

16 DEC 1974

MEMORANDUM FOR: Chief, Plans and Programs Staff, OL

SUBJECT : Material for Presentation at the Winter Conference of Deputy Directors

REFERENCES : (a) Multiple Adse Memo dtd 6 Dec 74 fr D/L same subj.  
(b) Multiple Adse Memo dtd 4 Nov 74 fr DD/A subj.  
Reduction of Daily Operating Costs

In response to reference a, the Real Estate and Construction Division (RECD), OL currently employs the following methods of reducing costs and conserving resources in an effort to combat inflation. Items 1 through 7 in the cost reduction category respond to the paper conservation guidelines in reference b. The remaining items in that category comprise of suggested and adopted ideas of RECD personnel. Re the energy conservation measures, it must be noted that, although RECD is responsible for overseeing energy conservation in Agency-occupied buildings, the General Services Administration has the ultimate responsibility for implementing these measures. Items in the anti-inflation category are those in general use throughout the Agency.

<u>Cost Reduction Methods</u>	<u>Problems and/or Suggested Improvements</u>
1. Use speed letters for intra-office correspondence.	Speed letters are accepted and used within the Division, but not generally used as correspondence to other OL staffs. Management should encourage use of this form, particularly for projects involving a constant flow of correspondence.
2. Encourage and accept pen and ink changes for minor errors on correspondence.	This has been and will continue to be widely used and accepted within RECD. Much internal Division correspondence is completely handwritten to reduce paper and typing costs.
3. Limit attachments on multi-addressee correspondence to only those who need the attachment.	RECD has and is continuing to limit attachments and references on correspondence. Furthermore, the use of paper to separate the attachment or reference from the memorandum has been eliminated except for correspondence to distinguished addressees.

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4. Identify and take steps to stop receipt of excess copies of correspondence and reports.

RECD has identified and solved the problem of excess copies of Branch weekly reports being distributed throughout the Division. To eliminate these duplicative copies, the following distribution has been implemented:

C/RECD's copy becomes the official file copy.

DC/RECD's copy is also used by C/R&FU in preparing the Division weekly report. It is then retired to a new weekly report reading board.

All distribution between Branches has been eliminated, except for distribution of the first report prepared each month.

An illustration of the paper saved is that one Branch was distributing 11 copies and now only distributes 5 copies. This saves 108 copied pages per week (18 pages times 6 less copies).

5. Substitute cross reference log sheets in subject files in lieu of creating and filing extra copies of correspondence and reports.
6. Require more quantitative comments about cost consciousness on fitness reports.
7. Arrange for periodic briefings at staff meetings by members of ISAS and OL on high-cost supplies and services and alternatives available.

This program has been and will continue to be utilized within RECD.

C/RECD has briefed Branch Chiefs on this item and future fitness reports will reflect the cost consciousness of the employee.

RECD will arrange for briefings through the AEO/OL.

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8. Handwritten drafts should be doubled spaced, using both sides of the paper, and then given to supervisors for approval. The correspondence may then be typed in final form eliminating draft typing.

This has been accepted by personnel as they are now aware of the cost savings incurred for both paper usage and clerical time. Some resistance, which is more likely forgetfulness, has been encountered in the use of paper on both sides. A reminding at staff meetings should relieve this situation.

9. Create a new weekly report format which conserves paper.

The new format now used by RECD secretaries consists of utilizing an 8" by 14" plastic backing for the report. The section headings are typed on paper which is then adhered to the plastic backing. Weekly report changes are typed on white labels or tape which peel easily from the plastic. This method not only saves a vast amount of paper, but also saves large amounts of clerical time.

10. Eliminate use of unnecessary routing slips.

RECD secretaries are trying to eliminate the use of unnecessary routing slips and plan to continue this practice.

11. Reduce fuel oil consumption of the Headquarters Complex.

In cooperation with the General Services Administration (GSA), measures to reduce fuel oil consumption have been implemented with significant results. Statistics available to date show the following reduction in fuel oil consumption:

First quarter FY 74 consumption down 13.4 percent from first quarter FY 73.

Second quarter FY 74 consumption down 30 percent from second quarter FY 73.

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Third quarter FY 74 consumption down 36.6 percent from third quarter FY 73.

Fourth quarter FY 74 consumption down 26 percent from fourth quarter FY 73.

This represents an overall reduction of 29 percent. The new lower level of consumption will be maintained to all possible extents; however, problems will be encountered because of the new Headquarters Garage and the 500-ton chiller.

12. Reduce power consumption of the Headquarters Complex.

This conservation program has been effective since July 1973. The following data documents the positive steps that have been instigated to reduce energy utilized by the Headquarters Compound (data in kilowatt-hours):

First quarter FY 74 consumption down 6.6 percent from first quarter FY 73.

Second quarter FY 74 consumption down 18.6 percent from second quarter FY 73.

Third quarter FY 74 consumption down 23 percent from third quarter FY 73.

Fourth quarter FY 74 consumption down 21.4 percent from fourth quarter FY 73.

The overall reduction in consumption totals 16.4 percent. RECD and GSA will continue to operate the Headquarters Complex at this new reduced level.

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Anti-inflation Measures

Problems and/or Suggested Improvements

1. Reuse envelopes.

RECD has been and will continue to reuse envelopes. Further, we have been taking advantage of the new labels which LSD/BSB now supplies for addressing envelopes.

2. Reuse message slips.

Several RECD employees are utilizing this concept. The secretaries, in particular, are using both sides of the message form.

3. Use two-sided copying whenever possible.

RECD employees are aware of the substantial savings incurred by copying on both sides of the paper. Statistics show that the Headquarters Engineering Branch has made 10,290 Xerox copies from May to date. Of this figure, 7,716 are estimated to be two-sided copies. At a savings of \$3.80 per 1,000 sheets of paper, a total of \$29.29 has been saved.



Chief

Real Estate and Construction Division, OL

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EXTRACTS OF PROPOSED AGENDA FOR WINTER DD CONFERENCE

1. Financial

Verbal report by DDA on results of studies of anti-inflation measures and on progress in instituting cost reduction measures in Agency operations, with emphasis on continuing problems and on proposals for improvement that require senior management decision and implementation.

Verbal reports by DDA and DDI on existing and proposed systems for allocating costs, highlighting the expenses involved in instituting these systems and the actual experiences we have had in applying them.

Results desired:

- Agreement on fiscal ranges within which DDs will submit responses to the Program Call for FY 1977.
- Decisions on issues raised by anti-inflation studies and investigations of systems for allocating costs.

2. Financial Environment

Costing methodologies for most services will soon be fully developed. Management decision, taking into account overall cost-effectiveness, on instituting charge-back procedures is needed.

Picture of financial relationships with State will be clarified soon, and senior management should be apprised of the facts and of recommendations of working groups.

PLANS

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