EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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MANAGEMENT PROCEDURES MEOMORANDUM NO. 2024-01

MEMORANDUM FOR: HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

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Deputy Controller, performing the delegated duties of the Controller

SUBJECT: Implementation of Occupancy Metrics for Office Space

This Administration is committed to ensuring that Federal agencies (agencies)[1] implement sound real property management practices through their annual capital plans and optimize their office portfolios in order to efficiently achieve the agency's mission. Historically the Federal Government has designed office space with a goal of providing a dedicated workstation to each staff person without regard for employee telework, annual leave, travel, and illness. This historical approach combined with agencies' increased adoption of hybrid work has led to a large amount of unused office space.

This memorandum provides agencies with requirements for design standards and measuring and reporting occupancy for their owned and leased office space based on authority under the Federal Property Management Reform Act of 2016 (FPMRA).[2] The FPMRA established the Federal Real Property Council (FRPC) and charged it with developing guidance and ensuring implementation of an efficient and effective real property management strategy.[3]

The office portfolio occupancy requirements set forth below will ensure use of appropriate design standards for office space acquired after this memorandum is issued and ongoing occupancy monitoring. The occupancy monitoring and reporting requirements will allow the Federal Government to identify opportunities to dispose and consolidate office space, support colocation among agencies, reduce costs, and enhance efficiency of the government-wide office portfolio. These new requirements represent a significant shift in how agencies will manage their real property portfolios, will dramatically increase agencies' ability to identify poorly utilized office space, and facilitate the collection of government-wide utilization statistics to compare performance across agencies.

Responsibility

[1] As defined in the Applicability section below.
[2] Pub. L. No. 114-318 (2015), codified at 40 U.S.C. 621-624.
[3] 40 U.S.C. 623(b).

The agency Chief Human Capital Officer, Chief Information Officer, and Senior Real Property Officer are jointly responsible for implementing the requirements provided in this memorandum related to office portfolio occupancy requirements and monitoring and reporting office occupancy metrics for all office space that meet the memorandum's applicability criteria.

Applicability

This memorandum applies to each Federal agency, as defined in 40 U.S.C. § 621(4).[4] Federal agencies must implement the office portfolio policy requirements described in section I below for all defined office space regardless of useable square feet (USF).[5] In addition, each Federal agency must implement the occupancy monitoring and reporting requirements described in sections II and III below for all owned and leased office spaces (including those occupied through occupancy agreements) that are 50,000 USF or greater based upon the schedule below. The requirements of this memorandum are applicable only within the United States and its territories, and only to those properties actively used by agency employees, or not classified as "excess" in the Federal Real Property Profile.

Implementation Schedule

1. Certain office portfolio policy requirements described in section I below begin to apply immediately upon issuance of this memorandum.

2. No later than nine months after issuance of this memorandum, agencies must submit to OMB an implementation plan related to calculating occupancy as described in section II.B below.

3. No later than 12 months after issuance of this memorandum, agencies must update their office space design standard as described in section I.B below.

4. Beginning eighteen months after issuance of this memorandum, agencies must implement the monitoring and reporting requirements described in sections II and III below for defined office space 50,000 USF or greater within the National Capital Region (NCR).

5. Beginning twenty-four months after issuance of this memorandum, agencies must implement the monitoring and reporting requirements described in sections II and III below for all defined office space outside the NCR that is 50,000 USF or greater.

I. Office Portfolio Policy Requirements

A. Maximum Office Space Design Standard

[4] The term "Federal agency" means: "(A) an executive department or independent establishment in the executive branch of the Government;" or "(B) a wholly owned Government corporation (other than the United States Postal Service)."
[5] See Appendix for applicable definitions (including for "defined office space") that are used throughout this memorandum.

Office space acquired after this memorandum is issued must not be designed to exceed an office space design standard of 150 USF per person, where the calculation of USF is defined by ANSI/BOMA Z65.1- 2010 (or 2017). Spaces that have a predominant use code of "Public Facing Facility" in the Federal Real Property Profile and spaces agencies define as "public facing office space" are excluded from this requirement. To ensure that the acquisition of office space remains cost efficient for the government, the following requirements also apply:

a) Projects for which the design is complete, or for which the first phase of a multi-phase design is complete, at the time this memorandum is issued, are not required to redesign the projects for the 150 USF per person standard.

b) Leased office space that remains in an agency's portfolio under a succeeding or superseding lease agreement, and remains in use without construction to reconfigure the space, does not have to meet the 150 USF per person requirement.

c) Lease replacements and lease re-competitions are not required to meet the 150 USF per person standard unless an economic analysis demonstrates that the use of the standard for a project has a payback period of less than 15 years and the cost of the project can be accommodated within budget guidance.

B. Agency Office Space Design Standard

Agencies must update their office space design standard for USF per person, as required in Management Procedures Memorandum (MPM) 2015-01, no later than 12 months after this memorandum is issued. Agencies must provide their updated design standard to OMB and the Federal Real Property Council.

Agencies should design space for the number of work stations that account for employee work schedules including telework, leave, travel, and other agency expectations. To inform this design, agencies should identify and examine relevant datasets, which might include historic swipe card data, travel system data, human capital and payroll data, network data, or other agency data sources that enable agencies to capture and quantify these trends.

C. Office Space Occupancy Target

Agencies must target a minimum average annual occupancy of 60 percent in all office space that exceeds the policy threshold. Agencies are not required to retrofit office space solely to meet this target. Rather, agencies should use the target as a guide to manage their office portfolios and make decisions on office consolidations and disposals that provide a net financial benefit to the taxpayer.

II. Requirement to Calculate Occupancy Metrics

Agencies must follow the procedures below to gather data and calculate occupancy.

A. Implementation

The occupancy metrics will be based upon the number of workstations within a defined office space. A workstation is a location within defined office space configured for one person to work (*i.e.*, a chair and a desk or other worksurface). This definition excludes conference rooms, sensitive compartmented information facility (SCIFs), break rooms, and collaboration spaces. The following requirements must be followed to ensure agencies use a consistent methodology to define the number of workstations:

a) The total number of workstations within defined office space must be counted and used to calculate occupancy for a defined office space. Collaboration spaces such as seats in conference rooms, training rooms, SCIFs, break rooms, spaces open to the public for direct service, or other space types an agency determines are not general use office space may be excluded. Space dedicated to hoteling should not be considered collaboration space.

b) Agencies must verify the total number of workstations within the defined office space at least once every two years. Verification can be accomplished by adjusting the total number of seats by accounting for all modifications or renovations within the defined office space or by the agency's designated point of contact confirming to an agency's Senior Real Property Officer that the number of workstations has not changed during the year.

B. Agency Methodology

No later than nine months after issuance of this memorandum, agencies must submit to OMB and FRPC an implementation plan that provides their proposed methodology for counting the number of staff in defined office space and the actions the agency will take to meet all the requirements provided in this memorandum. Agency plans must clearly and fully explain the methodology used to count staff in defined office space, explain the reason(s) it will provide accurate occupancy metric results, provide a timeline for agency-wide implementation for all defined office spaces that meet the policy threshold, and address the other requirements of this memorandum.

OMB will coordinate the review of agency submittals with the FRPC and may ask for clarification to the methodology or reject the methodology and require a new submittal.

C. Occupancy Metric Calculations

Implementation plans must describe how the agency will calculate the following metrics:

a) **Daily Occupancy** for each defined office space calculated as follows:

a. The number of staff occupying (NS) a defined office space on a single work day (midnight to midnight) during the occupancy monitoring period, which is the second week of each month of the year.
b. The daily occupancy value is the NS divided by the number of workstations (NW) in the defined office space, or NS/NW.

b) **Annual Average Occupancy** is the average of all the daily occupancy values for a defined office space calculated during the occupancy monitoring period during a fiscal year.

c) **Peak Occupancy** is the highest daily occupancy value for a defined office space calculated during the occupancy monitoring period in a fiscal year.

d) **Minimum Occupancy** is the lowest daily occupancy rate for a defined office space calculated during the occupancy monitoring period in a fiscal year.

III. Reporting and Data Sharing Requirement

To ensure the metrics are used to improve the efficiency and cost effectiveness of the government-wide office portfolio, agencies must implement the following requirements:

Reporting Requirement

Agencies must report their annual average occupancy on an annual basis for each individual defined office space that meets the policy threshold. OMB will designate a reporting tool and format the agencies will use through consultation with the FRPC.

Data Sharing Requirement

Agencies must make all the metrics required by this memorandum available to OMB, GSA, and the FRPC upon request. This data sharing is necessary to foster coordination among the various agencies toward identifying opportunities for the Federal Government to better manage property and assets. Data sharing with GSA is additionally important in order to provide GSA with information regarding an agency's defined office space use pattens for new space design, to plan lease consolidation, to make purchasing decisions, to initiate new construction projects, or any other office acquisition, consolidation, or disposal that GSA performs on behalf of the Federal Government. The FRPC will determine whether the annual average occupancy and annual average USF per person metrics will be made publicly available.

Appendix — Definitions

Defined Office Space. An agency's owned or leased general use office space which has a reported predominant use of "Office," in which the number workstations are quantified and used to calculate an occupancy metric specified in this memorandum, excluding conference rooms, SCIFs, break rooms, collaboration spaces, spaces open to the public for direct service, or other space types an agency determines are not general use office space. Note that an agency's defined office space within a building may not be on the same floor nor be contiguous. If the sum of an agency's defined office space with a building is equal to or greater than the 50,000 USF policy threshold, it will thereby trigger the policy requirements in this memorandum.

Policy Threshold. The 50,000 USF threshold that determines which office spaces are "defined office space" for which occupancy monitoring is required.

Office Space Design Standard. The standard used when planning for new or renovated office space measured in USF per person.

Occupancy Monitoring Period. Every workday (excluding holidays) in the second week of each month of the year. Agencies will monitor occupancy the second week of each month every month of the year and use that data to calculate the metrics required in this memorandum.

Daily Occupancy. The number of staff in a defined office space on a given work day during the occupancy monitoring period relative to the number of workstations in that office expressed as: number of staff occupying (NS) / number of workstations (NW).

Annual Average Occupancy. The average of all the daily occupancies calculated during the occupancy monitoring period during a fiscal year.

Peak Occupancy Metric. The greatest number of staff in a defined office space on any work day during the occupancy monitoring period in a fiscal year with the metric expressed as: number of staff occupying (NS) / number of workstations (NW).

Minimum Occupancy Metric. The fewest number of staff in a defined office space during the occupancy monitoring period in a fiscal year with the metric expressed as: number of staff occupying (NS) / number of workstations (NW).