



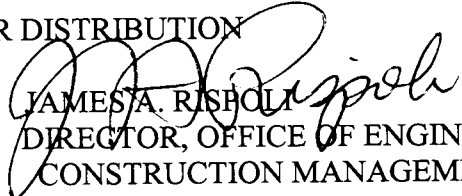
Department of Energy

Washington, DC 20585

JUL 28 2004

MEMORANDUM FOR DISTRIBUTION

FROM:


JAMES A. RISHOLI
DIRECTOR, OFFICE OF ENGINEERING AND
CONSTRUCTION MANAGEMENT/ME-90

SUBJECT:

Guidance – Asset Utilization Index (AUI)

This memorandum provides amplifying guidance for the implementation of the Asset Utilization Index (AUI) established in the Department's Real Property Asset Management Order DOE 430.1B. The Asset Utilization Index is a key indicator to how successful the Department is in matching its real property requirements against its inventory. It will be used to assess the Department's efforts to dispose of excess property as well as to evaluate our planning abilities. The AUI is an indicator derived from information the sites already enter into FIMS, the Department's *Facilities Information Management System*.

In addition to reporting utilization information to the General Services Administration (GSA), the Department will report semi-annually to the Deputy Secretary on the status of each program's Asset Utilization Index. The semi-annual report is based on existing data "snapshots" taken from FIMS in the middle and at the end of the Fiscal Year. The snapshots coincide with the Deferred Maintenance snapshots. FIMS should be kept current through updates as occupancies change, personnel are reassigned or the percentage utilized changes. The Asset Utilization Index is the Department's key corporate performance measure of facilities and landholdings utilization. Because of the significance placed on this metric it is imperative the data in FIMS be reliable.

Please direct questions concerning Asset Utilization to Andy Duran (andrew.duran@hq.doe.gov) or John Watson (john.watson@hq.doe.gov), or call the Office of Engineering and Construction Management at (202) 586-1784.



Printed with soy ink on recycled paper

ASSET UTILIZATION INDEX GUIDANCE

BACKGROUND

The Federal Property and Administrative Services Act of 1949 requires all Federal Agencies to report excess real property to the General Services Administration (GSA). Executive Order 13327 and the General Services Administration's policy oversight and guidance require DOE to promote maximum utilization of Federal Workspace at the minimum cost to the Government with space assigned on a mission requirements basis. GSA requires agencies to perform utilization surveys on government-owned land and government-owned improvements on the land. The survey determines whether a property is *fully used, underused, or not put to best use*.

DOE defines excess property as real property excess to the needs of the field office/site. This does not necessarily mean the property has been *formally* declared excess by the program. Excess property includes facilities that are: *Shutdown Pending D&D, Shutdown Pending Transfer, Shutdown Pending Disposal*. Regulatory requirements enhance the definition of excess property to include underutilized property and property not put to optimum use.

The Asset Utilization Index (AUI) is the Department's corporate performance measure of facilities and land holdings utilization. The goal is for utilization justified assets and current real property assets to be equal. AUI highlights sites where real property assets exceed, to varying degrees, the Department's needs. A poor AUI requires further evaluation and review to determine the appropriate course of action on future realignment, reuse or disposition of assets. If other factors are creating the unacceptable rating they can be identified and resolution can be sought through the planning and budgeting process.

The Department of Energy, for Asset Utilization purposes, does not consider property utilization justified if it is (1) not utilized, (2) is underutilized or (3) is not being put to optimum use. This includes space(s) not assigned to a specific program or general use function; vacant space(s) where renovation is planned but no funding has been designated; vacant space(s) where no immediate need for the space exists and no future use needs for the space has been identified; and space(s) where the existing use of the space is inappropriate to the functionality the space provides. An example of an inappropriate use of space where use is not optimal might be space in a functional laboratory used for file storage.

DOE considers property that is required to support the mission but whose use might be irregular or periodic utilization justified. This includes "swing space" when it supports the mission and its use is necessary to accommodate renovation or consolidation activities identified in Ten Year Site Plans. A site auditorium or other joint use space might not be used daily, but it is considered utilization justified. Special use

properties may experience down times and continue to be considered utilization justified if they are required to support the mission. The building status is operating (FIMS code 1) and the status utilization is 100%.

In accordance with 41 CFR Ch. 101-17.202-203 agencies must continually study and survey space under their control to insure efficient and economical space utilization and space for which there is no current foreseeable need will be relinquished. If the space is occupied by others, with no usage fee paid, it is considered excess to the Department's need – not utilized. If space occupied by others is related to a DOE mission and a usage fee is paid, the space is considered active and operating.

The initial reports to the Deputy Secretary will provide each program's AUI based on the process outlined in this Guidance. The Department, however, is currently reviewing all FIMS operational status field designations. The modifications being proposed will simplify the AUI calculation process without changing the basic concept of the metric. Once the FIMS changes are approved, this Guidance will be reissued. Also, following the approval of the proposed changes, a separate guidance for FIMS users on the mechanics involved in properly populating the FIMS data fields to support an accurate AUI will be issued.

At the present time, the Department only measures Status Utilization (SU) for facilities that are operating (FIMS code 1). The numerator, therefore, includes only the percentage utilized for operating facilities. The denominator includes all operating net useable square feet and all excess net usable square feet. Facilities where D&D is in progress are not included in the denominator.

The AUI formula is:

$$\text{AUI} = \frac{\text{Utilization justified assets}}{\text{Current real property assets}}$$

or more precisely,

$$\text{AUI} = \frac{\text{Operating Net Usable Square Feet X Status Utilization}^1}{\text{Sum of operating and shutdown NUSF}^2}$$

¹ ***Status Utilization*** is defined in FIMS as the percentage of a facility's net square footage (NSF) that is utilized when the Building Status is, "Operating", "Operational Standby", "Operating Pending D&D". These conditions are operational.

² ***Shutdown Net Usable Square Feet (NUSF)*** includes buildings with a status of, "Shutdown Pending Transfer", "Shutdown Pending D&D", "Shutdown Pending Disposal". These conditions are not operational.

For reporting purposes, the following ranges established in DOE O 430.1B will be aggregated into the following grades:

<u>Range</u>	<u>Rating</u>
$1.00 \geq \text{AUI} \geq 0.98$	Excellent
$0.98 > \text{AUI} \geq 0.95$	Good
$0.95 > \text{AUI} \geq 0.90$	Adequate
$0.90 > \text{AUI} \geq 0.75$	Fair
$0.75 > \text{AUI}$	Poor

The designations above will be used to report to the Deputy Secretary and the Programs the Department's efforts to reduce unneeded space and thereby reduce maintenance costs and improve overall space efficiencies.

Further explanation and examples of AUI calculations can be found at <http://oecm.energy.gov>.

Distribution:

Administrator, National Nuclear Security Administration
Under Secretary for Energy, Science and Environment
Administrator, Southeastern Power Administration
Administrator, Southwestern Power Administration
Administrator, Western Area Power Administration
Assistant Secretary for Energy Efficiency and Renewable Energy
Assistant Secretary for Environmental Management
Assistant Secretary for Fossil Energy
Director, Office of Energy Research
Director, Office of Nuclear Energy, Science and Technology
Director, Office of Civilian Radioactive Waste Management
Director, Office of Science