



OFFICE OF FINANCIAL MANAGEMENT

STATE OF WASHINGTON

Implementation Approach for Development of the 2015-2021 Six-Year Facilities Plan

RCW 43.82.055

**State Facilities Oversight Program
In Cooperation with Washington State Agencies**

March 2014

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OVERVIEW

[RCW 43.82.055](#) directs the Office of Financial Management (OFM) to work with state agencies to determine the long-term facility needs of state government. OFM transmits these facility needs to the Legislature through the state Six-Year Facilities Plan on January 1 of each odd-numbered year after alignment with the Governor's biennial budget. This document serves as the implementation approach for development of the *2015-21 Six-Year Facilities Plan*.

The state houses over 40,000 state employees, volunteers, contractors, and community partners in leased and owned offices across the state. Over the past six years, most agencies have continued to improve their efficient use of office space, generating reductions in square footage and cost. Efforts to reduce space have focused on traditional methods of space reductions and have not generally been the result of workplace innovation. Meanwhile, across the country traditional workplaces are giving way to innovative workplace solutions.

Advances in technology, new and revised laws and policies, business and service delivery changes, changing employee and customer demographics, and the need to reduce the state's environmental impact are just a few of the factors affecting how work is accomplished within state government. At the same time, real estate costs continue to rise, while constrained resources and continued demand for services challenge us to do more with less across state government. These factors all present the need to modernize our workplaces. With closer collaboration, the state can do more to optimize the facilities portfolio to support the work of state government.

To oversee the state's investment in facilities, the *2015-21 Six-Year Facilities Plan* will (1) define the state's workplace strategies, (2) identify the square footage and cost expected for each agency's portfolio of facilities, and (3) document the actions necessary to meet the defined cost and square footage metrics within the six-year period.

WHAT'S NEW?

The 2015-21 Six-Year Facilities Plan includes some new and enhanced components. The planning process will:

- Place an increased emphasis on agencies' strategic business needs and workforce management strategies.
- Identify innovative workplace solutions and related pilot projects.
- Highlight energy performance issues and related energy efficiency opportunities.
- Explore colocation opportunities for support spaces.
- Use enhanced mapping data for analysis of facility locations.

IMPLEMENTATION APPROACH

STRATEGY

The *2015-21 Six-Year Facilities Plan's* process will focus on implementing key strategies based on the state's current environmental factors. The planning process will emphasize:

- Understanding and defining agencies' business and facilities requirements and seeking opportunities to remove barriers to employing innovative workplace strategies.
- Aligning long-range facilities planning with agency strategic plans, workforce strategies, and budgets.
- Identifying energy efficiency opportunities for facilities.
- Emphasizing cross-agency coordination and collaboration.
- Educating the state facilities community on best practices for space use.
- Identifying agencies and locations where these practices can be piloted.
- Fostering a process that can be repeated.

[Appendix A](#) provides a matrix that summarizes the current environmental factors for each of the four goals for six-year facilities planning and defines planning strategies that will be employed by OFM to develop the *2015-21 Six-Year Facilities Plan*. The goals for six-year facilities planning include leasing and owning facilities that:

- Provide space that supports the business needs of state agencies.
- Provide space that is healthy, safe, and sustainable.
- Use the state's facilities efficiently.
- Use the state's fund sources effectively.

Through the six-year facilities planning process, OFM will work with state agencies to identify, develop, and facilitate the adoption of facilities solutions based on this matrix.

SCOPE

The *2015-21 Six-Year Facilities Plan* will include a subset of this total state facilities inventory. It includes all state agencies except for agricultural commodity commissions and four-year higher education institutions. Legislative and judicial agencies have chosen not to participate in previous planning efforts.

There are three space categories included in the 2015-21 six-year facilities planning process. These spaces generally house employees, service delivery functions, or related equipment and infrastructure.

- Leased and owned offices, hearings and conference rooms
- Leased and owned information technology support, communications support and storage/warehouse
- Leased laboratories

The space categories and space types align with the 2013 Facilities Inventory System. Categories are defined in the [2013 State Facilities Inventory Instructions](#) on page A-2.

Office space within an owned campus that has a separate and distinct business purpose for the state, which directly supports those campus functions, is excluded from scope. An example would be an administrative building within a Department of Corrections prison.

If a space has multiple uses, the facility’s primary space type listed in the 2013 Facilities Inventory System Report will be used for six-year planning purposes.

Based on the 2013 Facilities Inventory System Report, the scope of the *2015-21 Six-Year Facilities Plan* is estimated to include approximately 1,000 facilities and 12-13 million square feet. This scope is larger than the previous six-year facilities plan. Generally, facilities that are not included in the scope of this planning effort are included in the ten-year capital plan.

PROCESS

The process used to develop the *2015-21 Six-Year Facilities Plan* is a phased approach. Phased planning provides the opportunity to ensure that OFM and agencies have a common understanding of business needs and gather complete baseline data before conducting analysis and drafting a six-year facilities plan. The six-year facilities planning process will occur in five major phases depicted in the following timeline.



INITIATION

During the initiation phase, the planning process is updated from the previous cycle to reflect the lessons learned from the previous process. An implementation approach, instructions, and data collection tools are developed during this phase.

Phase completed April 1, 2014.

INFORMATION GATHERING

The information gathering phase will include obtaining facilities-related data and discussions with agencies about current and changing business needs, workforce strategies, and strategic plans. In this phase OFM will work with agencies to:

- Understand agency strategic plans and workforce strategies,
- Review current facilities data and prior six-year facilities plans,
- Discuss and document changing business needs and related facilities strategies with state agencies,
- Research and document FTE and program trends, and
- Develop location-based geospatial data and mapping.

Data collection is anticipated to be stored in OFM's new facilities inventory system (FIS).

Phase completed July 2014.

CONDUCT ANALYSIS AND DRAFT PLAN

The purpose of this phase is to conduct analysis and draft the *2015-21 Six-Year Facilities Plan*. In this phase OFM will work with agencies to:

- Conduct analysis,
- Identify pilot locations for new workplace strategies,
- Conduct research and analyze potential facilities solutions,
- Conduct geospatial research,
- Facilitate cross-agency collaboration,
- Draft facilities solutions (including action, scope, budget, and timeline), and
- Gather feedback.

OFM Facilities Analysts will also seek feedback from and collaborate with other related statewide programs including the Office of the Chief Information Officer and OFM State Human Resources Division, Department of Enterprise Services, and other central service agencies.

Phase completed September 30, 2014.

PLAN REVIEW AND BUDGET ALIGNMENT

The purpose of this phase is to refine the *2015-21 Six-Year Facilities Plan* by aligning the plan with the Governor's budget under development. In this phase OFM will work to:

- Review the draft plan with agencies and incorporate feedback,
- Coordinate with OFM budget analysts to align the plan and the Governor's budget,
- Update the draft plan.

Phase completed December 1, 2014.

FINALIZE PLAN

2015-21 SIX-YEAR FACILITIES PLAN

This phase of the planning process includes review and approval of the *2015-21 Six-Year Facilities Plan* by the OFM Director. This final phase ends with the delivery of the *2015-21 Six-Year Facilities Plan* to the Legislature by January 1, 2015.

2015-21 ENACTED SIX-YEAR FACILITIES PLAN

After completion of the 2015 legislative session, an enacted plan will be published that will reflect new laws and policies including the enacted budgets. The *2015-21 Enacted Six-Year Facilities Plan* will be published 60 days after the end of the legislative session.

COMMUNICATION STRATEGY

Effective communication is a critical success factor for the completion of the six-year facility planning process. A variety of stakeholder groups with an interest in this process will be kept informed. Methods used to conduct effective communication include meetings, briefings, e-mail, telephone calls, and the OFM Facilities Oversight Web site.

[Appendix B](#) provides a simple communication matrix to ensure communication responsibilities are clear throughout the planning process.

PERFORMANCE MEASURES

The State Facilities Oversight Program will use performance measures to gauge the value of continuing to implement a long-range planning process. These performance measures are based on the goals of the planning effort and the current strategies. Performance measures and tools will be used at the close of the planning cycle to evaluate success.

The following measures will be evaluated through an agency survey:

- The number of agencies who have their business needs clearly identified and solutions developed to meet those needs.
- The number of agencies who have projects approved and necessary funding, where appropriate, to meet their business needs based on the *2015-21 Six-Year Facilities Plan*.
- The number of agencies who believe the 2015-21 Six-Year Facilities Plan supports their agency mission, vision, and workforce management strategy.

The following facilities measures will be evaluated through gathering and reporting facilities outcomes compared to the *2015-21 Six-Year Facilities Plan* metrics:

- The total number of poor condition buildings that were either remedied or agencies were relocated to suitable conditions.
- The total number of buildings with Energy Star ratings below 75 that were either remedied or agencies were relocated to better performing buildings.
- Total square feet occupied at the close of each fiscal year.
- Square feet per FTE for each agency facilities portfolio.
- Square feet per person for each new facilities project.
- Total estimated annual cost by fiscal year.
- Cost per FTE for each agency facilities portfolio.
- Cost per person for each new facilities project.

Reports will also track and highlight actions and accomplishments of agencies in meeting their square footage and cost expectations.

CONTACT INFORMATION

OFM facilities analysts serve as the primary contacts to state agencies in development of the six-year facilities plan and will conduct analysis throughout the process. The following table shows functional areas with contact information for the OFM analysts.

Functional Area	Facilities Analyst	E-mail Address	Phone Number
Natural Resources & Transportation	Chuck McKinney	chuck.mckinney@ofm.wa.gov	(360) 902-0450
General Government & Education	Scott Perkins	scott.perkins@ofm.wa.gov	(360) 902-0451
Human Services & Department of Early Learning	Rick Bushnell	rick.bushnell@ofm.wa.gov	(360) 902-0410

For any other inquiries regarding the *2015-21 Six-Year Facilities Plan* or implementation approach, contact:

Amy McMahan
Senior Facilities Oversight Manager
E-mail: amy.mcmahan@ofm.wa.gov
Phone: (360) 902-9824

More information is available at OFM's website:

<http://www.ofm.wa.gov/budget/facilities/sixyearplan.asp>

APPENDIX A: ENVIRONMENTAL FACTORS AND STATEWIDE STRATEGIES

Goals	Current Environmental Factors	Strategies
<p>Provide space that supports the business needs of state agencies.</p>	<p>Change in program needs as a result of new state agency priorities</p> <hr/> <p>Changing state employee demographics and the need to attract and retain</p> <hr/> <p>Building a LEAN culture</p> <hr/> <p>Need to increase operational efficiency</p> <hr/> <p>Change in federal law, state law, regulations, and rules</p> <hr/> <p>Change in business operations</p> <hr/> <p>Change in technology needs to support business needs</p> <hr/> <p>Increased demand for services as a result of increased populations and caseloads</p>	<p>To support this goal, the State Facilities Oversight Program in coordination with state agencies will:</p> <ul style="list-style-type: none"> ▪ Discuss, understand and summarize agency workforce management and service delivery strategies. ▪ Conduct FTE and program trend analysis. ▪ Keep abreast of changing business needs based on legislative action, economic impact on program services, program operational efficiencies, and other program impacts. ▪ Define state agencies’ needs for facilities through interviews, requests for information, and ongoing coordination.
<p>Provide space that is healthy, safe, and sustainable.</p>	<p>Increased emphasis on green and high performance buildings</p> <hr/> <p>Poor building conditions or aging infrastructure in some facilities</p> <hr/> <p>Increase in poorly maintained buildings</p> <hr/> <p>Inadequate funding to maintain buildings</p>	<p>To support this goal, the State Facilities Oversight Program in coordination with state agencies will:</p> <ul style="list-style-type: none"> ▪ Understand and document current building conditions issues and evaluate building condition with consideration for state risk. ▪ Understand current building Energy Star ratings and identify building energy-efficiency improvements. ▪ Evaluate relocation options for buildings that do not meet the requirements of RCW 19.27A, based on Energy Star ratings.

Goals	Current Environmental Factors	Strategies
Use the state’s facilities efficiently.	<p>Inconsistency in current space utilization</p> <hr/> <p>Vacancy in state-obligated space (owned and leased)</p> <hr/> <p>Broadening diversity in the workforce (multi-generational workforce, different work styles)</p> <hr/> <p>Alternative space utilization (such as hoteling, telework, shift work, changing technology support)</p> <hr/> <p>Increased focus on colocation and consolidation opportunities to support more efficient operations</p> <hr/> <p>Fluctuating commercial real estate market which contributes to the state’s ability to lease</p> <hr/> <p>Inability to modify facilities to increase efficiency due to infrastructure or the high costs of modification</p>	<p>To support this goal, the State Facilities Oversight Program in coordination with state agencies will:</p> <ul style="list-style-type: none"> ▪ Establish metrics for space use by state agencies. ▪ Analyze the current space use against the established metrics and identify excess space. ▪ Research and educate state agencies on workplace solutions (including technology, human resources, and facilities-related strategies). ▪ Identify pilot projects where the state can experiment with alternative workplace strategies.
Use all of the state’s fund sources efficiently.	<p>Realignment of state revenue/funds</p> <hr/> <p>Fluctuating commercial real estate market rates and trends</p> <hr/> <p>Increased interest by key stakeholders in owning facilities</p> <hr/> <p>Limited ability to eliminate or modify existing state obligations</p>	<p>To support this goal, the State Facilities Oversight Program in coordination with state agencies will:</p> <ul style="list-style-type: none"> ▪ Establish metrics for facility costs by state agencies. ▪ Analyze the costs of facilities against the established metrics. ▪ Facilitate cross-agency collaboration to support the established metrics. ▪ Review and refine the methodology for planning and budget assumptions for market rate, lease inflation, and operating expenses. ▪ Conduct life cycle cost analysis on leasing and ownership solutions when a project is over 20,000 square feet.

APPENDIX B: COMMUNICATION MATRIX

Audience (Who)	Primary Responsibility (Who)	When
OFM Director and Deputy Director	OFM Sr. Facilities Oversight Manager	March, then as needed
State Agency Executive Management	OFM Deputy Director OFM Sr. Facilities Oversight Manager State Agency Primary Point of Contact	March, then as needed
State Agency Primary Point of Contact	OFM Facilities Analysts	Regularly-per the Business Process Map
State Agency Budget/Fiscal Managers	State Agency Primary Point of Contact OFM Facilities Analysts	As needed
OFM Budget Analysts	OFM Facilities Analysts	March-July: as needed September-December: Monthly
DES Facilities Division	OFM Sr. Facilities Oversight Manager OFM Facilities Analysts	Monthly As needed
Agency Stakeholder Forum	OFM Sr. Facilities Oversight Manager OFM Facilities Analysts	Monthly As needed
Legislative Members and Staff	OFM Sr. Facilities Oversight Manager	As needed
Legislative Fiscal Committees	OFM Sr. Facilities Oversight Manager	As requested
State Lessors, Developers, and Owners (GBOLA and GA Real Estate Forum)	OFM Sr. Facilities Oversight Manager	As requested