

Washington State Department of Labor & Industries
Sustainability Plan

September 2003

September 1, 2003

WASHINGTON STATE DEPARTMENT OF LABOR & INDUSTRIES

SUSTAINABILITY PLAN

1. Agency Contact Information

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2. Policy Statement and Long-Term Goal Focus

The Washington State Department of Labor and Industries (L&I) provides a diverse array of services for the state's population of 5.6 million citizens. The agency's mission is "To promote a safe and healthful environment in which to work and live. In partnership with our customers, we strive to prevent injury, occupational illness and disability, and to limit economic hardship."

3. Assessment of Opportunities

Executive Order 02-03, Sustainable Practices by State Agencies requires that each agency establish sustainability objectives and prepare a biennial plan to modify its practices regarding resource consumption; vehicle use; purchase of goods and services; and facility construction, operation and maintenance.

Sustainability is defined as meeting the needs of the present generation without compromising the ability of future generations to meet their own needs.

Sustainability in government operations means a systematic evaluation of the long-term impacts of the activity or product on the environment, community, and economy of the state.

The Plan addresses the modification of current practices regarding resource consumption, vehicle use, purchase of goods and services, and facility construction, operation, and maintenance.

4. Purpose of the Sustainability Plan

The purposes of L&I's Sustainability Plan are:

- To implement the Governor's Executive Order 02-03
- To provide a structure and mechanism with accountability to reduce the impacts of operations
- To provide a framework for all of L&I to assess its environmental impacts, create a long-term vision for elimination of adverse impacts, and to set interim goals to make progress toward this vision

Plans should be guided by the following Executive Order goals:

- Institutionalize sustainability as an agency value;
- Raise employee awareness of sustainable practices in the workplace;
- Minimize energy and water use;
- Shift to clean energy for both facilities and vehicles;
- Shift to non-toxic, recycled and remanufactured materials in purchasing and construction;
- Expand markets for environmentally preferable products and services; and
- Reduce or eliminate waste as an inefficient or improper use of resources.
- Improve safety and health

The basic steps to developing L&I's Sustainability Plan are as follows:

- Defining current impacts
- Identifying strategies and assumptions
- Setting short-term and long-term goals

5. Defining Current Impacts

Baseline data as of June 2003 is as follows:

- The L&I Tumwater building is 426,025 Gross Square Feet (GSF).
- There are two other office locations in the Olympia area totaling 31,230 GSF.
- There are twenty-two field service locations throughout the state totaling 262,770 GSF.
- Total L&I office space statewide equals 720,025 GSF.
- There is one L&I warehouse in the Tumwater area totaling 26,084 GSF.

Baseline employee data as of June 2003 is as follows:

- There are 2,718 L&I employees (FTE's) statewide.

Baseline vehicle data as of June 2003 is as follows:

- L&I has 40 agency owned and motor pool vehicles. Total vehicle mileage is 566,460 miles.

Baseline paper consumed data as of June 2003 is as follows:

- This information was not available from either the Department of Printing or the L&I Forms & Records group.

6. Implementation

The first steps in implementation are education and training. This will help to ensure that everyone involved understands why change is needed, understands the scale of change that is needed, and understands the viability of this long-term approach to change. The key areas of focus identified by the Sustainability Team are:

A. Reduce energy consumption (Attachment A)

- Kilowatt hour usage in HQ Building (Exhibit A-1)
- Energy use comparison to base year (Exhibit A-2)
- Energy use comparison to base year (Exhibit A-3)
- Energy use comparison yearly (Exhibit A-4)

B. Grounds maintenance, chemical use and watering (Attachment B)

C. Reduce water consumption (Attachment C)

- Irrigation water - Water consumption compared to 1999 (Exhibit C-1)
- Irrigation water - Water consumption compared yearly (Exhibit C-2)
- Building water - Water consumption Compared to 2000 Exhibit C-3)
- Building water - Water consumption Compared to 2000 Exhibit C-4)
- Building water - Water consumption compared yearly (Exhibit C-5)
- Building water - Water consumption compared yearly (Exhibit C-6)

D. Increase level of recycling (Attachment D)

E. Reduction of paper use (Attachment E)

F. Procurement, including the use of environmentally friendly products (Attachment F)

G. Commute Trip Reduction Program (Attachment G)

H. Facility construction, operation, and maintenance (Attachment H)

Attachment A

ENERGY CONSUMPTION

1. Background

The Tumwater facility was constructed in 1992. It was a highly efficient building for the time. In 2000, due to concerns of energy shortages, L&I investigated opportunities to improve the building efficiency and further reduce energy consumption.

On December 11, 2000, L&I signed an interagency agreement with the Department of General Administration to conduct an energy audit that included the following scope of work:

- Assist the L&I Project Manager in the selection of an Energy Service Company (ESCO) consistent with the requirements of 39.35 C RCW.
- Identify potential utility conservation measures and approximate cost savings.
- Negotiate scope and fee for ESCO audit of the facility.
- Identify appropriate project funding sources and assist with obtaining project funding.
- Review and approve ESCO audits and technical studies.
- Assist in negotiating the technical, financial and legal issues associated with the ESCO's Energy Services Proposal.
- Manage the design, construction and commissioning process.
- Assist with final project acceptance.
- Provide other services as required to complete a successful energy performance contract.

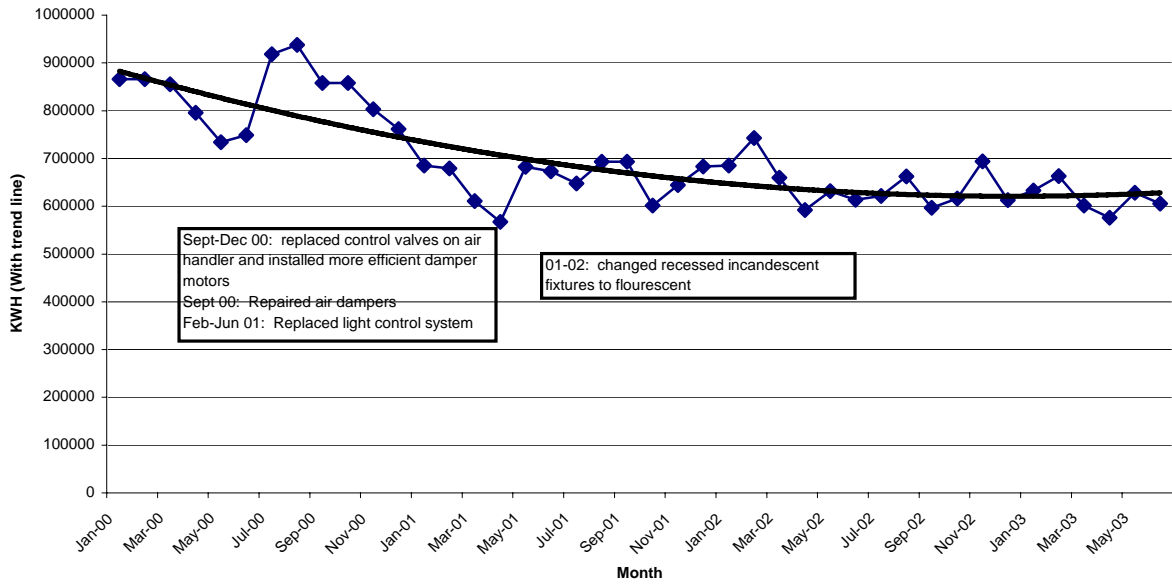
Quantum Engineering & Development, Inc. was selected as the Energy Service Company.

Due to advances in technology, it was decided to expedite the engineering analysis of the microprocessor based building lighting control system that was in production from 1986 until 1995. The system, replacement parts and maintenance were no longer available.

Baseline electrical energy use for the systems analyzed at L&I was calculated at 2,946,645 kWh per year and 336.4 kW per year. Proposed energy savings were estimated to be over 1,672,499 kWh per year and 26.4 kW would be realized. This equated to \$56,566 savings annually. It would also provide a user friendly, reliable system with available technical support. Total project cost was \$366,000. L&I received a \$60,000 energy grant. The project was completed July 23, 2001.

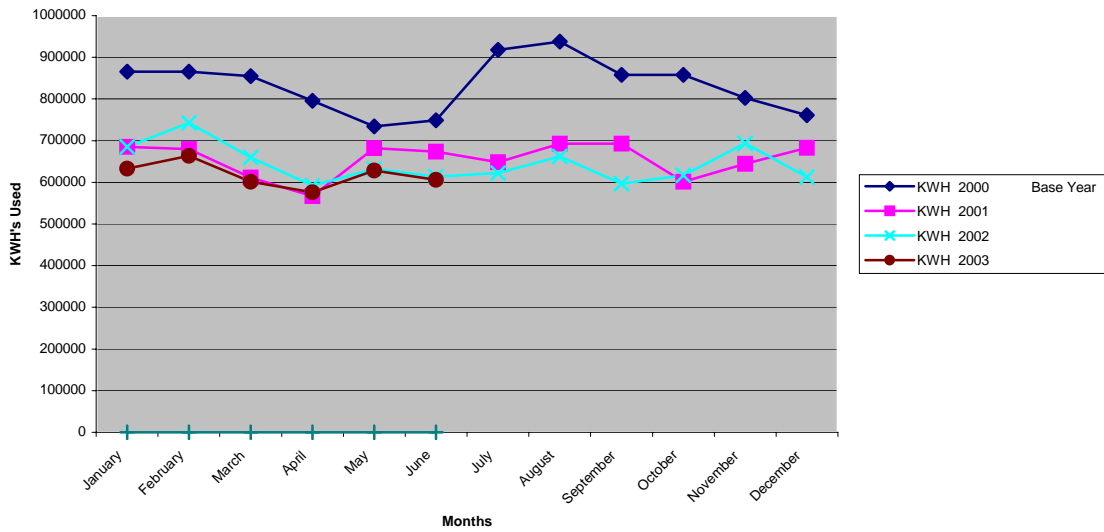
The following exhibits reflect energy consumption. The year 2000 is used as a base year since the major energy conservation projects and opportunity for reductions were started in 2001. Annual energy consumption was reduced 23% compared to the base year as a direct result of the projects completed to date.

Kilowatt hour usage in HQ building



Kilowatt hour usage in HQ Building Exhibit A-1

Energy Use Comparison to Base Year



Energy Use Comparison to Base Year Exhibit A-2

Month	KWH 2000 Base Year	KWH 2001	Percent Change Compared to Base Year	KWH 2002	Percent Change Compared to Base Year	KWH 2003	Percent Change Compared to Base Year
January	865,800	684,900	-21	684,900	-21	632,700	-27
February	865,800	679,500	-22	742,500	-14	663,300	-23
March	855,000	611,100	29	659,700	-23	601,200	-30
April	795,600	567,000	-29	592,200	-26	576,000	-28
May	734,400	682,200	-7	631,800	-14	628,200	-14
June	748,800	673,200	-10	613,800	-18	605,700	-19
July	918,000	648,000	-29	621,900	-32		
August	937,800	693,000	-26	662,400	-29		
September	857,700	693,000	-19	597,000	-30		
October	857,700	601,200	-30	616,500	-28		
November	802,800	644,400	-20	693,900	-14		
December	761,400	683,100	-10	612,900	-20		
Annual	10,000,800	7,860,600	-23	7,729,500	-23		

**Energy Use Comparison to Base Year
Exhibit A-3**

Month	KWH 2000 Base Year	KWH 2001	Percent Change Compared to 2000	KWH 2002	Percent Change Compared to 2001	KWH 2003	Percent Change Compared to 2002
January	865,800	684,900	-21	684,900	-0	632,700	-8
February	865,800	679,500	-22	742,500	+9	663,300	-11
March	855,000	611,100	-29	659,700	+8	601,200	-9
April	795,600	567,000	-29	592,200	+4	576,000	-3
May	734,400	682,200	-7	631,800	-7	628,200	-1
June	748,800	673,200	-10	613,800	-9	605,700	-1
July	918,000	648,000	-29	621,900	-4		
August	937,800	693,000	-26	662,400	-4		
September	857,700	693,000	-19	597,000	-14		
October	857,700	601,200	-30	616,500	+3		
November	802,800	644,400	-20	693,900	+8		
December	761,400	683,100	-10	612,900	-10		
Annual	10,000,800	7,860,600	-23	7,729,500	-2		

**Energy Use Comparison Yearly
Exhibit A-4**

2. Additional Studies

Quantum Engineering & Development, Inc. then focused on analysis of the building's mechanical systems. This study, completed April 23, 2001, evaluated the existing systems and proposed modifications aimed at improving the functionality, maintainability, and resource use profile. Systems analyzed include:

- Heating, Ventilation and Air Conditioning (HVAC) Systems
- Lighting Systems in the South Wing and Rotunda areas
- Exterior Water Use Systems – Irrigation

The mechanical audit focused mainly on the HVAC Systems, Control system, heating/cooling system and Data Center Condenser water system. Extensive metering of the building systems determined a baseline.

Baseline Energy Use

The average energy use for the L&I building equates to 10,100,000 kWh/22,000 kW per year. Gas usage based on the utility billing was determined to be unreliable.

Due to lack of funding this project was not implemented in 2002.

3. Current Projects

Both building chillers were rebuilt in 2002. In 2003, L&I proceeded with two projects to further improve the efficiency of the chillers and to extend their useful life. The first project replaced the existing starters with New York Variable Speed Drives (VSD's). VSD's typically have 2-5 year payback periods and can reduce energy usage by as much as 30% over the existing system. The most significant advantage of adding a VSD to a chiller, is not the energy savings, but the reduced wear from the elimination of hard starting and stopping of the machine. Because of this reduced wear, the life of the chiller is extended by 10-15 years. In addition, York installed a new Intergraded Systems Network (ISN) Unitary Digital controller (UDC) to control the cooling tower operation. This improved the reliability of the system.

4. Future Opportunities to Improve Building Efficiency

The Department of Labor and Industries received an allotment of \$1 million for the 0305 Biennium to complete repairs and upgrades to the physical plant of the Tumwater Headquarters building. The projects are extraordinary maintenance or infrastructure upgrades that have been selected for their contribution to improving operations.

In August 2003, Quantum Engineering & Development, Inc. was again retained to complete an analysis of the building's mechanical systems. This analysis will update the information provided in the study completed April 23, 2001. A new audit will be conducted that evaluates the existing systems and the proposed modifications aimed at improving the functionality, maintainability, and energy savings.

5. FY 2003 Goal

Reduce L&I's energy consumption by at least 12% compared to base year 2000.

Attachment B GROUNDS MAINTENANCE & CHEMICAL USE

The site is located on 35 acres, bounded by Israel Rd, 73rd Avenue, Linderson Way and Interstate 5. Maintenance is performed by two professional grounds staff. The use of chemicals is kept to a minimum.

Employee Parking: 11.5 acres
Visitor Parking: 1.5 acres
Lawn area 6.5 acres

Native wooded area 16 acres

Douglas Fir, Western Red Cedar, Western Hemlock, Alder, Bigleaf Maple, Western Hazelnut, Salal, Mahonia, Sword Ferns

Trees: Maples, Hornbeam, Katsura, Ginko, Honey Locust, Ash, Flowering Cherry, Flowering Plum, Dogwood, Birch, Cedars, Firs, Tulip Tree, Oaks, Magnolias, Zelkova, Walnut, Smoke Tree, Japanese Maple, Marshall Seedless Ash, Weeping Cherry

Shrubs & Ground Covers 1.25 acres

Roses, Rhododendrons, Juniper, Azaleas, Lilacs, Thuja, Nandina, Laurel, Cypress, Euonmus, Weigelia, Spirea, Chamaecyparis, Potentilla, Salal, Vinca, Ivy, Ajuga, Rogosa Rose,

Spring bulbs planted 1,500
Summer annuals 1,000

2002 usage of Herbicides, Fertilizers, Insecticides, Water

Herbicide: Roundup-113 gal. Mixed solution. Application Spot sprayed in flower & shrubs beds, around light poles and parking lot tree wells. Manage- 16-oz. noxious weed control. (Yellow nutsedge) Required by Thurston Co. noxious weed control. Crossbow- 2 gallon. Blackberry control. Caseron - Granular pre-emergence 25 lbs.- Preen 3 lbs. Trimec- 20 gal. Broadleaf turf weeds.

Fertilizers: Flowers and shrubs 10-20-20: quantity 150 lbs. Turf areas. 18-9-9: quantity 600 lbs.

Fertilizer and Flower care: quantity 5 lbs.

Future Opportunities

An annual review will be conducted to determine whether the use of chemicals can be further reduced.

Attachment C WATER CONSUMPTION

The site uses water from the city of Tumwater for irrigation. Based on review of historical information, 1999 was selected as the base year for the initial sustainability plan. Subsequent reports will use 2002 data to establish future goals.

Month	Cubic Feet Used 1999	Cubic Feet Used 2001	Percent Change Compared to 2000	Cubic Feet Used 2002	Percent Change Compared to 2000	Cubic Feet Used 2003	Percent Change Compared to 2000
January							
February							
March							
April							
May						1,000	
June	21,000	36,000	+71	12,000	-43	22,000	+5
July	87,000	56,000	-36	72,000	-18	91,000	+5
August	110,000	67,000	-39	88,000	-20		
September	105,000	77,000	-27	78,000	-26		
October	79,000	43,000	-46	46,000	-42		
November				13,000			
December	1,000	3,000	+300				
Annual	403,000	279,000	-124	309,000	-24		

Note: All water is measured in cubic feet

100 Cubic Feet = 748 Gallons

Irrigation Use Water Consumption Compared to 1999 Exhibit C-1

Month	Cubic Feet Used 2000	Cubic Feet Used 2001	Percent Change Compared to 2000	Cubic Feet Used 2002	Percent Change Compared to 2001	Cubic Feet Used 2003	Percent Change Compared to 2002
January							
February							
March							
April							
May						1,000	
June	21,000	36,000	+171	12,000	-36	22,000	+83
July	87,000	56,000	-36	72,000	+29	91,000	+26
August	110,000	67,000	-39	88,000	+31		
September	105,000	77,000	-27	78,000	+1		
October	79,000	43,000	-46	46,000	+7		
November				13,000			
December	1,000	3,000	+300				
Annual	403,000	279,000	-124	309,000	+10		

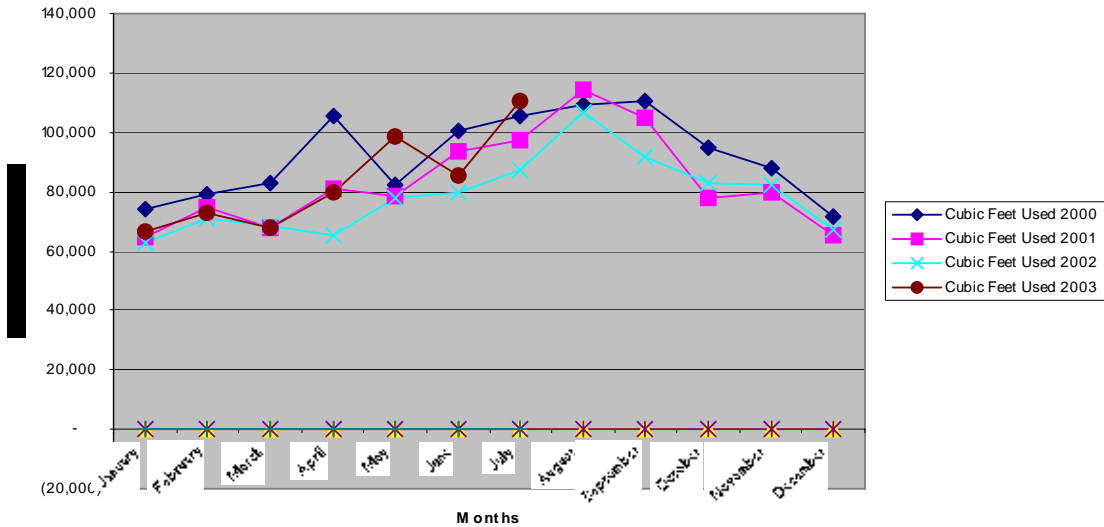
Irrigation Use Water Consumption Compared Yearly Exhibit C-2

Month	Cubic Feet Used 2000	Cubic Feet Used 2001	Percent Change Compared to 2000	Cubic Feet Used 2002	Percent Change Compared to 2000	Cubic Feet Used 2003	Percent Change Compared to 2000
January	74,100	64,600	-13	62,700	-15	66,500	-10
February	78,900	74,800	-5	71,200	-10	73,100	-7
March	82,900	67,900	-18	68,500	-17	67,800	-18
April	105,600	81,200	-23	65,500	-38	80,000	-24
May	82,400	78,600	-5	78,000	-5	98,700	+20
June	100,700	93,300	-7	79,800	-21	85,200	-15
July	105,500	97,400	-8	87,000	-18	110,600	+5
August	109,300	114,400	+5	106,500	-3		
September	110,800	104,900	-5	91,800	-17		
October	94,900	77,900	-18	83,100	-12		
November	88,100	79,700	-10	82,500	-6		
December	71,500	65,100	-9	67,500	-6		
Annual	1,104,700	999,800	-10	944,100	-15		

Note: All water is measured in cubic feet
100 Cubic Feet = 748 Gallons

Building Water Use Water Consumption Compared to 2000 Exhibit C-3

BDLG Water Use Comparison to 2000

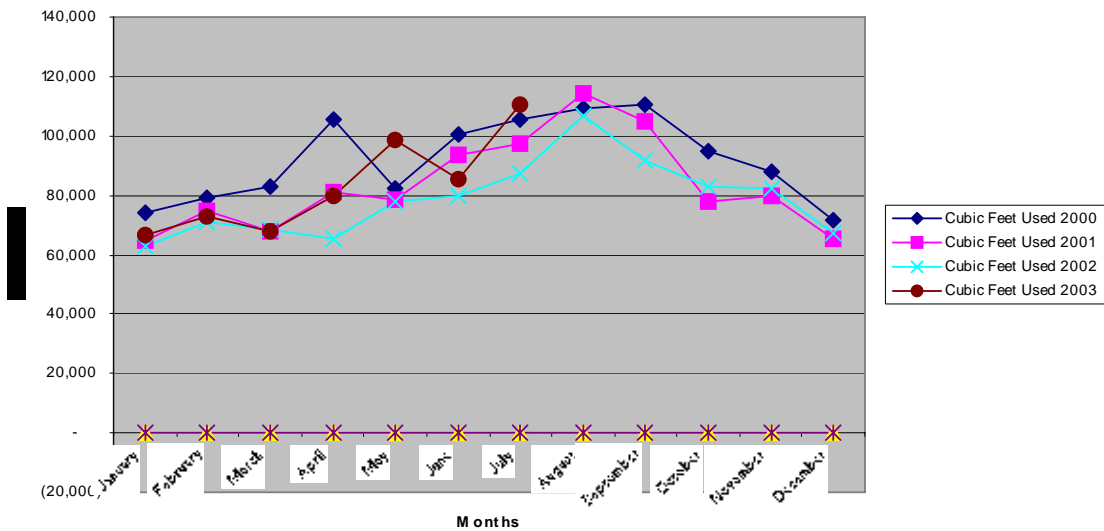


Building Water Use Water Consumption Compared to 2000 Exhibit C-4

Month	Cubic Feet Used 2000	Cubic Feet Used 2001	Percent Savings Compared to 2000	Cubic Feet Used 2002	Percent Savings Compared to 2001	Cubic Feet Used 2003	Percent Savings Compared to 2002
January							
February							
March							
April							
May	1,000		100			1,000	
June	9,000	36,000	-300	12,000	67	22,000	-83
July	24,000	56,000	-133	72,000	-29	91,000	
August	37,000	67,000	-81	88,000	-31		
September	34,000	77,000	-126	78,000	-1		
October	20,000	43,000	-115	46,000	-7		
November	5,000		100	13,000			
December	1,000	3,000	-200		100		
Annual	1,104,700	3,000	-200		100		

**Building Water Use
Water Consumption Compared Yearly
Exhibit C-5**

Building Water Yearly Comparison



**Building Water Use
Water Consumption Compared Yearly
Exhibit C-6**

Future Opportunities

Future action has not been identified at this time.

Attachment D RECYCLED PAPER

All paper ordered from Central Stores is recycled paper containing 30% post consumer fiber with one exception.

All printing for L&I completed by the State Printer uses recycled paper containing 30% post consumer fiber.

GENERAL RECYCLING

General Paper Recycling

The Department of General Administration (GA) provides services for L&I. Recycling barrels that are placed throughout the Tumwater facility are serviced on a weekly basis. Also, each employee is provided a desk side recycle container.

Cardboard

All cardboard boxes are broken down, and placed in the rolling bins for removal. GA transports this material to the recycling center on a daily basis.

Bottles/Cans/Plastics

There is a recycling closet located on each floor of the Tumwater building. Containers are provided for staff to dispose of empty bottle, cans or plastics. The containers are emptied on a daily basis.

Printer Toner Cartridges

Each floor in the Tumwater facility has recycling closets. There is a shelving unit provided for each closet that is for placing toner cartridges on. Each day the used toners are picked up the L&I Warehouse staff and taken to the Warehouse to be palletized. They are returned to the contracted vendor for recycling.

CD/Cassettes/Video Tapes

These are placed in the same containers with microfiche and are destroyed in the same manner. Approximately 100 lbs of CD's, cassettes and video tapes are shredded every 2 months for all L&I offices.

CONFIDENTIAL RECYCLING

Confidential Documentation – Paper

L&I's Tumwater facility currently has thirty-two 64-gallon confidential recycling bins located throughout the building, as well as some in several of the Field Offices. These bins are emptied on a monthly basis, and shredded on site. The paper is then taken to a recycling center for processing. Approximately 6,400 lbs of confidential documentations are destroyed on a monthly basis at the Tumwater Facility.

Confidential Documentation – Microfiche

L&I's Tumwater facility currently has fifteen 64-gallon confidential shredding bins for microfiche located throughout the building, as well as some in several of the Field Offices. These bins are emptied on a monthly basis and taken off site for destruction. The documents are incinerated to ensure they are safely destroyed. Approximately 600 lbs of microfiche are shredded on a monthly basis for all L&I offices.

Confidential Documentation – Pathogens

L&I's Tumwater facilities has 2-34 gallon confidential containers for pathogens. The content amounts of these materials that are shredded are currently minimal.

Future Opportunities

Actions currently being implemented or under consideration include the following:

- Encouraging double-sided printing to reduce waste.
- Expanding the use of imaging documents to reduce microfiche.
- Purchasing paper with a higher percentage of post-consumer waste.

Attachment E

REDUCTION OF PAPER USE

Online Reporting & Customer Access Project (ORCA)

The department keeps track of workers' compensation claims through its Labor & Industries Industrial Insurance System (LINIIS) computer system. Communication with outside customers is paper-based. Claims are mailed to the agency; providers send paper bills; information about claim status is sent to workers and employers via the mail and checks are mailed to injured workers and providers. Once a paper document comes into L&I, it is turned into an electronic image and becomes part of the claim file.

Some communication does take place via telephone calls between the claim manager and providers, workers and employers. The agency has an automated telephone system and toll-free line staff to answer questions such as claim status and billing status. Some claim-related information is available for employers, providers and worker attorneys only via the Workers' Compensation File Information (WCFI) system. Customers most often must phone, visit a field office or request microfiche during business hours in order to obtain information.

This year L&I also implemented the Express File system that allows employers to file their quarterly reports and pay their premiums on the Internet. Most other customers must file for services through manual processes and paper forms.

Employers, workers and their representatives, providers and other state agencies often need to review claim files. Currently, this requires the department to create microfiche from the electronic images. Customers must then use a microfiche viewer to see file information.

The department's imaging system has served its customers well, but in the past eleven years, advances in technology have far outstripped the capabilities of its architecture. This limitation greatly affects the department's ability to support the customers' request for easier access to current claim information.

During the 2001-2003 biennium, the \$1.5 million ORCA project conducted a feasibility study of methods to exchange claim-related information electronically with employers, health care providers and workers. The feasibility study also supported a comprehensive new system for electronic management of workers' compensation claims and employer information.

This proposal phases in the new system over a four-year period. The 2003-2005 schedule includes implementation of:

- A new content management system that includes imaging for claims staff and a prototype for external customers
- Customized web pages for workers, employers and providers to view workers' compensation information
- Two-way transactions allowing customers and providers to conduct business on the Internet
- An infrastructure that allows flexibility for future expansion

A second decision package would be developed for the 2005-2007 biennium to:

- Provide imaging access to employers, workers and their representatives, and providers
- Expand imaging internally to Employer Services, Self Insurance, the Retrospective Rating Program and Health Services Analysis
- Expand information and transactions available on the web

In response to customer demand, the department proposes making images available to our external customers through a system that ensures security. Other state workers' compensation systems and private insurers are increasingly using two-way Internet-based systems to communicate and do business with customers. Modern imaging systems offer many capabilities beyond the limitations of the current system:

- Customers and providers would have the ability to view images on the Internet
- Customers could upload images from their systems to the department's system
- L&I staff could attach notes, highlight and bookmark documents to better communicate with customers about claims and other information in the system
- When customers or providers send in certain documents, the system would trigger automatic review, routing or other actions, thus speeding up processing
- Documents could be routed with comments to staff or external customers
- Documents could be copied to another file for the same claim or account

This proposal would continue efforts to revolutionize customer access to State Fund and Self-Insured workers' compensation information and provide faster, more cost-effective ways of doing business with the Department of Labor and Industries (L&I). The proposal is the next step toward a modern, secure Internet-based system allowing customers access online to claims-related information and images as well as the ability to file information and do other electronic business with L&I via the Internet. The agency's current paper-based system no longer meets customer demands for information and the ability to exchange information and establish and manage claims online 24 hours a day. Last biennium's Internet Filing of Claims Decision Package, implemented as the Online Reporting and Customer Access (ORCA) Project, supported a feasibility study of technology opportunities to improve efficiency and service. The resulting feasibility study pointed to the options outlined in this proposal.

External customer access would reduce by 80 percent of the amount of microfiche and paper copies the department must produce. Freed up staff could be redirected to provide other much needed claim management duties.

In addition to providing expanded imaging capabilities, the ORCA project would increase the amount of information and the number of transactions customers can access via the web. The department would work in partnership with customers and providers throughout design and development to ensure the quality, security and usefulness of the new processes.

For example, workers, employers and providers could use the Internet to:

- View a worker's claim status
- Update claim information such as change of address, or other demographic information
- Look up their employer account and rate information
- Check on bill payment status
- Review where a transaction is at any point in the process
- Test "what-if" scenarios. For example, an employer could look at the impact of a time-loss claim on that employer's rates
- Go on-line to request and receive new information
- Pay or receive funds

The proposed E-Business components and enhanced imaging would move the information faster, but that alone would not improve the quality and timeliness of service. To ensure information is efficiently, effectively and securely managed, the business processes would be reviewed and redesigned to manage these new ways of doing business. The redesigned processes would also need to support those customers who choose not to use electronic communication. Workflow software would manage and route the incoming information and even prompt staff to take action depending on the priority of the image or transaction.

The research conducted this biennium as a result of the 2001-2003 Internet Filing of Claims package clearly supports the direction in this proposal. Intensive site visits with customers and providers, as well as research on other insurance systems, reinforce the fact that expanded e-business functionality in tandem with enhanced imaging will best meet customer requirements.

The following outlines relevant agency activities and describes how they will change as a result of this proposal:

- Secure 24-Hour account access would allow the customer to enroll, make demographic changes to their account, obtain the status of pending and active services and see a comprehensive history of their dealings with L&I. Employers and injured workers can check the current status of each claim including initial filing, payment of benefits or appeals. All medical documentation and claim history would be available for customers with required authorization. Also, employers would be able to confirm their rating program, rates, experience factors, job classifications and premiums.
- The Electronic Request & Receipt of Services would allow the customer to file for services in a variety of ways. Employers would be able to explore and establish coverage, check on job classifications and loss histories, file their portion of the Report of Accident, analyze “what if” scenarios and enroll in programs to minimize their costs. Injured workers would be able to file new claims, monitor the process and check the schedule of benefit payments. Medical documents and other information contained in the claim file would be retrievable from a centralized repository by authorized parties. Injured workers, employers and medical providers would be able to request additional benefits, request authorization of medical services or simply send an inquiry to their claim manager.

This proposal was developed with broad participation by the labor, business and provider community. The project team researched existing literature, including customer and provider surveys, to begin determining customer needs. They followed up with extensive site visits to businesses, labor organizations, worker representatives and providers. The information gleaned from all these activities identified those options that would respond to our customers and stakeholders needs.

This decision package will directly impact the Board of Industrial Insurance Appeals and the Attorney General’s Office. The imaging system would give them immediate access to documents needed to research and prepare their cases. They would no longer need to order and wait for microfiche or paper copies. They would be able to sort and compile documents into categories to respond to specific issues. It would also reduce the number of documents they need to review to locate those that are relevant to their needs.

Process Improvements

The agency currently has two Internet applications for customers of the workers’ compensation system. The Workers Compensation File Information (WCFI) application allows employers, workers’ attorneys and medical providers to access key claim information. This system is used primarily by employers and workers’ attorneys. The Express Filing system allows employers to file their quarterly reports and pay their premiums on the Internet. Currently there are approximately 6,000 employers using this system, and the volume continues to grow. These two applications have provided our customers with alternative, more efficient methods of doing business and resulted in process improvements. Exposure to these services has created a demand for access for workers, a desire for more information and a greater interest in the ability to conduct more business with the agency through electronic means.

One of the primary requirements of this proposal is access to claim images for external customers. Currently this access is provided by producing microfiche copies of the images and mailing them to customers. In order to keep up with the most current information, customers must repeatedly request new copies of microfiche claim files. The agency has implemented a change in an effort to improve this process and reduce the cost of microfiche production. The imaging application was modified to allow production of only a portion of a claim file so previously sent documents aren't reproduced and sent again. While this change resulted in improvements, customers are still reliant on microfiche and subject to delays while waiting for their request to be processed.

There would be a follow-up decision package for the 2005-07 biennium. Actual dollars will be determined based on requirements defined during the first biennium's activities. If funding is received for the 2005-07 biennium, external customer access to imaging would reduce by 80 percent the amount of microfiche and paper copies the department must produce.

Attachment F PROCUREMENT

Current Practices

To ensure that Labor and Industries' employees work in a safe, healthy and economical environment, Procurement Staff are currently responsible for ensuring:

- A chair justification form completed by the department's ergonomist is attached to each purchase request, and all required components are included in the order.
- All furniture requisitions have been reviewed by a Facilities Planner to meet ergonomic guidelines and ensure adequate spacing.
- Timely processing of requests to pick-up hazardous waste to minimize environmental threats.
- All outside facilities used for conferences meet ADA standards.
- Personal Protective Equipment meet OSHA standards.
- All purchases from outside vendors are at the lowest price, which may include going out for bid.
- Confidential Purchasing Card information is shredded for the safety of the public and ourselves.
- Cleaning sprays, etc. meet standards, and if not, quickly find a suitable replacement.
- Open orders for the recycling of cardboard and paper are renewed timely to ensure ongoing disposal.
- All state resources being replaced are considered for surplus.

The Office of State Procurement in collaboration with the Department of Ecology are creating a reference manual to help state agencies make purchasing decisions that are better for their employees and the environment. The manual, which has not been released, introduces "environmentally preferable purchasing" which is defined as "choosing products that have a lesser or reduced effect on human health and the environment when compared with other products that serve the same purpose". The manual will help us to:

- Identify ways to purchase environmentally preferable products (which include those currently on state contract and in Central Stores)
- Write environmental specifications into bid solicitations
- Choose products that are safer for people and the environment
- Make informed purchasing decisions

The manual includes the following questions for the purchaser to ask him/herself when comparing products:

- Is the product less hazardous?
- Will it reduce workplace injuries?
- Is it reusable or more durable?
- Is it made from recycled materials?
- What happens to it at the end of its life?
- Can it be recycled? Will the manufacturer take it back?
- Does it conserve energy or water?

It also discusses preventing waste by:

- Finding multiple uses for an item
- Reducing the amount or the toxicity of materials used
- Reusing an item or container for other uses
- Choosing repairable, refillable, durable products
- Keeping track of inventory to reduce quantity of unusable products and over buying

Environmentally preferable purchasing is important and creates the following benefits:

- Buying less-hazardous products improves work safety, reduces regulatory liability, and lowers disposal costs.
- Using energy-efficient and water-conserving products saves natural and financial resources.
- Creating less waste by buying products that are reusable, refillable, more durable, or repairable.
- Selecting recycled products keeps recycling programs going by supporting markets for the materials.
- Supporting state and federal laws that support environmentally preferable purchasing.

The Procurement staff will be reviewing standard purchases to ensure that “environmentally friendly” items are available in our catalog.

Attachment G

COMMUTE TRIP REDUCTION

L&I provides many incentives for employees who choose commute smart ways to work such as

- 1. Financial incentives**
 - The cash incentives program adds \$2.00 per day (\$1 each trip) *taxable* income to your paycheck each quarter for every day you use an alternative to driving alone.
- 2. Free bus passes for Intercity Transit**
 - Employees who have state picture identification (ID) can receive a special sticker for their ID that will identify them as a state employee to the I.T. bus drivers.
- 3. Priority parking for carpools and vanpools**
- 4. Driver stipends for vanpool drivers**
 - At L&I we understand the hassles of negotiating through traffic, the problems of bookkeeping, and the headaches of mediating between passengers. We appreciate the efforts of vanpool drivers to drive our employees to work each day. To express that appreciation, we provide a stipend of \$4.00 for each day to drive a vanpool.
- 5. A guaranteed taxi ride home in case of emergencies**
 - If an emergency comes up during working hours - like family illness, unexpected overtime, or a missed ride, employees can taxi home free.
- 6. Secure covered parking for bicycles**
- 7. Lockers and showers for walkers and bicyclists**
- 8. Telecommuting for those employees where working from an alternative location makes business sense.**

Approximately 475 employees participate in Commute Trip Reduction. This is 27% of the total staff. Currently 54 employees have telecommute agreements on file.

Attachment H

FACILITY CONSTRUCTION, OPERATION AND MAINTENANCE

1. Existing Site and Facilities

The Department of General Administration's ECP (East Campus Plus) Program was established in 1989 to provide consolidated management of the state building program. It was the goal of the state to significantly reduce the amount of space leased by state agencies and to increase the inventory of state-owned space. This goal was developed following the completion of a number of studies that compared the long-term cost of leasing versus owning space. The L&I Tumwater building was one of the three buildings constructed under this program. Development of the Tumwater Satellite Campus was included in the 1990 Master Plan for the Capitol of the State of Washington.

The Labor and Industries building was designed to consolidate agency operations, providing long-term savings of lease payments and better public access to state government. The successful proposal for the building placed emphasis on flexible working space, energy efficiency and air quality. Construction began in 1990 and was completed in 1992. The total cost of the project was \$63 million, which has been financed through 30-year bonds reimbursed by L&I's accident and medical aid funds.

The headquarters building consists of 2 distinct wings – the North Wing, which houses the business operations in 412,404 gross square feet (GSF) and a useable building area of 340,254 net square feet (NSF); and the South Wing, which consists of a 350-seat cafeteria, a 400-seat, level auditorium, and 4 conference rooms in 69,798 GSF. A total of 1,619 surface parking stalls are provided on the 35-acre campus for staff and visitors.

L&I's headquarters building is located on a 35-acre campus in Tumwater, Washington and was first occupied in September 1992. The facility was specifically developed to consolidate agency operations in state-owned space, provide long-term savings of lease payments and better public access to state government.

It was initially anticipated that the building would be at full capacity in 1994. The anticipated increase in staff levels in Tumwater was slowed, however, as the agency decentralized operations and placed more staff providing direct services at our existing Field Offices to better serve our clients. The building, designed to house 1,700 staff, currently houses approximately 1,900. This has resulted in a loss of team workspace, support space and general overcrowding. Excess staff levels as well as increases in computer equipment necessary to support the work have had a negative effect on the building's HVAC system and air quality.

In addition, the agency has been forced to lease space off-site for another 100 employees who need to be located with other headquarters staff. While the building has functioned exceptionally under the demands that the overcrowding has placed on it, current conditions have resulted in a loss of team workspace and support space. Excess staff levels as well as increases in computer equipment necessary to support the work have had a negative effect on the building's HVAC system and air quality.

The population of Washington has grown from 350,000 in 1890 to almost 6 million in 2000. Another 3 million people are expected to reside in Washington in 2025.

There appears to be no decline in space demands or staff growth in the near term, as L&I FTEs are directly correlated to the state population and workforce the forecasts indicate continued state population growth through the year 2020. L&I's headquarters space needs will only increase in the coming years. As a long-term goal, L&I must enlarge its headquarters in order to continue to achieve its mission and provide the agency's staff with a work environment conducive to that mission.

A Pre-Design study was completed in 2002 to determine the most appropriate and cost-effective solution to expand the L&I headquarters.

The original concept for the headquarters building included a plan for a second phase addition to provide additional general office space required for the support of future operations. The proposed Phase 2 project meets this expectation and will provide an addition of 200,000 gross square feet (GSF) to be located on the north side of the existing building.

2. Long-Term Needs

The Phase 2 project defined in this Pre-Design document will meet the immediate needs of L&I by providing relief to the overcrowded conditions and collocating 100 headquarters personnel currently housed in leased space.

This selected scenario identifies the need for approximately 120,000 GSF by 2010 to accommodate an additional 289 FTEs, correct for current space deficiencies to a “Par” level standard of 239 GSF/ FTE and allow the consolidation of all headquarters staff in one location. This forecast, however, only projects the space required for the first five years of Phase 2 occupation. The forecast identifies more than 200,000 GSF will be needed by 2020, as full-time staff requirements will add 700 more employees. Thus the appropriate target for Phase 2 construction is a minimum of 120,000 GSF or a longer-term solution would provide 200,000 GSF to address the agency’s needs for approximately fifteen years post-occupancy.

3. Estimated Capital Costs for the Phase 2 Addition

The estimated project cost for Phase 2a of the proposed Time-Phased Construction alternative is \$42.0 million in base year (June 2002) dollars (MACC of \$34.4 million – primary and secondary), or escalated to \$53.5 million (July 2005 as mid-point of construction). Phase 2a would yield 120,000 GSF of additional space at the agency headquarters, plus additional square footage to account for penthouse and mechanical/electrical space as well as circulation links to the existing building. (Construction and capital cost estimates for Phase 2a are therefore based on 137,460 GSF of new construction.)

Phase 2b would extend the addition by 80,000 GSF for 2020 needs and is anticipated to open in 2016. The estimated project cost for Phase 2b of the Time-Phased Construction alternative is \$16.2 million in base year (June 2002) dollars (MACC of \$22.0 million – primary and secondary), or escalated to \$33.7 million (July 2015 as mid-point of construction). (With additional square footage for penthouse and mechanical/electrical space as well as circulation links to the existing building and Phase 2a, Phase 2b cost estimates are based on 86,240 GSF of new construction.) Thus the total estimated capital costs for the combined Phase 2 (2a and 2b) addition are \$58.2 million in base year (June 2002) dollars (a combined 2002 MACC of \$56.4 million – primary and secondary), or a combined escalated cost of \$87.2 million.

4. Advantages of the Preferred Alternative

The alternative development strategies were comparatively evaluated using capital costs, life cycle operational costs and net present value cost analyses as well as non-cost criteria (phasing and construction issues, programmatic goals, design precepts and campus environment). The Preferred Alternative, constructing 200,000 GSF in two phases of construction, was identified as the most appropriate and cost-effective solution for the following reasons.

Advantages of the Preferred Alternative versus the No Action Alternative (Leasing)

- Developing the required square footage on the Tumwater campus consolidates staff in one location and thereby creates additional operational efficiencies that cannot be achieved when headquarters staff are accommodated in multiple locations.
- Over the planning study horizon, the life cycle cost analysis identified the No Action, or leasing, strategy as one of the most expensive alternatives in the net present value of all future payments.
- The Preferred Alternative provides a campus environment and outdoor amenities for all headquarters staff.
- The proposed Phase 2 project completes the campus master plan and fulfills the intent of the Department of General Administration's East Campus Plus program (1989), which was to significantly reduce the amount of space leased by state agencies and to increase the inventory of state-owned space. L&I's Tumwater campus was one of three buildings constructed under this program and is located within a Preferred Development Area.

5. Project Description and Scope

The proposed project would add a total of 200,000 gross square feet (GSF) to the Tumwater campus in two phases. This addition to the existing headquarters building will correct current space deficiencies, allow for the relocation of 100 staff now in space leased off-campus to the headquarters, and provide for future needs in the most cost effective and beneficial manner. The project achieves the following Strategic Goals of the agency:

Improve the Quality of Services for Washington's Citizens, Workers, and Employers

- By consolidating headquarters staff and relieving current over-crowding, Phase 2 will create working efficiencies and better access to services that translate into broad statewide benefits to L&I's customers. The needs of our clients can be better met through a more efficient work environment.

Continue Investing in Agency Staff and Providing the Tools (and facilities) that Result in High Quality Services

- By providing a facility that will attract and retain qualified staff in a highly competitive workforce arena.

6. Forecast FTE Growth

Not only does L&I need to correct current space deficiencies and relocate staff from rented space, the agency must also plan for FTE growth over time. Despite the current economic conditions in the state, it must be recognized that the state population has been forecasted to grow and that will increase the demand for L&I services. In addition, L&I needs the flexibility to respond to whatever new legislative mandates are put in place. Thus, a range of possible forecast scenarios of FTE growth over the next 20 years were developed based on the relationship of L&I FTEs to the Washington State population. The official Office of Financial Management Population Forecast was used in the analysis. The FTE forecast scenarios ranged from no FTE growth over the planning time period to growth more than double that experienced over past ten years. The forecast scenarios are detailed in Appendix C of this document.

The "Baseline" growth scenario was utilized for the purposes of this analysis. L&I and the consultant team selected the Baseline scenario as the most appropriate forecast for the Phase 2 project because it is consistent with the current and historic FTE growth rate. L&I headquarters staff have grown at an approximate annual rate of 2.3% for the past eleven years. This Baseline scenario forecasts L&I headquarters staff to grow at an annual rate slightly below historical experience – 2.0%. While this forecast of growth may seem aggressive given the current economic climate, this is the most prudent

approach to ensure that L&I has the resources necessary to serve the population and to fulfill its mission over time.

This selected scenario identifies the need for approximately 120,000 GSF by 2010 to accommodate an additional 289 FTEs, correct for current space deficiencies to a “Par” level standard of 239 GSF/ FTE and allow the consolidation of all headquarters staff in one location. This forecast, however, only projects the space required for the first five years of Phase 2 occupation. The forecast identifies more than 200,000 GSF will be needed by 2020, as full-time staff requirements will add 700 more employees. Thus the appropriate target for Phase 2 construction is a minimum of 120,000 GSF or a longer-term solution would provide 200,000 GSF to address the agency’s needs for approximately fifteen years post-occupancy.

Future Opportunities

Due to the current economic environment, it is not feasible to pursue this project until some future date. However, eventual Phase II construction will provide the most efficient means to accommodate agency operations. This will eliminate the need for less efficient and lower quality lease space.