

# Space Chargeback to Space Cost Recovery

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# Agenda

- Chargeback vs. Cost Recovery
- What's Our Motivation?
- How It's Done
- Questions?

# Chargeback vs. Cost Recovery

- Space chargeback, sometimes referred to as space audit in some facilities-management applications, takes the traditional approach of billing owners of space for actual costs incurred.
- Costs are incurred for services that are paid through an invoicing process.
- This approach works well for single-owned facilities, but not so well for campus-type facilities. Campus-type facilities incur costs that are spread throughout one or many of the facilities at each site.

# What's Our Motivation?

- We took the traditional space chargeback approach and made it into a yearly total cost recovery process, which bills occupant owners of a facility on a monthly accrual basis.
- Our goal was to make the billing process fair for all space owners and only bill total yearly costs at the end of 12 months.

# What's Our Motivation?

- Executive management concluded that if all space owners were responsible for the costs of upkeep and maintenance, they would have an incentive to return all underutilized space.
- This space would then be reassigned to others to help meet their space requirements and overall space utilization would improve.

# How Do We Do This?

- Identify all space by type.
- Identify all owners of space.
- Identify all costs associated with facilities.
- Identify corporate shared space.
- Identify metered electricity usage.
- Identify cost pool, and define which costs would be recovered.

# How Do We Do This? (Cont'd.)



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# How Do We Do This? (Cont'd.)

## ▣ Floor Measurements

|                                     |            |             |  |                        |
|-------------------------------------|------------|-------------|--|------------------------|
| * Gross Area                        | 43996.8    | square-feet | (Enter Construction Gross Area)                      |                        |
| * Gross Measured Area               | 42979.5    | square-feet | (Enter Area enclosed by Dominant Portion Ext Wall)   |                        |
| Rentable Area                       | 42979.5    | square-feet | Rentable Area (Imperial)                             | 42979.5 square-feet    |
| Usable Area                         | 42979.5    | square-feet | Usable Area (Imperial)                               | 42979.5 square-feet    |
| Building Common Area                | 20523.1896 | square-feet | Sum of Space Building Common Area                    |                        |
| Basic Building Common Area Rentable | 20523.1896 | square-feet | Building Common Area * (Rentable Area / Usable Area) |                        |
| Floor R/U Ratio                     | 1          |             | Rentable Area/Usable Area                            |                        |
| Utility Area                        | 90540.502  | square-feet | Space Area Rollup                                    | 42979.6055 square-feet |

## ▣ Office Space Reporting

Questions?