U.S. Nuclear Regulatory Commission Real Property Efficiency Plan
Federal Property Management Reform Act of 2016 Implementation
FY 2020 – FY2024

April 2019

Contents

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) 2018 is shown below. The NRC does not directly lease or own any space; its entire 1,079,543 usable square feet (USF) office and industrial portfolio is provided by occupancy agreements (OAs) with the U.S. General Services Administration (GSA).

FY 2018 Portfolio Summary per Federal Real Property Portfolio (FRPP) Submittal
(All <u>office and warehouse property only</u>, including the
Reduce the Footprint (RTF) baseline properties)

	Direct Lease Space	Owned Space	OA Space
USF	None	None	1,079,543

The NRC's office and warehouse portfolio in FY 2019 will reflect a reduction of approximately 54K USF from the agency's FY 2015 Reduce the Footprint (RTF) baseline of 1,079,543 USF. The end of year office and warehouse portfolio is anticipated to be approximately 1,025,543 USF, representing a 5 percent reduction to the size of portfolio. The FY 2019 reductions will consist of approximately 47K USF at the White Flint Campus (WFC) in Three White Flint North (3WFN) and 7K USF from the agency's Region III location in Lisle, IL.

NRC 's revised plan is to release a total of approximately 181K USF of office and warehouse space at its Rockville, MD, headquarters and four regional office locations, reducing the portfolio to approximately 898,543 USF (83 percent of the FY 2015 RTF baseline), by the end of the FY 2020–FY 2024 planning period. The total square footage of the planned reductions is 40K USF above the targeted reductions reported in previous Real Property Efficiency Plans due to an increase of planned releases in headquarter office space (additional 10K USF in FY 2020), headquarter warehouse space (newly planned release of 20K USF in FY 2020), and regional office space (additional 10K USF in FY 2021).

In accordance with the reduction schedule, NRC released over 25K USF to the Food and Drug Administration (FDA) in 3WFN on October 1, 2018 and vacated another 22K USF in 3WFN in March 2019 to be backfilled by the National Institutes of Health's (NIH). The construction for the Region III reductions is likewise on schedule for a FY 2019 release of space. Once complete, the FY 2019

reductions are anticipated to save NRC approximately $2.7M in annual rent and security costs. The total annual savings for the planned release of the 181K USF by the end of FY 2022 is anticipated to be $6.4M in rent savings and $0.9M in security savings as compared to FY 2015 baseline rents.

Implementing the reductions at the regions will be challenging given the lengths and non-cancelable terms of the leases GSA has in place. This is particularly true of the planned reductions in NRC's Region II location in Atlanta, GA. The agency anticipates vacating a full floor consisting of 15K USF by the end of FY 2019, however the space will officially remain in NRC's portfolio and the agency will not realize rent savings unless GSA can place a backfill into the space prior to the termination rights in the lease effective in 2022. Therefore, NRC has moved this square footage from its FY 2020 planned reductions to FY 2022. NRC is in the process of coordinating with GSA regarding the placement of a backfill, however no tenants have agreed to backfill the space to date.

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 Senior Space Acquisition Manager (SSAM) in the Division of Facilities and Security (DFS) 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 agency wide 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 Executive Director for Operations (EDO) 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 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 EDO 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 EDO 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 approved by the Commission.

BUDGET ASSUMPTIONS AND IMPACT TO REDUCTION TARGETS

The NRC formulates its annual budget 2 years in advance. The FY 2020 budget as well as the second and third fiscal years covered by this plan (FY 2021 and FY 2022) are informed by the Agency Reform Plan. As directed by OMB in memorandum, M-17-22, "Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce," the NRCs Agency Reform Plan identifies proposed areas for reform to improve agency efficiency, effectiveness, and accountability in four categories: eliminate activities, restructure and merge activities, improve organizational efficiency and effectiveness, and workforce management to improve performance, increase accountability, and reduce costs. The office and warehouse space reduction targets identified in this RTF plan are designed to be consistent with historic real property funding levels and the NRC FY 2020 proposed annual budget.

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. In FY 2018 it's building portfolio consisted 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 2018 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 FY 2015 RTF office and warehouse baseline of 1,079,543 USF and total GSA OA portfolio 1,134,068 USF remained unchanged in FY 2018. By the end of FY 2019, the office and warehouse portfolio is anticipated to be reduced to approximately 1,025,543 USF with the total OA portfolio (including the Technical Training Center in Chattanooga, TN) of 1,080,068 USF.

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 2020–FY 2024 reduction targets however except for situations beyond the agency's control in terms of construction schedules and potential delays.

Status Relative to the Reduce the Footprint Baseline Requirement

Throughout FY 2018, NRC's total GSA OA portfolio of 1,134,068 USF, and FY 2015 RTF baseline of 1,079,543 USF remained unchanged. In FY 2015, the agency relinquished over 155,000 USF of office and related space from two of its Rockville, Maryland locations as reported in the FY 2018 Real Property Efficiency Plan. NRC plans to relinquish an approximately 181,000 USF of office space at its Rockville, MD, headquarters and four regional office locations from FY 2020 through FY 2024.

The agency expects to achieve further reductions of space by developing an effective program to release office space and consolidating staff at headquarters. This effort requires extensive planning and coordination to minimize disruption, minimize the number of staff moves, and maintain mission effectiveness during consolidation. The agency will respond to challenges and opportunities presented with effective planning and project execution, widespread use of standardized workstation sizes.

Maintenance of the Reduce the Footprint Baseline

In accordance with the RTF guidance, the NRC identified excess office space within the portfolio, and has attempted to "right-size" the portfolio consistent with the number of onsite personnel to be housed. The NRC's recent Real Property Savings Plan called for consolidating operations at its headquarters at the White Flint Campus (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 the current RTF baseline of 1,079,534 USF. The Long-Term Housing Strategy (LTHS) completed in FY 2015 and updated annually identified the opportunity to relinquish additional space at the WFC. As a result, the agency is targeting a reduction of the office and warehouse portfolio to approximately 898,543 USF (83 percent of the FY 2015 RTF baseline), by the end of the FY 2020–FY 2024 planning period. The NRC plans to reach this target by renovating, reconfiguring, and releasing approximately 181,000 USF of office and warehouse space at its Rockville, MD, headquarters, and each of the four regional office locations.

The NRC will make corresponding space reductions, as necessary, to address 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. An example of this is NRC's intent to release approximately 20K USF in their headquarters warehouse location in FY 2020. In addition, the agency is exploring the feasibility of releasing the entire warehouse location and mailroom facility, contingent on the availability of sufficient space, by moving those functions to the White Flint Campus and researching shared service provider agreements with other agencies. Implementing reductions at regional 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 if necessary to evaluate the feasibility and practical application of alternative solutions such as telework and desk sharing.

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 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 agency 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 relatively small size of the agency's portfolio gives staff the ability to centralize the management of space facilitating the ability to identify opportunities to use the space more quickly and efficiently.

The NRC and the GSA developed a 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 office 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. NRC is in the process of updating the plan in FY 2019 and 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 and size of the agency's office portfolio and stable size regarding the number of locations, consolidations will be limited to portions of the three buildings located at the 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.

Proposed agency-wide 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, however the agency has recognized the opportunity to reduce the current warehouse by half and intends to release approximately 20K USF of warehouse space in FY 2020 and is evaluating options to reduce that space further.

Domestic Office and Warehouse Square Foot Reduction Targets FY 2020–FY 2024

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Office Target* (Net SF Reduction)	55,000	21,000	30,000	0	0
Warehouse Targets (Net SF Reduction)	20,000	0	0	0	0

* Reductions are reported as a positive value.

Included in the above chart for FY 2022, is 15K USF from NRC's Region II location in Atlanta, GA. NRC is vacating a floor at this location to release in FY 2020, however both the Occupancy Agreement and lease for this space in non-cancelable until 2022, therefore the space will remain in NRC's inventory until 2022 unless GSA is able to place a backfill tenant into the space prior to that time.

NRC continually evaluates the real property portfolio for opportunities to reduce space. The possibility exists that the magnitude of reductions in both the headquarters and regional locations

will increase in FY 2021 and beyond. For example, NRC is exploring opportunities regarding renovating the regional locations to an open, more efficient buildout, which would enable more substantive reductions and savings, however to do so will require significant upfront investments and the timing is contingent upon the respective OA's and lease agreements. The agency is also examining the space needs at headquarters after the release of space in 3WFN to determine the amount and timing of further reductions at the WFC.

Disposal Targets Owned Buildings

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

Disposal Targets for Owned Buildings FY 2020–FY 2024

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
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

Performance Benchmarks

Using the Federal Real Property Profile (FRPP) Real Property Management Tool (RPMT) the NRC uses real estate metrics such as portfolio size as a percentage of the FY 2015 RTF 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 approximately 104,000 USF 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 RTF baseline and the square-feet-per-person metrics, the agency identified reductions that will significantly reduce the portfolio as a percentage of the RTF baseline.

The NRC's consolidation plans are known to GSA, and the NRC has worked closely with GSA to find backfill opportunities for leases and OAs. The pursuit of backfill tenants resulted in the successful backfill of FDA into an additional floor in 3WFN in early FY 2019, and the National Institute of Health (NIH) signed an occupancy agreement to backfill the remaining three and a half floors as they become available in the FY 2019 through FY 2020 timeframe. Therefore, NRC realized rent savings in FY 2019 upon FDA's backfill to the 2nd floor of 3WFN, with similar savings to be realized in mid FY 2019 and again by early FY 2020 as NIH begins to backfill the remaining three floors. The remaining facilities in 3WFN would include the NRC data center, first floor conference 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 commercial nuclear power plant, research or test reactor, fuel cycle facility, or nuclear materials licensee.

As part of the LTHS and given the recent reductions in staff, the NRC is also exploring opportunities to accelerate the timing and amount of space to be relinquished in its regional offices. These reductions can be achieved by re-stacking the existing space, thereby allowing for demisable blocks of space to be released. Realizing cost savings by releasing the space will be a challenge due to the non-cancelable terms of the leases therefore the possibility exists that certain regions may not release space until termination rights become actionable. Lease expirations and terms for the regional offices and square footage of the reductions are as follows:

Reported Reductions Per 2019 Real Property Efficiency Plan	Useable Square Footage to be Released	Fiscal Year of the Space Release	Occupancy Agreement Cancelability Date	Occupancy Agreement and Lease Termination Date
Region III	7,000	FY 2019	Cancelable Now	June-23
Region II	15,688	FY 2020	November-22	November-24
Region IV	21,000*	FY 2021	April-21	April-26
Region I	15,000	FY 2022	April-22	April-27

*Represents an increase of 10K USF over previous plans.

The agency has recently made significant investments in tenant build-out costs for office space and an Incident Response Center in each regional office; therefore, releasing a portion of existing space for backfill by another Federal agency as opposed to relocating to another location would be the most economical strategy to reduce space.

NOTE: The NRC will require continued support from GSA to backfill space identified in the regional office locations as targets for future space reductions. Several of these locations currently have non-cancelable OAs and lease agreements. 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 lease expirations, 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. In support of NRC's mission, GSA has recently signed succeeding leases on NRC's behalf for TWFN (15-year lease commencing in December 2018 consisting of 295,734 USF) and NRC's Technical Training Center (20-year lease commencing in December 2016 consisting of 54,525 USF) and a renewed OA for OWFN (consisting of 275,369 USF) for 10 years commencing in March 2018. Therefore, the strategy to reduce space will consist of reducing the footprint in existing locations and buildings.

Benchmark Metric Summary for the Nuclear Regulatory Commission (includes Headquarters and Regions) using USF and Personnel Counts from September 30, 2018

Rent and O&M Benchmark Metrics

Agency	Metric	Units	FY2013	FY2017	Change (FY2017	Government-wide
NRC	Rent per SF GSA OA Office	$/SqFt	$31.75	$27.60	-	$28.01
NRC	Rent per SF GSA OA Warehouse	$/SqFt		$16.07		$10.87

Personnel Benchmark Metrics

Agency	Metric	Units	FY2015	FY2017	Change (FY2017 less FY2015)	Government-wide Average
NRC	SF per person GSA OA Office	SqFt/Person	249.56	320.31	28.35	252.7

In FY 2020 after the near term release of space in 3WFN and the regional locations NRC anticipates its "all-in" utilization rate for the WFC to be approximately 230 USF and a total "all-in" agency utilization rate of approximately 260 USF.

Space Design Standard for Future Reductions

In 2016, during the design phase for the renovation of TWFN, the agency revised the space design standards by reducing the size of enclosed offices for office directors, division directors, deputy division directors and branch chiefs as illustrated below. The agency is currently exploring and researching with GSA, to determine NRC's most efficient space design of the future (anticipated to be complete by the end of FY 2019), therefore the square footages below are subject to be revised in the short term.

Maximum Square Feet per Workstation

Enclosed	***Square Feet***
Office Director	240
Deputy Office Director	240
Associate Director	150
Division Director	150
Deputy Division Director	150
Deputy Associate Director	150
Branch Chief	120
Administrative Law Judge	120
SLS (interior) & Team Lead	100
Open	
Senior Staff (GG 15)	80
Professional Staff (GG 13 - 15)	80
Professional Staff (GG 12 and below)	80
Secretarial	80
Contractor	40

Per the RTF guidelines, and the agency LTHS, NRC incorporates a goal of a 200 USF per person "all-in" office utilization rate for the NRC staff and contractors housed at the WFC calculated by dividing the total USF, without dispensation for special use space, by the number of office based personnel assigned to each location. The utilization rates for NRC's four regional locations is higher than that of the WFC due to the fact that the tenant build out in the regions incorporates a space plan design consisting primarily of enclosed offices. To mitigate this in the near term the agency intends to reduce space by consolidating in place in each region and will explore the feasibility and cost benefits analysis of changing to a more open space plan for its regional locations as the current leases expire in the FY 2023 - FY 2027 timeframe. The NRC expects a decrease in personnel for the FY 2019 Federal Real Property Council data reporting period which will have a corresponding effect on the agency's utilization rate until additional space is relinquished. The "all-in" utilization rates are monitored weekly and reported monthly in the agency's computer-based space planning and management system.

Another way to benchmark space utilization is a calculation referred to as the "administrative" utilization rate, which removes special use space from the equation. The administrative utilization rate is calculated by subtracting the amount of special use space (i.e. auditoriums, cafeterias, incident response centers, data centers) from the USF before dividing by the number of personnel. GSA has requested each agency to calculate and report on administrative utilization rates for headquarters and field office locations.

The "administrative" utilization are illustrated in the chart below using the personnel counts as reported in the September 2018 Federal Real Property Profile (FRPP) data call.

Nuclear Regulatory Commission Administrative Office Utilization Rates

Headquarters/Regions	Administrative Office UR
Headquarters/WFC	209 USF
NRC Regions (Combined)	380 USF
NRC Total Portfolio (WFC and Regions Combined)	240 USF

After the relinquishment of space in 3WFN, the agency estimates the administrative utilization rate for the WFC to be approximately 200 USF.

GSA CONSOLIDATION PROGRAM

NRC's largest planned space reduction is to release four and a half additional floors in 3WFN (a total reduction of approximately 104,000 USF) in the FY 2019–FY 2020 timeframe by consolidating staff in the remainder of the WFC (represents an increase of 10K USF from previous plans). The agency did not request GSA consolidation funds for this project. NRC and GSA aggressively pursued backfill tenants for the space resulting in FDA signing an OA to occupy one of the four floors and NIH signing an occupancy agreement for the three and a half remaining floors. NRC will research and evaluate whether its Regional location reductions are eligible and appropriate to request GSA consolidation funding.

OPERATIONAL EFFICIENCIES

Per the terms and funding available in the succeeding lease for TWFN, NRC is in the process of completing the renovation of space within the building. The renovations are intended to increase the density on each floor as well as an increased potential to utilize mobile workspace concepts in the future. The TWFN renovations will enable the NRC to release approximately 104,000 USF in 3WFN as renovated space in TWFN becomes available to relocate the current occupants on the effected floors in 3WFN. Per the current schedule, the project will be complete by FY 2020. Once complete, NRC estimates that the "administrative" utilization rate for the WFC will be approximately 200 USF per occupant. This number is higher than previous estimates due to a reduction in staff.

COMPLIANCE INTERNAL CONTROLS

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

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 SSAM in ADM/DFS. The SRPO reviews and approves all acquisitions and disposals of office and warehouse space.

The SSAM 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 29, 2017, the ADM Director is the designated representative for the authorities delegated from GSA to the NRC and other activities 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 SSAM 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 SSAM review of the NRC's weekly updates of office space occupancy rates.

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 2019 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 2018 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 SSAM and space management team cross-references 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 SSAM 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 SSAM 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.

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. Each space reduction project will require an initial investment to reconfigure and furnish space before any consolidation or disposal. NRC must complete a cost–benefit analysis to determine the financial feasibility of each project before its initiation, as well as be allotted the necessary resources. 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 forecast the future workload and staffing requirements given the uncertainty regarding the current state of the nuclear industry.

The primary program improvement opportunities are related to the agency's commitment to improve the utilization rates for both the headquarters and regional office locations by releasing additional USF.

Respectfully submitted,

Mark D. Lombard

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Mark D. Lombard, NRC
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