telephone/ Mechanical Rooms; Janitorial Closets; Lobbies; Public Corridors, Restrooms; Vestibules.

- b) **Rentable**: A tenant's rentable space is calculated by adding a pro rata share of the Common SF to the tenant's USF. Rentable space is always larger than USF because it consists of USF plus the Common SF. A Common Area Factor (CAF) of between 10% and 15% is typical for commercial office buildings and facilities and can be up to 35% in federally owned facilities. The Guide assumes a CAF of 15% as a general standard.

3. EXCEPTIONS

“USDA Space Policy” (Departmental Regulation 1620-002) requires Administrative Services Division Directors (ASD) (or equivalent) to ensure that field office locations do not exceed the 150 UR, without issuing a written Exception approval. Similarly, the Director, Office of Operations, must approve Exceptions to the 150 UR in the National Capital Region (NCR).

1. **Exception requirements are listed below:**

- a) Applicable space actions (see Par. 3.b) under 1. SUMMARY) require an Exception Memorandum to be submitted if it is clear that achieving the 150 UR is either impractical or cost ineffective. An Exception Memorandum is not required for lease extensions and renewal options.
 - b) Exceptions to the 150 UR are to be issued only after tools such as open concept space planning, teleworking and other flexible workplace strategies have been employed to the maximum extent possible.
 - c) When an ASD Director (or equivalent) - or the Director, Office of Operations - determines that space under his or her purview cannot feasibly meet the 150 UR, this person must issue an Exception Memorandum for the space at issue.
 - d) **In collocated situations, an Exception Memorandum must be submitted for each Agency's space that is non-compliant.** Otherwise the requirement must be met in full.
 - e) **A copy of the approved Exception Memorandum must be provided to OPPM/PMD within 30 calendar days and included in the lease or project file.**
2. ATTACHMENT 1 to this Advisory provides additional guidance related to drafting and issuing an Exception Memorandum.

4. SIGNATURE & CONTACT

“USDA Space Policy” (Departmental AGPMR Advisories are posted at the following web link: <http://www.dm.usda.gov/pmd/>. If you have questions or comments regarding this Advisory, please contact Paul Walden, Chief Property Management Division on (202) 720-7283, or by sending an email to Paul.Walden@dm.usda.gov.

EXPIRATION DATE: Effective upon issue date until canceled.



Paul Walden, Chief, PMD

AG PMR Advisories are posted on the USDA World Wide Web site at the following URL: <http://www.dm.usda.gov/pmd/>. If you have questions or comments regarding this advisory, please contact Paul Walden, Chief Property Management Division by telephone at (202) 720-7283, or via email at Paul.Walden@dm.usda.gov.

ATTACHMENT 1

UTILIZATION RATE EXCEPTION GUIDANCE

1. INTRODUCTION

The Department's 150 UR is always the standard to be met whenever possible. However, it is recognized that there may be occasions when meeting the UR is not practically feasible. Reasons may include the cost to reconfigure and fit out space, compliance would hinder fulfillment of the Agency's mission/program, space cannot be returned to the Lessor or GSA because it is considered unmarketable, or it is not physically achievable (e.g. a load-bearing wall cannot be removed or the building has an inefficient shape).

The ASD Director (or equivalent) - or the Director, Office of Operations for NCR space - is responsible for evaluating and approving any Exception to the UR. An Exception may only be granted after space reduction efforts – like occupying open concept space, and flexible workplace strategies like hoteling, desk sharing and teleworking - have been considered and implemented to the maximum extent possible.

A copy of the signed Exception Memorandum must be submitted to Paul Walden, Chief, Property Management Division (PMD), OPPM, within 30 calendar days after signature. The scanned copy may be emailed to: Paul.Walden@dm.usda.gov. A copy must also be included in the lease or project file.

2. EXCEPTION ELEMENTS

An Exception approval package should include the following elements:

SITUATION: Describe whether the space is a direct USDA lease, USDA owned property, or a GSA space assignment.

ACTIVITY: Describe the space-related action that is prompting the UR review for implementation. For example, a direct leasing action (specify type of action), owned building acquisition or a new GSA Occupancy Agreement (OA).

IDENTIFICATION #: Provide the applicable identification number for the Lease or OA, and Real Property Unique Identification (RPUID) number from USDA's Corporate Property Automated Information System (CPAIS).

CURRENT UR: Provide the office's current UR.

PROPOSED UR: Provide the office's proposed UR.

JUSTIFICATION: If the proposed UR is expected to exceed 150 Usable SF/person, explain why meeting the UR is not feasible for the proposed activity. Include details and supporting documentation like:

- Floor plan – existing and proposed conceptual space layouts, if available.

- Reasons UR target threshold cannot be met. Examples:
 - Uneconomical; Costs more to make physical changes (e.g. relocate walls and/or install new furniture) than to continue occupying the additional space;
 - Negative impact on ability to provide customer service (e.g. large counter space/reception area required due to high-traffic office);
 - Conflicts with other Departmental requirements (e.g. information technology space specifications or on-site file storage). Provide a copy of such requirements or reference;
 - Structural limitations of the building, such as shape or column spacing, that preclude downsizing;
 - Reducing space would leave a portion of the building unmarketable to the owner or Lessor;
 - Other unique requirements, such as a mission requirement for a specific location.

FUTURE IMPLEMENTATION PLAN: Describe how the Agency plans to fully implement the 150 UR in the future, and approximately when this is expected to be achieved. Example: when a new lease is solicited and it is cost-effective for the office to relocate and downsize, or space becomes available that better accommodates a more efficient, open concept layout.

3. COLLOCATED OFFICES

In collocated situations, each Agency's ASD Director or equivalent must sign an Exception Memorandum for their respective space. This can be accomplished either by using a single Memorandum signed by all, or by preparing a separate document for each Agency that is consolidated and presented to PMD as a package. Shared space is prorated to each Agency based on the percentage of space occupied by each organization. The lead Agency is responsible for submitting the Exception Memorandum documentation to PMD.

4. SAMPLE

The following is sample Exception Memorandum language appropriate for a lease procurement that involves a single USDA agency. The Agency is lowering its UR, but still exceeds the Policy. The Memorandum can be modified to fit other situations as needed. Reasons listed for requesting an Exception are not sanctioned or required, and are only provided as potential examples. Yellow background items are place holders for information that is to be provided on a case-by-case basis.

“An Exception is hereby granted to the 150 UR threshold prescribed by AGPMR Advisory 16-01, titled “Space Utilization Rate Policy.”

The present USDA lease (lease #) for the building located at (address) expires on (date). The RPUID for this location is (RPUID #). (Agency Name) is the sole USDA occupant. The current amount of office space is (#) Usable SF (USF). The number of personnel housed at this location is (provide # according to the Advisory definitions). Therefore, the UR is (#) USF/person. See attached floor plan for the distribution of space. This exceeds the 150 UR by (#) USF.

(#) USF of space is being sought under a new lease using full and open competition procurement methods. See attached draft conceptual floor plan. A slight space reduction is considered to be achievable because of an increase in open space (elimination of (#) private offices) and reduction in the amount of support space used for meetings, duplicating activities, mail sorting, and supply storage. However, these measures will only lower the UR to (#), which still exceeds the maximum threshold.

The decision to grant an Exception to the UR policy for this office is based on a determination that additional strategies to lower the UR are not feasible at the present time. Reasons include:

- Increasing the amount of open concept space is cost-prohibitive due to a lack of available suitable furniture - and the cost to reconfigure/buy new furniture amortized over a five-year period would offset any rent savings that could be realized;
- Reconfigured, open space would not be conducive to office work patterns, which require a closed environment to work on projects involving a high degree of concentration or confidential information;
- The office or the local area lacks the necessary technology and equipment for employees to telework at home, which reduces opportunities for desk sharing or hoteling;
- Reducing the SF to meet the 150 UR would negatively impact the ability to provide critical services and programs to the public. It would not provide adequate room for a reception area with a counter, for public and client meeting space, as well as for files that must be retained on site in accordance with the Office of the General Counsel and/or Office of Records Management Directives. A copy of the legal requirement is attached.

Therefore, this office's UR of (#) SF/person is approved. This decision will be reviewed again when the lease expires in approximately (X) years. Meanwhile, if conditions change and it becomes feasible, this office is instructed to take action to lower the UR at the earliest practical opportunity, and to notify me.

Questions related to this Exception may be directed to (contact name and information.)”

Signed by (ASD Director Name) on (Date)

Attachments

cc: Paul Walden, OPPM/PMD