



OFFICE OF  
**INSPECTOR  
GENERAL**  
UNITED STATES POSTAL SERVICE

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# **Nationwide Facility Optimization**

## **Audit Report**

August 26, 2011

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**Report Number DA-AR-11-009**



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# HIGHLIGHTS

Report Number DA-AR-11-009

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## ***IMPACT ON:***

Facilities management, Operations management, lessors, and customers.

## ***WHY THE OIG DID THE AUDIT:***

Our objective was to highlight the extent of and main reasons for excess space in U.S. Postal Service facilities nationwide.

## ***WHAT THE OIG FOUND:***

The Postal Service has a greater opportunity to reduce interior space than its fiscal year (FY) 2011 target of 2.8 million square feet (SF), or 1 percent. From 284 million SF of interior space it owns or leases nationwide, we statistically projected the Postal Service maintains 67 million SF (or 24 percent) of excess square feet of interior space. This level of excess is more than the current commercial vacancy rate of 13.4 percent.

To better establish strategic targets in line with the presidential and congressional direction, the Postal Service needs to understand the extent of underused property, incentivize effective use of facility space, and enhance the disposal process and leasing procedures. If it disposes of its excess space, the Postal Service could realize at least \$3.48 billion nationwide over typical and remaining lease terms.

## ***WHAT THE OIG RECOMMENDED:***

We recommended the vice president, Facilities, use Building Operators Management Association or comparable standards to determine leasable space

and the Postal Service's Facility Planning standards to determine earned space. In addition we recommend revising the vice president, Facilities, Report Card to include measurement in square footage terms and seek to include facility optimization goals as part of the National Performance Assessment.

## ***WHAT MANAGEMENT SAID:***

Facilities management appreciated the ongoing work in the facilities optimization area and stated it is a critical and important initiative in the Postal Service. Management stated they are using a comparable standard based on operational need and Facility Planning standards to calculate excess space. Management also stated they will incorporate the reduction of interior square footage as a measurement into its Report Card beginning in FY 2012 and will pursue the possibility of incorporating optimization goals into the National Performance Assessment.

## ***AUDITORS' COMMENTS***

We acknowledge Postal Service's efforts to establish metrics for excess space at its facilities. However, without addressing leasable space in accordance with a realty standard, their actions to date are non-responsive to recommendation 1. Management's plan for establishing goals for space reductions for both the facility and operational functions is responsive to recommendation 2.

[Link to review the entire report.](#)



August 26, 2011

**MEMORANDUM FOR:** TOM A. SAMRA  
VICE PRESIDENT, FACILITIES

E-Signed by Mark Duda  
VERIFY authenticity with e-Sign   
*Mark Duda*

**FROM:** Mark Duda  
Deputy Assistant Inspector General  
for Support Operations

**SUBJECT:** Audit Report – Nationwide Facility Optimization  
(Report Number DA-AR-11-009)

This report presents the results of our audit of the U.S. Postal Service's Nationwide Facility Optimization program (Project Number 11YG031DA000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Miguel Castillo, director, Engineering and Facilities, or me at 703-248-2100.

Attachments

cc: Megan J. Brennan  
Dean J. Granholm  
David E. Williams  
Corporate Audit and Response Management

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## Introduction

This report presents the results of our self-initiated nationwide audit addressing operational risk in the area of facility optimization (Project Number 11YG031DA000). Our objective was to highlight the extent of and main reasons for excess space in U.S. Postal Service facilities nationwide. See [Appendix A](#) for additional information about this review.

A Presidential Memorandum dated June 10, 2010, titled *Disposing of Unneeded Federal Real Estate* is intended to make better use of real property assets by eliminating lease arrangements that are not cost effective, pursuing consolidation opportunities within and across agencies in common asset types, and increasing occupancy rates in current facilities through innovative approaches. In an effort to reduce costs associated with maintaining unneeded and underused federal buildings and generate revenue through the sale of such properties, the U.S. Congress is also considering a comprehensive real property reform bill.<sup>1</sup>

The Postal Service leases or owns more than 33,000 facilities with approximately 284 million interior square feet (SF) to move mail across the country. With three major efforts<sup>2</sup> underway, the Postal Service has taken action to optimize existing space. The Postal Service's fiscal year (FY) 2011 target<sup>3</sup> is to reduce total interior facility space by 2.8 million SF, or 1 percent of the 284 million SF currently in its real estate inventory. Given the current financial position of the Postal Service, we believe it is critical to continue taking advantage of technology and improved processes to optimize excess capacity in plants, post offices, and delivery units.

## Conclusion

We statistically projected that the Postal Service maintains 67 million SF (or 24 percent) of excess square footage nationwide. This level of excess is more than the current commercial vacancy rate of 13.4 percent. The Postal Service has a much greater opportunity to aggressively optimize excess space through disposal or leasing than its FY 2011 target for reducing interior space.

To better establish strategic targets in line with the presidential and congressional direction, the Postal Service needs to overcome the challenges of:

- Understanding the extent of excess space.
- Incentivizing the effective use of facility space with the appropriate performance measurements.

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<sup>1</sup> Civilian Property Realignment Act (H.R. 1734) introduced May 4, 2011.

<sup>2</sup> Facility Optimization, Station, and Branch Optimization and Consolidation (SBOC), and Delivery Unit Optimization (DUO) programs.

<sup>3</sup> U.S. Postal Service *2010 Comprehensive Statement on Postal Operations*.

- Enhancing the disposal process and leasing procedures.

We estimate that if the Postal Service initiates disposal<sup>4</sup> action for the excess space we identified, there is an opportunity to realize at least \$3.48 billion<sup>5</sup> nationwide over typical and remaining lease terms. This amount is not a liquid cash amount but represents a calculated 10-year savings in lease, custodial, and utility costs. We consider \$1.99 billion as funds put to better use<sup>6</sup> as we have already reported \$1.49 billion in previous optimization audits. See [Appendix B](#) for a summary of our monetary impact.

## Reasons for Significant Excess Space

### Understanding the Extent of Excess Space

The Postal Service does not understand the extent of interior excess space in its facilities. This is because they do not fully capture leasable and earned SF to enable the calculation of excess space. In particular, Postal Service does not systemically capture leasable SF as a metric for its facilities. Since the Postal Service owns more than two-thirds of the total interior square footage in its facility inventory, by not capturing leasable SF for owned property it cannot readily measure and manage excess space beyond what is needed or ‘earned’ for operations. For leased property, we assume that the interior square footage measured and systemically captured can be used as the basis for documenting leasable SF and in quantifying excess space.

Secondly, the Postal Service does not currently have standards to identify ‘earned’ space for its mail processing facilities. As a result, we are unable to determine the amount of excess space, unless we visited processing facilities. The Postal Service is currently evaluating its mail processing network to identify any opportunities for consolidation. Without a case-by-case evaluation to establish space needs, the Postal Service cannot readily identify how much of interior space at its processing facilities is excess and leasable.

Our research indicates that the majority of realty management organizations — including the General Service Administration — reference Building Operators Management Association (BOMA) standards for measuring leasable square footage. Additionally, our research indicates BOMA and aspects of the Postal Service’s Facility Planning standards can be used as standards for determining leasable and earned<sup>7</sup> space, respectively.

Because the Postal Service does not reliably calculate excess square footage for each facility, we used the formula of interior square footage less earned space to project

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<sup>4</sup> Disposal actions available include sale, termination of lease, consolidation, and/or subleasing. At a minimum, the Postal Service can out-lease or initiate a sublet action for owned or leased property, respectively.

<sup>5</sup> This is the net present value of this impact calculated in today’s dollars.

<sup>6</sup> Funds that could be used more efficiently by implementing recommended actions. This amount does not include excess square footage that is part of an approved node study.

<sup>7</sup> We based the earned facility size on Postal Service criteria for planning new space projects using the number of carrier routes, the number of rented post office box sections, and peak window use.

excess space for Post Offices nationwide. In addition, we relied on site surveys to determine excess space at processing facilities. In our prior audits issued, we estimated more than 21 million SF of excess space for districts evaluated. Chart 1 summarizes the amount of excess space by area office for the 20 districts randomly selected and evaluated.

**Chart 1 – Prior Audit Excess Space Identified**

Area	Districts Reviewed Randomly	Sites Visited	Sites Visited with Excess > 100 SF <sup>8</sup>	Excess SF Identified
Capital Metro	1	30	77%	1,175,094
Eastern	3	72	97%	2,800,121
Great Lakes	2	83	88%	1,442,962
Northeast	2	89	83%	4,389,257
Pacific	2	102	94%	1,782,811
Southeast (former)	3	118	92%	2,894,902
Southwest	2	65	91%	2,362,328
Western	5	158	83%	4,538,440
<b>Total</b>	<b>20</b>	<b>717</b>		<b>21,385,915</b>

After pilot audits in three districts, we expanded the scope nationwide by randomly selecting 17 districts for review. We statistically projected these results over the remainder of Postal Service districts and estimated that excess space in facilities nationwide is approximately 24 percent of the total interior square footage. This percentage of excess space exceeds the national commercial property vacancy rate of 13.4 percent, as calculated by the National Association of Realtors (NAR). According to the NAR’s Quarter 2 of FY 2011 *Commercial Real Estate Outlook* publication, demand for commercial space is on the rise as real estate markets are stabilizing, jobs are being created, and the unemployment rate is expected to drop. In recent years, levels of new construction have been low, which means the demand for existing space will rise and vacancy rates will drop. We believe the Postal Service may be in a position to capitalize on the upward trend to dispose of its vacant space.

<sup>8</sup> We excluded excess measurements of less than 100 SF from monetary impact calculations.

## Incentivizing Effective Space Utilization Through Performance Measures

Operations performance measures are captured on the National Performance Assessment (NPA), which is a web-based system that collects performance-related metrics (such as retail revenue, on-time express mail delivery, and so forth) from source systems across the organization. These metrics are translated into web-based balanced scorecards that can be used to monitor the performance of both the entire enterprise and of individual units across the nation.

Facilities performance measures are captured on the *Vice President (Facilities) Report Card*. The vice president developed this report card to measure the performance of programs such as optimization, energy, leases, and development of employees. Each program develops its respective performance metrics, and the report card is adjusted annually.

Although Facilities' goals recognize the total number of building inventory reductions, the report card does not have a performance metric associated with reducing excess space. Similarly, NPA performance measures do not include square footage performance measures. Therefore, if neither facilities nor operations have goals based on the reduction square footage, there is less incentive to effectively use existing facility space.

## Recommendations

We recommend the vice president, Facilities:

1. Use the Building Operators Management Association or comparable standards to determine leasable space and update the Postal Service's Facility Planning standards for determining earned space. These factors should be the basis for calculating the extent of excess space in the management reporting system.
2. Revise the vice president, Facilities, Report Card to include measurement in square footage terms and seek to include facility optimization<sup>9</sup> goals as part of the National Performance Assessment.

## Management's Comments

Facilities management appreciates the ongoing audit work relating to facilities optimization and stated it is a critical and important initiative in the Postal Service. In regard to recommendation 1, management stated they currently use a comparable standard based on operational need and Facility Planning standards. Facilities eFMS uses an algorithm to calculate the excess space, which is now recorded as potential usable excess workroom square footage. Potential excess space is amended and recorded as evaluated usable excess square footage after the building configuration and constraints of the space are analyzed. In regard to recommendation 2,

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<sup>9</sup> Optimization actions include disposal, outleasing, subleasing, and development.

management is reporting monthly reduced square footage to the chief operating officer, but will incorporate it into the Facilities Report Card at the beginning of FY 2012. Further, they will pursue with senior management the possibility of incorporating optimization goals into the National Performance Assessment.

Management did not agree with the amount of excess space or the potential monetary impact reported. Specifically, they disagreed with the method we used to calculate the value of excess space, as they have outlined in the previous optimization audits. See [Appendix C](#) for management's comments in their entirety.

### **Evaluation of Management's Comments**

In reference to recommendation 1, we acknowledge management's efforts to establish metrics that bring transparency to the extent of facility excess interior space. Specifically, Postal Service calculation of potential useable excess space implemented during the audit is similar to the metric used by the OIG to determine total excess space. However, the difference of opinion from the inception of our optimization audits has centered on leasable versus useable space. The intent of recommendation 1 is to establish realty standards for building measurements. Industry standards such as BOMA define leasable rather than useable square footage.

Management did not explicitly address leasable space measurements in their management comments. Management did subsequently clarify that useable space is a subset of leasable space that does not require reconfiguration costs. Without measuring leasable space for their properties using a recognized realty standard, the Postal Service will not know the maximum extent of square footage that can be optimized. Thus, we agree with management's algorithm for capturing potential excess useable space but express reservation whether facility staff can more accurately indicate excess space; albeit without a realty measurement standard to ensure consistency. Thus, we consider management's comments non-responsive to recommendation 1.

In reference to recommendation 2, establishing goals for space reductions for both the facility and operational functions will also promote transparency of the Postal Service's achievements in reducing excess facility space. Management comments are responsive to recommendation 2 and planned actions should address the issues identified in the report.

The OIG considers both recommendations significant, and therefore requires OIG concurrence before closure; consequently, the OIG requests written confirmation when corrective actions are completed. These recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

## Other Matters – Disposition Process and Procedures Can Be Enhanced

### Sales

In a prior audit of controls over the selling of assets,<sup>10</sup> we found the Postal Service did not always obtain best value, because internal controls over real estate disposals needed strengthening. In some instances, the Postal Service did not receive the optimum value because of leasing back property, selling property below book or market value, losing an opportunity to maximize revenue, and accepting a deferred payment plan.

The Postal Service could have realized more sales revenue if it had specific guidelines requiring leaseback cost comparisons or governing prospective sales that result in less than the fair market value. In addition, the Postal Service could have benefited more in instances where sales value was not optimized. We recommended that management develop updated procedures over the sale of assets, including evaluating the net present value of alternatives before the sale and enhancing procedures to ensure the Postal Service obtains the best value.

### Leasing

Postal Service procedures as described in Handbook RE-1,<sup>11</sup> Sections 7.4.8, “Sales Procedures,” and 7.5, “Outleasing,” provide the basic framework for disposing of surplus Postal Service property, but a checklist or guidelines to ensure consistent application of the policy throughout the Postal Service did not exist. Furthermore, the December 2010 update to Handbook RE-1 states that Chapter 7, Realty Asset Management, is undergoing a revision.

As such, a contractor<sup>12</sup> we worked with developed lease process guidelines that include a checklist based on “best practices” that can be used to prepare property for leasing in order to maximize revenue. The process steps include: evaluating property for leasing at the highest and best use; developing a plan of action, including selecting a broker and developing marketing and construction plans; and negotiating the lease, executing the documents, and filing the forms.

The contractor made recommendations for a realty disposition process, which we have summarized. Specifically:

- When establishing a disposition plan for excess space, consider economic and strategic factors by using a decision matrix to assist in evaluating all available alternatives for the use of that excess space.

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<sup>10</sup> Audit report, *Facilities Optimization: Controls Over the Selling of Assets* (Report Number DA-AR-10-004, dated June 1, 2010).

<sup>11</sup> U.S. Postal Service *Facilities Guide to Real Property Acquisitions and Related Services*, May 2006, Section 7, Realty Asset Management.

<sup>12</sup> *Facility Utilization Study*, Task Order SO-11-001, prepared by NGI Solutions.

- Once space has been determined to be leasable, use a checklist designed to assist with prioritizing spaces to be leased and preparing the space to be leased, and, ultimately, guiding the lease process to its conclusion.

Although we recognize the Postal Service uses computer modeling to factor economic and strategic considerations in optimization decisions, it can also consider the contractor's 'best practices' as it revises its realty asset management policy. We believe that the suggested contractor's guideline would be beneficial and provide an actionable checklist on how to dispose of excess space across the organization.

## Appendix A: Additional Information

### Background

The Postal Service leases or owns more than 33,000 facilities with approximately 284 million interior SF to move mail across the country. The consolidation or closure of facilities is a widely discussed topic. For example:

- U.S. Congress prohibits the Postal Service from closing facilities solely for operating at a deficit.
- Labor unions have well-organized campaigns to oppose consolidation or closure efforts.
- Lessors are concerned with protecting their investments in Postal Service facilities.
- Using social media, local communities have started grassroots efforts to save local post offices.

The Postal Service's Facilities and Retail Management organizations have continuously implemented initiatives to optimize space. In April 2008, the vice president of Facilities initiated the Facility Optimization Program to balance the portfolio of existing delivery facilities with the Postal Service's current and projected space needs. The process entails identifying, investigating, analyzing, and approving space before executing the approved optimization action. Established in May 2009, the SBOC program provides tools and strategies to evaluate the effectiveness of Postal Service retail placement in support of the *Transformation Plan's* goals of improved service and increased revenue.

In March 2010, the Postal Service issued its action plan for the next decade titled *Ensuring a Viable Postal Service for America*, which provides a fundamental framework to address long-term financial viability issues. The plan consists of two complementary but distinct categories of necessary action: actions that are within management's control (that is, that can be taken by the Postal Service without the need for regulatory or legislative intervention) and those structural, systematic changes that require regulatory or legislative action to implement. In October 2010, the Postal Service consolidated optimization efforts to manage excess space. The goal is to manage the excess space portfolio for all space types in one overall optimization initiative. This integrated effort between Facilities Headquarters and the field offices will use computer modeling and equipment analysis along with local analysis and metro planning to form a headquarters and district/area partnership. In addition, the Postal Service initiated the DUO process in December 2010 to establish methods for relocating delivery operations into a larger office with excess space to increase operational efficiencies. The *DUO Guidelines* serve to facilitate uniform implementation across the country and includes detailed process steps and a process checklist.

The Postal Service has the option to optimize excess real property through:

- Disposal – selling property.
- Outleasing – leasing owned property.
- Subleasing/Reassignment – reassigning leased property.
- Development – investing in real estate projects.

### Objective, Scope, and Methodology

Our objective was to highlight the extent of and main reasons for excess space in Postal Service facilities nationwide. To accomplish our objective we visited selected facilities, conducted interviews, and examined other relevant materials. Additionally, we contracted with a third party to provide insight into managing excess space when the Postal Service's realty management practices are compared to commercial and federal agency practices. We worked with the OIG experts to statistically project the monetary impact reported in our previous audits over the rest of the country to identify the extent of excess space across the nation.

We conducted this performance audit from May to August 2011 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on July 18, 2011, and included their comments where appropriate.

We assessed the reliability of the data used to project the results over the universe during our previous audits on facility optimization, and we determined it to be sufficiently reliable; therefore, there was no need to reassess the reliability of the data.

Prior Audit Coverage

The OIG has issued 10 reports related to the overall objective of identifying potential optimization opportunities for the Postal Service. The audit reports identified that the Postal Service could be more aggressive in reducing excess space and found more than 21 million excess SF. Management generally agreed with our findings and recommendations but did not agree with the amount or value of the excess space in our prior reports. We also reported that leasing excess space to federal entities is another option to reduce excess space. In this endeavor, the Postal Service would need to enhance internal controls over collecting rental income to effectively expand tenancy agreements.

Report Title	Report Number	Final Report Date	Monetary Impact	Report Results
<i>Internal Controls Over Facility Rental Income</i>	<a href="#">DA-MA-11-003</a>	6/17/2011	\$1,532,533	The OIG identified noncompliance with policies governing rental income and significant payment integrity issues resulting in at least \$1.5 million of rental income at risk. The Postal Service agreed with the findings and recommendations.
<i>Facility Optimization: Pacific Area Districts</i>	<a href="#">DA-AR-11-006</a>	5/13/ 2011	\$172,248,822	The OIG identified 1.7 million SF of excess space. The Postal Service agreed with the recommendations but disagreed with the monetary impact.
<i>Facility Optimization: Former Southeast Area Districts</i>	<a href="#">DA-AR-11-007</a>	5/13/2011	\$151,624,144	The OIG identified 3 million SF of excess space. The Postal Service agreed with the recommendations but disagreed with the monetary impact.
<i>Facility Optimization: Great Lakes Area</i>	<a href="#">DA-AR-11-005</a>	4/22/2011	\$19,977,519	The OIG identified 700,000 SF of excess space. The Postal Service agreed with the recommendations but disagreed with the monetary impact.
<i>Facility Optimization: Southwest Area</i>	<a href="#">DA-AR-11-003</a>	3/1/2011	\$99,618,007	The OIG identified 2.3 million SF of excess space. The Postal Service agreed with the recommendations but disagreed with the monetary impact.

Report Title	Report Number	Final Report Date	Monetary Impact	Report Results
<i>Facility Optimization: Capital Metro Area</i>	<a href="#">DA-AR-11-004</a>	2/25/2011	\$36,312,795	The OIG identified 1.17 million SF of excess space. The Postal Service agreed with the recommendations but disagreed with the monetary impact.
<i>Facility Optimization: Eastern Area</i>	<a href="#">DA-AR-11-002</a>	2/11/2011	\$190,656,882	The OIG identified 2.8 million SF of excess space. The Postal Service agreed with the recommendations but disagreed with the monetary impact.
<i>Facility Optimization: Western Area</i>	<a href="#">DA-AR-11-001</a>	2/7/2011	\$173,835,881	The OIG identified 4.5 million SF of excess space. The Postal Service agreed with the recommendations but disagreed with the monetary impact.
<i>Excess Space in Mail Processing Facilities in the Suncoast District</i>	<a href="#">EN-AR-11-001</a>	11/10/2010	\$19,396,129	The OIG found there were various opportunities to improve the use of space at plants in the Suncoast District, such as plant consolidations or relocating retail operations. The Postal Service agreed with the recommendations.
<i>Facility Optimization: New York District</i>	<a href="#">DA-AR-10-010</a>	8/25/2010	\$446,258,222	The OIG identified 2.4 million SF of excess space. The Postal Service agreed with recommendations but disagreed with monetary impact.
<i>Facility Optimization: Chicago District</i>	<a href="#">DA-AR-10-009</a>	8/25/2010	\$23,517,019	The OIG identified 740,529 SF of excess space. The Postal Service agreed with recommendations but disagreed with the monetary impact.
<i>Facility Optimization: Northern New Jersey District</i>	<a href="#">DA-AR-10-008</a>	8/25/2010	\$157,963,990	The OIG identified 1.98 million SF of excess space. The Postal Service agreed with recommendations but disagreed with the monetary impact.
<i>Facilities Optimization: Controls Over the Selling of Assets</i>	<a href="#">DA-AR-10-004</a>	6/1/2010	\$3,961,034	The OIG found the Postal Service did not obtain best value in all facility disposal transactions in FYs 2008 and 2009. The Postal Service agreed with the recommendations but disagreed internal controls were weak.

**Appendix B: Monetary Impact**

<i>Statistical Projection Data</i>	
<b>MONETARY BENEFITS</b>	
<b><i>Nationwide Value of Excess Space</i></b> (projected results plus results from three survey audits)	\$3,483,756,908
<b><i>Less: Area audit results</i></b> (reported monetary impact from seven area audit reports)	\$844,274,050
<b><i>Less: Survey audit results</i></b> (reported monetary impact from three survey audits)	\$627,739,231
<b><i>Less: Other district audit results</i></b> (reported monetary impact from a network operations audit)	\$19,396,129
<b>TOTAL MONETARY IMPACT</b> (Funds Put to Better Use) <sup>13</sup>	<b>\$1,992,347,498</b>

<sup>13</sup> Funds that could be used more efficiently by implementing recommended actions.

## Appendix C: Management's Comments

TOM A. SAMRA  
VICE PRESIDENT, FACILITIES



August 16, 2011

Shirian Holland  
Acting Director, Audit Operations  
1735 North Lynn St.  
Arlington, VA 22209-2020

SUBJECT: Nationwide Facility Optimization Audit Report (Report Number DA-AR-11-DRAFT)

Management appreciates the efforts the Office of Inspector General (OIG) has taken in regards to facility optimization. We agree that optimization of current facility infrastructure is a critical and an important initiative within the Postal Service. However, we still disagree on the methodology of calculating the value of excess space, as we outlined in our response in previous optimization audits.

This final audit provides two specific recommendations.

**Recommendation #1**

Use the Building Operators Management Association or comparable standards to determine leasable space and update the Postal Service's Facility Planning standards for determining earned space. These factors should be the basis for calculating the extent of excess space in the management reporting system.

**Response**

Management believes this recommendation is already in place as a comparable standard based on the following actions:

- a. The Facilities organization currently has a SOP for building space surveys and the methodology to be used in performing those measurements. This information is recorded in the Facilities Management System (eFMS) database under the space survey tab. In addition, eFMS includes an algorithm to automatically calculate the minimum ideal workroom space needed based on the operational needs and Facility Planning standards. The resulting "excess space" is then calculated and available within eFMS as Potential Useable Excess Workroom Square Footage.
- b. As the Facility planning staff analyzes actual building configuration and associated unique constraints as discussed in prior management responses, they are able to determine a much more accurate indication of "excess space". This information is recorded in eFMS as Evaluated Useable Excess Square Footage.

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**Recommendation #2**

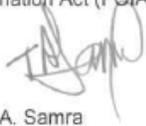
Revise the vice president, Facilities, Report Card to include measurement in square footage terms and seek to include facility optimization goals as part of the National Performance Assessment.

**Response**

Management assumes this recommendation is to include a measurement in square footage as it relates to the amount reduced for the inventory. Based on this assumption, this measurement is reported to the COO on a monthly basis or as required. Further, management agrees that beginning in FY '12, it will be on the Facilities scorecard.

With regards to facility optimization goals as part of the National Performance Assessment, we will pursue this possibility with senior management.

We do not believe this report contains any proprietary or business information that should not be disclosed and do not believe there are any required exemptions pursuant to the Freedom of Information Act (FOIA).



Tom A. Samra

cc: Sally K. Haring, Acting Manager, CARM [CARMManager@usps.gov](mailto:CARMManager@usps.gov)  
Megan J. Brennan  
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