# U.S. Nuclear Regulatory Commission

# Real Property Efficiency Plan

# Reduce the Footprint Policy Implementation

# FY 2017–FY 2021

August 3, 2016

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## INTRODUCTION

The U.S. Nuclear Regulatory Commission (NRC) is an independent agency created by Congress. Its mission is to license and regulate the Nation's civilian use of radioactive materials to protect public health and safety, promote the common defense and security, and protect the environment. Specifically, the NRC regulates commercial nuclear power plants; research, test, and training reactors; nuclear fuel cycle facilities; and the use of radioactive materials in medical, academic, and industrial settings. The agency also regulates the transport, storage, and disposal of radioactive materials and waste and licenses the export and import of radioactive materials.

Successfully accomplishing the NRC's mission requires substantial ongoing collaboration among NRC staff and across NRC offices. This collaboration among multiple technical experts and others is critical to resolving regulatory issues and fully addressing nuclear safety and security concerns. The NRC relies on staff collaboration for applying lessons learned from prior nuclear incidents, understanding the breadth and nuances of a technical issue, and transferring technical knowledge to junior NRC staff on how to apply information appropriately and how to problem solve within the NRC's regulatory framework. Collaboration and unified problem solving enhances the quality of the NRC's response and organizational effectiveness. Co-location of NRC headquarters staff is vital for purposes of achieving operational efficiency, regulatory effectiveness, and incident response capability. Providing consolidated agency facilities is key to supporting the NRC mission.

A summary of the agency's real property portfolio as of the end of fiscal year (FY) 2015 is shown below. The NRC does not directly lease or own any space; its entire 1,134,068 usable square feet (USF) portfolio is provided by occupancy agreements (OAs) with the U.S. General Services Administration (GSA).

**FY 2015 Portfolio Summary per Federal Real Property Portfolio (FRPP) Submittal**
**(All property, including the Reduce the Footprint (RTF) baseline properties)**

| | Direct Lease Space | Owned Space | OA Space |
|---|---|---|---|
| USF | None | None | 1,134,068 |

The NRC's portfolio is currently 97 percent of the agency's FY 2012 Freeze the Footprint (FTF) baseline of 1,170,242 USF. The agency is targeting a reduction of the portfolio to 1,039,946 USF (89 percent of the Freeze the Footprint baseline) by the end of the FY 2017–FY 2021 planning period. The NRC plans to reach this target by renovating, reconfiguring, and releasing a total of 94,122 USF of office space at its Rockville, MD, headquarters and four regional office locations. This space, which is provided by OAs with GSA, will be backfilled by other Federal agencies. Implementing the reductions at headquarters and the regions will be challenging given budget limitations and the lengths and non-cancelable terms of the leases GSA has in place. The limited amount of physical swing space available to support the renovation and reconfiguration activities at headquarters will also be a challenge.

## ROLES AND RESPONSIBILITIES OF SENIOR OFFICIALS

The role of the Senior Real Property Officer (SRPO) for the agency has been delegated to the Director of the Office of Administration (ADM). As the SRPO, the Director of ADM serves as asset manager for the entire agency, with review and approval authority of all space disposal and acquisition projects. All requests for space are centrally reviewed at headquarters by the Space Acquisition Coordinator (SAC) in the Associate Directorate for Space Planning and Consolidation in ADM.

The Chief Financial Officer (CFO) is responsible for the NRC's planning and budgeting and performance management process and for all of the NRC's financial management activities. The CFO provides an agencywide management control program to comply with the Federal Managers' Financial Integrity Act and is responsible for implementing the Chief Financial Officers Act.

The Office of the CFO (OCFO) leads the agency budget formulation process and provides oversight of the agency budget structure.

The Office of the Executive Director for Operations (OEDO) determines the planning, workload, and resource requirements to be reflected in the budget. The Deputy Executive Director for Materials, Waste, Research, State, Tribal, Compliance, Administration, and Human Capital Programs (DEDM) and the Deputy Executive Director for Reactor and Preparedness Programs provide offices with direction, as needed, including workload expectations, to ensure that the budget aligns with the Commission's direction.

ADM reviews the agency's real property portfolio, determines any new requirements for space modifications, acquisitions, and disposals, and, in coordination with OCFO, formulates the proposed agency budget for real property and its components (e.g., repair, maintenance, consolidation, disposal, new construction) for submission to OEDO. As part of the normal budget development process, the DEDM and CFO meet to discuss the budget submission, which includes the annual real property budget. OCFO works with ADM to adjust the budget request based on decisions made by the Deputy Executive Directors for Operations and develops the budget proposal for submission to the Chairman. The Chairman then submits the budget proposal to the Commission. OCFO finalizes and submits the performance budget to the Office of Management and Budget (OMB) once the Commission approves it.

## BUDGET ASSUMPTIONS AND IMPACT TO REDUCTION TARGETS

The NRC formulates its annual budget 2 years in advance. The budgets for the second and third fiscal years covered by this plan (FY 2018 and FY 2019) will be informed by re-baselining and Project Aim recommendations, as described below.

In June 2014, the EDO and CFO established the Project Aim team to develop a long-term workload forecast for the agency, along with the framework and recommendations to enhance the NRC's ability to plan and execute its mission in a more effective, efficient, and agile manner. The team developed a report and roadmap to improve the NRC's agility, effectiveness, and efficiency, while also refining the basis for agency planning through 2020 and beyond.

The report includes a description of what the NRC might look like in 2020 as the agency improves efficiency. This projection is based on understanding how the agency has grown and contracted throughout its history, adjusted to resolve national needs such as the response to the terrorist attacks in 2001, and the projected growth of the nuclear industry.

The agency grew significantly following the terrorist attacks in 2001 to enhance security and incident response and to prepare for projected growth in the use of nuclear energy (the nuclear renaissance) and development of a high-level waste repository in the United States. However, the forecasted growth for the industry adjusted downward in response to changes in the energy sector, which has resulted in fewer requests for review and construction of new nuclear facilities, the early closure of a few operating plants, and reduced budgets. These adjustments, in turn, are prompting the NRC to adapt its structure, workforce, culture, and regulatory processes to achieve the agency's safety and security mission in an era of constrained resources. The NRC must reposition itself to function as an effective and efficient regulator in this new environment, while retaining the capability to respond in an agile manner to a range of possible futures.

The NRC submitted the report and the team's recommendations on how to enhance the agency's ability to plan and execute its mission in a dynamic environment to the Commission for review and approval by the EDO and CFO in January 2015. The EDO and CFO have prepared an implementation plan and submitted it to the Commission for its consideration, based on the guidance provided by the Commission.

Agency components, capabilities, and annual budgets will change in response to the Project Aim implementation plan, workload adjustments, changes in the operating environment, and shifts in expectations and requirements established by OMB and Congress. The office and warehouse space reduction targets identified in this draft RTF plan are designed to be consistent with historic real property funding levels and the NRC FY 2018 annual budget currently being formulated.

## PORTFOLIO STATUS

Overall Agency Building Portfolio

The NRC does not directly lease or own any space; its entire portfolio is provided by OAs with GSA. Its building portfolio consists of a total of 1,033,171 USF of office space, 46,372 USF of warehouse space, and 54,525 USF of other space at the technical training center.

**FY 2015 Portfolio Summary per FRPP Submittal**
**(All property, including the RTF baseline properties)**

| | Direct Lease Space | Owned Space | OA Space (USF) |
|---|---|---|---|
| Office | None | None | 1,033,171 |
| Warehouse | None | None | 46,372 |
| All Other | None | None | 54,525 |
| Total | None | None | 1,134,068 |

The NRC's real property portfolio currently consists of space in nine buildings, located in six geographic areas around the country. The agency's FY 2012 Freeze the Footprint baseline total was 1,170,242 USF. In FY 2013, the size of the portfolio temporarily increased to 1,410,877 USF because of the November 2012 delivery of 321,976 USF of space in the Three White Flint North (3WFN) building, coupled with the release of a portion of the NRC office space at interim locations in Rockville, MD. At the end of FY 2015, with the July 2015 release of 64,351 USF at 21 Church Street, Rockville, MD, and the already completed net release of 212,458 USF in 3WFN and interim locations, the portfolio was down to 1,134,068 USF (97 percent of the FY 2012 Freeze the Footprint baseline).

Accomplishment of the NRC's mission depends on collaboration among NRC technical experts and regulators and is critical to resolving regulatory issues and fully addressing nuclear safety and security concerns. The NRC staff relies on close collaboration for applying lessons learned from prior nuclear incidents, understanding the breadth and nuances of technical issues, and transferring technical knowledge within the NRC's regulatory framework to others. Collaboration and a multidisciplinary approach to problem solving enhance the quality of the NRC's organizational and operational effectiveness.

The agency has not confronted any major challenges in establishing the FY 2017–FY 2021 reduction targets and meeting the March 25, 2016, deadline for issuing the design standard for office space; however, it will confront several challenges in implementing the changes needed to achieve the FY 2017–FY 2021 reduction targets: 1) maintaining mission effectiveness while moving forward, 2) managing the culture change required, and 3) obtaining funding for the necessary office space modification, furniture, and technology enhancements.

Status Relative to the Freeze the Footprint Baseline Requirement

The NRC's portfolio is currently 1,134,068 USF (97 percent of the agency's FY 2012 Freeze the Footprint baseline). Consistent with its Real Property Cost Savings Plan, the NRC released an additional four floors (91,604 USF total) at 3WFN in Rockville, MD, in May 2015. This space was subsequently backfilled by the Food and Drug Administration (FDA). With the July 2015 release of 64,351 USF at 21 Church Street, Rockville, MD, and the already completed net release of 212,458 USF in 3WFN and interim locations, the portfolio was down to 1,134,068 USF (97 percent of the FY 2012 FTF baseline) at the end of FY 2015.

The agency has achieved this FTF outcome by developing an effective program to release office space in interim locations and consolidating staff at headquarters. This effort required extensive planning and coordination to minimize disruption, minimize the number of staff moves, and maintain mission effectiveness during consolidation. The agency responded to challenges and opportunities presented with effective planning and project execution, widespread use of standardized workstation sizes, and close partnership with National Treasury Employees Union (NTEU), Chapter 208.

## CAPITAL PLANNING

It is the policy of the NRC to ensure that capital investments are planned, managed, and evaluated to maximize the value and minimize the risks of those investments in accordance with Federal statutes and regulations. The agency's capital investments are mainly in the areas of information technology and leasehold improvements for space provided for occupancy by the NRC under the terms of OAs with GSA. The NRC's capital programming processes and procedures for information technology are described in NRC Management Directive (MD) 2.8, "Integrated Information Technology/Information Management (IT/IM) Governance Framework" (formerly Capital Planning and Investment Control), approved February 24, 2016. All NRC offices participate in an agencywide, unified planning process. The NRC's capital planning process is integrated with the formulation of the NRC RTF annual reduction targets, information technology planning, annual budget formulation, and financial management.

The NRC does not own any real property; therefore, it has few capital investments that meet the agency's capital programming threshold of $1 million or that require special management attention because of: their special importance to the agency mission; high development, operating, or maintenance costs; high risk; high return; or their significant role in the administration of agency programs, finances, property, or other resources.

The NRC's leasehold improvements, coordinated through GSA, are generally small scale projects intended to support the programmatic needs of the agency. These leasehold improvement investments have a small dollar value relative to the agency's overall budget. They are planned and managed based on the basic tenets presented in version 3.0 of OMB's Capital Programming Guide, which is a supplement to OMB Circular A-11.

## REDUCTION TARGETS

### Reduction Targets for Office and Warehouse Space

The NRC is headquartered in Rockville, MD, and has four regional offices and a technical training center, which are located in King of Prussia, PA; Atlanta, GA; Lisle, IL; Arlington, TX; and Chattanooga, TN, respectively. The agency's entire space portfolio is provided through OAs with GSA, consisting of approximately 76 percent leased space and 24 percent federally owned space. The NRC does not own or directly lease any space. The size of the NRC's space portfolio is currently 36,174 USF below the FY 2012 FTF baseline total of 1,170,242 USF. The NRC currently resides in nine buildings in six locations–three office buildings and a warehouse at headquarters, four regional office building locations, and a technical training center.

The NRC and the GSA developed a Long-Term Housing Strategy and Plan (LTHS) for the agency in FY 2015, in conjunction with the acquisition of a replacement lease for the Two White Flint North (TWFN) building that is part of the agency's Rockville, MD, headquarters campus. This effort provided the means and opportunity to evaluate existing NRC space in all three headquarters buildings and create synergy in how space could be used effectively; how mobility, technology, and phased restacking and reconfiguration options could be implemented; and how the NRC might better consolidate and co-locate organizations. Regional office space and technology requirements are included in the strategy and plan, even though the regional offices are mostly in the early stages of their GSA space leases. The NRC will work with GSA to identify space disposal and backfill opportunities while addressing limitations of lease terms and cancelability.

The NRC does not own or directly lease office or warehouse space and, therefore, has no disposal projects. Given the relatively small size of the agency's office portfolio, consolidations will be limited to portions of the three buildings located at the White Flint campus (WFC) and within individual assets in the regions by reconfiguring space and relinquishing portions of individual buildings. When evaluating opportunities to reduce space, the NRC's first priority and consideration is to assess and weigh the agency's continued ability to perform mission-essential functions, without interruption, within the space allotted. After assurance that the agency will be able to continue to perform its primary mission, factors used to evaluate consolidation targets are the utilization ratio of office space to personnel, lease expirations, lease rates, and the results of cost–benefit analyses.

### Performance Benchmarks

The agency is performing a comprehensive review of facilities and plans to release or repurpose facilities that are duplicative. By using the FRPP Real Property Management Tool (RPMT) the NRC uses real estate metrics from the President's Management Agenda benchmarking initiative—portfolio size as a percentage of the FY 2012 FTF baseline, proposed reductions for the RTF objectives, OA rent per square foot, and square feet per person—to identify and prioritize consolidation projects. The RPMT dashboards and spreadsheets provide the NRC the ability to view the portfolio data in the context of the RTF real property savings plan and overall space reduction strategy. Using the rent per square foot metric, the agency targeted the release of space in the highest cost-per-square-foot properties in the portfolio as identified by the RPMT. This led to the determination that 48,122 USF (35 percent) of the NRC space in the highest rent-per-square-foot property in the portfolio (3WFN) could be released in the near future. Using the portfolio size as a percentage of the FTF baseline and the square-feet-per-person metrics, the agency identified reductions that will significantly reduce the portfolio size as a percentage of the FTF baseline.

The NRC plans to complete the demolition of 3,000 USF of space in 3WFN that previously housed a cafeteria and release the space for use by FDA in FY 2017. The timing of the release is contingent upon the availability of FDA's funding to repurpose the space. The NRC also plans to release two additional floors in 3WFN (a reduction of 45,122 USF) in the FY 2018–FY 2019 timeframe. The agency plans to maintain a consolidated headquarters campus and address any staffing decreases by relocating staff, as necessary, to support the release of additional floors of 3WFN. The exact timing of the release of the additional floors in 3WFN is dependent upon adequate space in the remainder of the WFC (currently in the process of renovation) being made available to house the NRC staff who will be relocated from 3WFN.

The NRC's consolidation plans are known to GSA, and the NRC will work closely with GSA to find backfill opportunities for leases and OAs. One such opportunity may already exist given that FDA has expressed an interest in backfilling additional space in 3WFN in the next several years. Given FDA's interest in the space, the NRC expects to relinquish a total of approximately 48,122 USF from 3WFN by the end of FY 2019. To support this reduction, the NRC will need sufficient and appropriately configured space in the WFC to house the staff to be relocated from 3WFN. Efforts to renovate or reconfigure the space are currently underway. The remaining facilities in 3WFN would include the NRC data center and NRC's Headquarters Operations Center, which serves as the focal point for the agency Primary Mission Essential Function of event response for incidents involving a U.S. commercial nuclear power plant, research or test reactor, fuel cycle facility, gaseous diffusion plant, or nuclear materials licensee.

As part of the LTHS, the NRC is also exploring opportunities to accelerate the reduction of space in its regional offices, with potential reductions of the following:

- approximately 11,000 USF at its regional office in Lisle, IL, in FY 2018
- 17,000 USF at its regional office in Atlanta, GA, in FY 2019
- 7,000 USF at its regional office in King of Prussia, PA, in FY 2020
- 11,000 USF at its regional office in Arlington, TX, in FY 2021

It appears that these reductions can be achieved by re-stacking the existing space, thereby allowing for demisable blocks of space to be released. To recognize cost savings by releasing the space outright will be a challenge because of the non-cancelable terms of the leases that GSA has in place. Lease expirations and terms for the regional offices are as follows:

- King of Prussia, PA: April 2027, non-cancelable
- Atlanta, GA: November 2024, non-cancelable
- Lisle, IL: partial release June 2019, remainder June 2023
- Arlington, TX: April 2021, non-cancelable

The agency also has recently made significant investments in tenant build-out costs for office space and an Incident Response Center in each regional office; therefore, the option of releasing a portion of existing space for backfill by another Federal agency rather than relocating to another location will be diligently explored.

**NOTE:** The NRC will require support from GSA to backfill space identified in 3WFN and the regional office locations as targets for future space reductions. Several of these locations currently have non-cancelable OAs and lease agreements.

The NRC currently has four OAs consisting of 625,628 USF that will expire within the next 5 years. It is the NRC's expectation that early involvement with GSA's leasing and disposal divisions will yield opportunities to find suitable backfill or sublease tenants when needed. Well in advance of the expiration of each lease, the agency will work with GSA to review and validate space requirements, identify opportunities for space reductions based on requirements and staffing changes, and work closely with GSA to ensure timely backfill of any released space. Given the agency's mission requirements, the NRC does not foresee any opportunities to reduce the number of locations in the near term. Therefore, the strategy to reduce space will consist of reducing the footprint in existing locations and buildings.

The agency is also working with GSA to identify available federally owned or leased space within the delineated area of each regional office that would meet the agency's reduced space needs. Currently, however, space is not available. When analyzing possible alternate regional office space, the NRC and GSA will consider the cost and location of space that can potentially satisfy NRC requirements, as well as costs likely to be incurred through relocating, such as physical move costs, replication of building tenant improvements and telecommunications infrastructure, and non-productive agency downtime.

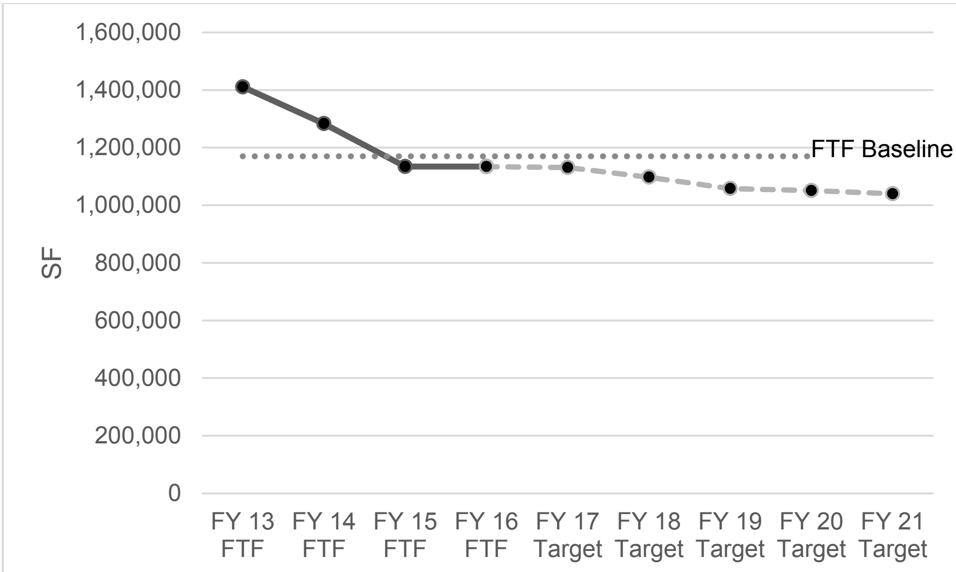
Proposed agencywide total space reduction targets are shown in the table below. The NRC only has one warehouse; it is not required to submit warehouse space reduction targets under the RTF policy.

**Domestic Office and Warehouse Square Foot Reduction Targets FY 2017–FY 2021**

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|---|---|---|---|---|
| Office Target*<br>(Net SF Reduction) | 3,000 | 33,561** | 39,561** | 7,000** | 11,000** |
| | | | | | |
| Warehouse Targets*<br>(Net SF Reduction) | N/A | N/A | N/A | N/A | N/A |
| | | | | | |

* Reductions are reported as a positive value.
** The NRC will require support from GSA to backfill space identified in 3WFN and the regional office locations as targets for future space reductions. Several of these locations currently have non-cancelable OAs and lease agreements.

These planned reductions will reduce the portfolio to 1,039,946 SF by the end of FY 2021 (89 percent of the agency's FY 2012 FTF baseline).




Disposal Targets for Owned Buildings

The NRC has no disposal targets for owned buildings. The agency does not own any buildings; its entire real property portfolio is provided through OAs with GSA.

**Disposal Targets for Owned Buildings FY 2017–FY 2021**

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|---|---|---|---|---|
| Disposal Target (Net Square USF Reduction) | N/A | N/A | N/A | N/A | N/A |
| | | | | | |
| Disposal Target (Number of buildings) | N/A | N/A | N/A | N/A | N/A |

Maintenance of the Freeze the Footprint Baseline

In accordance with the FTF guidance, the NRC identified excess office space within the portfolio, and it "right-sized" the portfolio consistent with the number of onsite personnel to be housed. The NRC's revised Real Property Savings Plan called for consolidating operations at its headquarters WFC in Rockville, MD. During FY 2013 through FY 2015, the NRC reconfigured headquarters space, and consolidated operations to implement the plan. By the end of FY 2015, the NRC relinquished a net total of 364,997 USF, reducing its real property footprint to 1,134,068 USF. This total is 36,174 USF below the FY 2012 FTF baseline total.

The NRC will make corresponding space reductions, as necessary, to address any decreases in staffing. The agency plans to work with GSA to renovate, reconfigure, and release additional space for backfill by other Federal agencies at its headquarters and regional office locations. Implementing these reductions at some locations may be challenging given the terms and lengths of the leases GSA has in place.

The NRC will continue to reduce the space portfolio without reducing operational effectiveness and workforce productivity by focusing on more efficient workstations and support space configurations, collaborative work area adjacencies, and the enhancement of information technology applications to support alternative solutions such as telework and desk sharing.

Attached is the standard GSA-provided spreadsheet that identifies the NRC's potential agency office and warehouse acquisitions, consolidations, co-locations, disposals, and construction projects as acquisitions or offsets anticipated over the first 3 years of the planning period.

Space Design Standard for Future Reductions

In 2010, the NRC developed and issued a policy that specifies the design standard for maximum usable square feet per workstation (shown below) for use in the design of owned and leased domestic office space, including GSA-assigned space. This standard was developed as part of the Program of Requirements for 3WFN. The NRC used it for the buildout of the space in the 3WFN building, and it is applying it to all current and future space renovations at NRC headquarters. The agency is also working toward applying this standard to all future space renovations and new acquisitions for space in NRC regional offices, while taking into account core mission performance, job functions performed in the space, and equipment necessary to perform the job.

**Maximum Square Feet per Workstation**

| ***Enclosed*** | ***Square Feet*** |
|---|---|
| Office Director | 300 |
| Deputy Office Director | 240 |
| Associate Director | 180 |
| Division Director | 180 |
| Deputy Division Director | 180 |
| Deputy Associate Director | 180 |
| Branch Chief | 150 |
| Administrative Law Judge | 150 |
| SLS (interior) | 100 |
| ***Open*** | |
| Team Leader | 80 |
| Senior Staff (GG 15) | 80 |
| Professional Staff (GG 13 - 15) | 80 |
| Professional Staff (GG 12 and below) | 80 |
| Secretarial | 80 |
| Contractor | 40 |

The agency LTHS incorporates a 200 USF per person “all-in” office utilization rate for the NRC staff and contractors housed at the WFC.  The FY 2015 utilization rate for NRC’s WFC headquarters was 213 USF; the utilization rate for the agency as a whole is 246 USF.  The NRC expects a decrease in personnel for the FY 2016 Federal Real Property Council data reporting period.  The “all-in” utilization rates are monitored weekly and reported monthly in the agency’s computer-based space planning and management system.

The NRC plans to continue to reduce the space portfolio without reducing operational effectiveness and workforce productivity by developing more efficient workstations, evaluating collaborative work area adjacencies, and enhancing information technology applications to support alternative workspace solutions such as telework, desk sharing, and saving energy.

Key issues that the NRC must address are costs and timing of implementation of the space design standard in both the WFC and the regions.  Workspaces in the older headquarters buildings are being renovated to provide workspace equity and consistent application of space standards vetted and coordinated with the NRC and NTEU, Chapter 208, leadership, while maintaining target utilization rates and achieving target space reductions as staffing declines.

In the four regional office locations, the issues of timing and implementation are made more challenging by GSA’s non-cancelable lease terms in three of the four locations.

## CLIMATE RESILIANCY

To ensure the NRC will remain effective in current and future climate conditions, the agency has established a Strategic Sustainability Performance Plan and a Climate Adaptation Plan to help identify, reduce, and mitigate potential disruptions to its operations, policies, and programs resulting from the negative effects of climate change.  The plans include the steps implemented to help mitigate threats to agency buildings, structures, utilities, and mission attainment.  The NRC recognizes that climate change could have an adverse impact on its daily operations if the environment in which its offices are located experiences negative effects that impact normal building services such as water and electricity.  To successfully mitigate any adverse climate change effects, the agency will monitor any changes to the environment that may affect the reliability or availability of adequate building services.  If the NRC identifies any changes in the environment that could affect these services, the NRC would request GSA to identify and procure office space in a new location that would be better suited for the agency to carry out its regulatory mission.

The NRC is committed to reducing the effects that its own operations have on the environment.  The agency will continue to look for ways to reduce energy consumption and greenhouse gas emissions associated with its operations.  This reduction will help reduce the negative impact that agency operations may have on the environment.  The NRC will continue to evaluate its efforts toward climate adaptation and resilience.  The NRC will remain vigilant to new developments relating to climate change and will work collaboratively, as needed, with other agencies to address them.

## COMPLIANCE INTERNAL CONTROLS

Control of Acquisition of New Owned and Leased Assets at the Agency Level

All NRC space is acquired through OAs with GSA. The NRC does not directly lease or own any office space.

The role of the SRPO for the agency has been delegated to the Director of ADM. All requests for space are centrally reviewed at headquarters by the SAC, in the Associate Directorate for Space Planning and Consolidation, ADM. The SRPO reviews and approves all acquisitions and disposals of office and warehouse space.

At the beginning of the FY 2017–FY 2021 planning period, the NRC's real property portfolio will consist of space in nine buildings, located in six geographic areas around the country. The SAC maintains a detailed inventory of space in a summary that is updated monthly and covers all NRC real property occupancies. The space summary displays square footage assignments, rent and related costs, locations, lease start and end dates, and notations on increases and decreases by building.

Under NRC MD 13.2, "Facility Management," approved September 25, 2012, the ADM Director is the designated representative for the authorities delegated from GSA to the NRC and other issues related to facilities management, including the approval of assignment of all space for headquarters, the regional offices, and the technical training center (TTC) in Chattanooga, TN. The SRPO also establishes office space standards that are used to determine space allocation for headquarters, regional offices, TTC, and contractors. Documentation of real property occupancies are contained in OAs with GSA.

All requests involving new leases, dispositions, acquisitions, expansions, or other changes in the agency's office and warehouse space portfolio are reviewed initially by the SAC to ensure compliance with RTF principles and guidance before recommending approval or disapproval to the SRPO. These reviews are reinforced by the NRC's reliance on GSA-issued NRC OAs, the NRC's monthly review of GSA rent bills, and SAC review of the NRC's weekly updates of office space occupancy rates.

Tracking of Office and Warehouse Increases and Offsets

Tracking of increases and offsets is accomplished by the SAC through documented changes in OAs approved by the SRPO, cross-checked against monthly GSA rent bills, and agency space planning and management system reports that are updated weekly.

Ensuring Timely Disposition of "Excess" and "Surplus" Properties

The SAC and the Associate Director for Space Planning and Consolidation meet bi-weekly to discuss a written agenda, which reports the status of all real property issues and projects including any proposed acquisitions or dispositions of excess or surplus properties. These bi-weekly meetings, supported by data from the agency space planning and management system, ensures continuous monitoring of space utilization and early identification of issues affecting the timely disposition of "excess" and "surplus" space. The NRC continues to work with its GSA regional contacts and the National Capital Region lease contracting officer and team to identify its space disposal and backfill opportunities. The agency will ensure these interactions continue with GSA to coordinate all space/disposal/backfill activities.

<u>Ensuring That Consolidation and Co-location Opportunities Are Identified and Prioritized</u>

The NRC's real property portfolio is tracked through a space summary maintained by the SAC under the supervision of the Associate Director for Space Planning and Consolidation. The SAC maintains a spreadsheet with descriptions of policies, strategies, and priorities, planned consolidations, co-locations, disposals, and new construction projects and leases. Consolidation and co-location opportunities are identified internally and by external authorities (e.g., Congress, GSA) and reported in a bi-weekly meeting with the SRPO.

GSA and the NRC are currently reviewing opportunities for co-location in the regional office locations. In addition, the NRC and GSA also are reviewing opportunities for increasing efficient space use such as telework and desk sharing in the agency's LTHS.

<u>Management of the Reduce the Footprint Policy Agencywide</u>

All requests for space acquisitions and dispositions for the agency are channeled through the SAC who reviews and consults with the Associate Director for Space Planning and Consolidation and the SRPO to determine the merit of each request and ensure that each request meets all agency and Government-wide policies, guidance, and mandates. The SRPO reviews and approves all space acquisitions to ensure compliance with the RTF policy and guidance.

The NRC's LTHS provides a blueprint for the agency's real property needs, including regional space, by identifying efficiencies to achieve the optimal use of the agency's real property portfolio. The study addresses such items as space utilization, workstation standards, workstation configurations, adjacencies, alternative workspace solutions such as telework and desk sharing, the standardization of furniture, the enhanced use of technology, and additional energy saving technologies.

The development of the strategy and plan is well underway. Its implementation will continue through FY 2022 at a pace dependent on the availability of funding. It will provide a strategy and plan to target a 200 USF per person "all-in" utilization rate for the NRC staff and contractors housed at the WFC, support the acquisition of the TWFN replacement lease, implement Governmentwide space standards, such as Freeze/Reduce the Footprint, refurbish and renovate headquarters workspace, provide equitable workspace for staff across the WFC, and allow a review of regional office space for the future. The NRC will use the recommendations and findings of the housing study to guide and manage the implementation of the RTF policy.

The NRC is working closely with GSA to respond to workplace transformation drivers–increased real estate efficiency, environmental sustainability, increased mobility, and human resources sustainability. The agency recently conducted a Shared Workspace Pilot Program in one of its major headquarters offices in Rockville, MD. The pilot program was based on discussions with GSA and visits to GSA headquarters in Washington, DC, to observe and fully understand the workplace transformation strategies implemented there. The goals of the pilot program were to identify business and workflow challenges, gain a better understanding of telework and shared space options, and fully experience and evaluate options that might be viable for broader application at the NRC. The Shared Workplace Pilot Program moved participants from their individual workspaces to a shared workspace (i.e., an individual workspace divided into two half-sized workstations). Participants in the program teleworked 50 percent or more of each pay period. The pilot provided an opportunity to test logistics, assess value, and identify any concerns with a shared workspace approach to offset challenges the NRC is currently facing.

## FEDERAL REAL PROPERTY PROFILE (FRPP) DATA QUALITY IMPROVEMENT

The NRC will use the FRPP's RPMT and established data validation tools to fully implement GSA's FRPP data validation and verification guidance regarding the identification and reconciliation of data anomalies in the agency's annual FRPP data submission for the FY 2016 reporting cycle. Data anomalies will be reconciled using the NRC's data verification procedures to check accuracy and reliability of data before reporting the FY 2016 FRPP data. The NRC's space portfolio is relatively small compared to other executive agencies in terms of number of assets and total square footage. The NRC's real property portfolio currently consists of space in nine buildings, located in six geographic areas around the country, allowing intimate familiarity with the data in a user-friendly asset management system, which corresponds to a high level of confidence in the data's accuracy and reliability.

To verify and validate the reliability, accuracy, and completeness of space portfolio data, the SAC and space management team will cross-reference data sets such as the annual FRPP data, the NRC's automated space planning and management system data, and individual OAs issued by GSA. Periodic reviews and exception processing will be conducted by the SAC and support contractors while updating utilization metrics and reviewing and approving the rent bill on a monthly basis. Underlying anomalies will be identified quickly and addressed. In addition, the SAC and the space management team will coordinate semi-annually and as needed throughout the year with the following:

- the Office of Chief Human Capital Officer and the Office of Chief Information Officer staff to review employee data and reconcile discrepancies between on-board, vacant, and authorized positions, active network accounts, and weekly staffing count and workstation occupancy data; and,

- the Acquisition Management Division to review onsite contractor staffing data and reconcile discrepancies between authorized positions, active network accounts, and weekly staffing count and workstation occupancy data. The OCFO will then certify the reconciliation results before data submission.

## CHALLENGES AND IMPROVEMENT OPPORTUNITIES

The implementation of the NRC's LTHS and corresponding space reductions will present a series of challenges to the agency, both tangible and intangible. When evaluating opportunities to reduce space, the first priority and consideration is to assess and weigh the NRC's continued ability to perform mission-essential functions, without interruption, within the space allotted. Once the agency has assurance of its ability to perform its mission with a reduced footprint, a series of financial challenges must be overcome, beginning with the availability of funding.

Each space reduction project will require an initial investment to reconfigure and furnish space before any consolidation or disposal. Assuming the funds are available, the NRC must complete a cost–benefit analysis to determine the financial feasibility of each project before its initiation. Each analysis will weigh the initial investment against the projected timing and amount of savings to determine if the project is beneficial to the agency. Other factors to be taken into consideration are the lease terms and severability of individual leases and OAs. If the amount of time required to realize a cost savings is longer than the remaining term on the location's lease, the project may not be feasible.

The majority of the NRC's OAs are "non-cancelable," meaning the agency will still be responsible for the lease costs of any space relinquished until such time as the lease expires or GSA is able to find a backfill tenant. The marketability and demand for space at each location must be taken into consideration when estimating the cost savings. The demand for space in each of the NRC's locations will be a determining factor in GSA's ability to backfill relinquished space in sufficient time to realize cost savings relative to each lease's expiration. In the regional office locations, given the anticipated continuing need at each location, the availability and projected costs of alternate space versus the reconfiguration of existing space will need to be analyzed, as individual leases expire.

Another consideration in the regions is the agency's continuity of operations plans (COOP) and relocation sites. The NRC's space reduction plans need to consider the agency's requirement for a sufficient presence in the regions to accommodate a COOP scenario. Another challenge is the use and cost of technology and the changing work environment. One of the drivers for a smaller space footprint is the anticipation that the NRC's work environment will evolve as technology evolves, allowing for a more mobile workforce. The agency will need to budget for and fund the new technology necessary to support these new work modes. To be successful, the agency must also create acceptance of this evolution, which will depend heavily upon a successful change management initiative. Finally, a successful space plan will depend upon the agency's ability to accurately project the future workload and staffing requirements.

The primary program improvement opportunities are related to the agency's commitment to improve the utilization rate for both the headquarters and regional office locations. The opportunity exists to further consolidate headquarters space as staffing needs decline. The NRC is also exploring opportunities to improve the utilization rate in its regional offices through reconfiguration and space reductions, as conditions permit.

Respectfully submitted,

Cynthia A. Carpenter

Cynthia A. Carpenter
Senior Real Property Officer

**ATTACHMENT**
Standard GSA-provided spreadsheet

# Standard GSA-Provided Spreadsheet - NRC Office and Warehouse

| Data Element | Type of Project | If Disposal Project | If Acquisition Project | Real Property Use | Owned, Leased or OA Asset | FRPP RPUID* | OA Number* | Size of Asset Acquired, Modified or Disposed (SF) | SF Unit of Measure | Net Portfolio Effect (SF) | City | State/US Territory | Zip Code | Estimated Date Asset Will Leave Inventory | Estimated Date Agency Will Occupy New Space | Note/Comments: |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NOTE: | (Dropdown box with choices of acquisition, disposal, modification of existing asset*) | Dropdown with demolition, lease or OA termination, lease or OA expiration, public benefit conveyance, transfer. | Drop down with new construction, purchase, OA, direct lease, transfer. | (Dropdown box with choices of office or warehouse) | Dropdown Owned, Leased or OA | Enter the ID | Enter the ID | Enter the Number of SF | (Dropdown box with choices of gross, rentable, or usable SF) | A decrease in SF should be reported as a negative number and an increase should be reported as a positive number. | | | | Enter FY for disposal or modification action planned in fiscal years FY 2017, 2018, or 2019 | Enter FY for acquisition or modification action planned in fiscal years FY 2017, 2018, or 2019 | |
| | Modification of Existing Asset | | | Office | OA | N/AP | AMD04871 | 138,035 | Usable Square Feet | -3,000 | Rockville | MD | 20852 | FY 2017 | | Release 3WFN Cafeteria Space |
| | Modification of Existing Asset | | | Office | OA | N/AP | AMD04871 | 138,035 | Usable Square Feet | -22,561 | Rockville | MD | 20852 | FY 2018 | | Release 1 floor of 3WFN |
| | Modification of Existing Asset | | | Office | OA | N/AP | AIL06567 | 71,748 | Usable Square Feet | -11,000 | Lisle | IL | 60532 | FY 2018 | | Release space in regional office |
| | Modification of Existing Asset | | | Office | OA | N/AP | AMD04871 | 138,035 | Usable Square Feet | -22,561 | Rockville | MD | 20852 | FY 2019 | | Release 1 floor of 3WFN |
| | Modification of Existing Asset | | | Office | OA | N/AP | AGA03399 | 97,014 | Usable Square Feet | -17,000 | Atlanta | GA | 30303 | FY 2019 | | Release space in regional office |
| | Modification of Existing Asset | | | Office | OA | N/AP | APA04157 | 71,961 | Usable Square Feet | -7,000 | King of Prussia | PA | 19406 | FY 2020 | | Release space in regional office |
| | Modification of Existing Asset | | | Office | OA | N/AP | ATX07072 | 83,310 | Usable Square Feet | -11000 | Arlington | TX | 76011 | FY 2021 | | Release space in regional office |

* Modification of existing asset -- e.g., renovation of an asset or partial demolition

Standard GSA-Provided Spreadsheet - NRC 3 Projects

| Project Name | Project Type (Consolidation, Disposal, Reconfiguration of Existing Space) | Description | Location; City, State | Start Date Projected | Start Date Actual | Completion Date Projected | Completion Date Actual | Space Reduction Planned (SF) | Space Reduction Actual (SF) |
|---|---|---|---|---|---|---|---|---|---|
| 3WFN Cafeteria | Reconfiguration of Existing Space | Relinquish NRC 3WFN cafeteria space | Rockville, MD | 10/01/2016 | | 03/31/2017 | | 3,000 | |
| NRC Headquarters consolidation | Reconfiguration of Existing Space | Relinquish 1 floor of 3WFN with corresponding staff consolidation into other WFC buildings | Rockville, MD | 10/01/2017 | | 09/30/2018 | | 22,561 | |
| NRC Headquarters consolidation | Reconfiguration of Existing Space | Relinquish 1 floor of 3WFN with corresponding staff consolidation into other WFC buildings | Rockville, MD | 10/01/2018 | | 09/30/2019 | | 22,561 | |
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**NRC Non-Office and Non-Warehouse Disposals - FY17 - FY19** **-- Not Applicable, NRC Does Not Own Any Real Property**

| Predominant Use Code (drop down menu) | SF | FRPP RPUID | City | State/US Territory | Zip Code | Disposition Method (drop down menu) | Projected Date of Award |
|---|---|---|---|---|---|---|---|
| | (# in SF) | | | | | | mm/dd |
| 10 Office | | | | | | (PB) Public Benefit Conveyance | |
| 14 Post Office | | | | | | (FT) Federal Transfer | |
| 17 Outpatient Healthcare | | | | | | (SL) Sale | |
| 21 Hospital | | | | | | (DM) Demolition | |
| 22 Prisons and Detention | | | | | | (OT) Other | |
| 23 School | | | | | | (LD) Loss due to Disaster | |
| 24 Comfort Station/restroom | | | | | | (AB) Abandonment* | |
| 25 Data Network | | | | | | (DE) Loss due to Deterioration | |
| 28 Museum | | | | | | (RH) Return to Host Nation/ Tribe | |
| 29 Other Institutional Uses | | | | | | (LT) Loss due to Training Exercise | |
| 30 Family Housing | | | | | | (RO) Reversion to Prior Owner | |
| 31 Dormitories/Barracks | | | | | | (EX) Exchange | |
| 41 Warehouses | | | | | | | |
| 50 Industrial | | | | | | | |
| 60 Service | | | | | | | |
| 72 Communication Services | | | | | | | |
| 73 Navigation and Traffic Aids | | | | | | | |
| 74 Laboratories | | | | | | | |
| 84 Border Inspection Station | | | | | | | |
| 85 Facility Security | | | | | | | |
| 86 Land Port of Entry | | | | | | | |
| 87 Aviation Security Related | | | | | | | |
| 88 Public Facing Facility | | | | | | | |
| 80 All Other | | | | | | | |
| 89 Child Care Center | | | | | | | |