



OFFICE OF FINANCIAL MANAGEMENT

S T A T E O F W A S H I N G T O N

**Implementation Approach for Development of the
2013-2019 Six-Year Facilities Plan**

RCW 43.82.055

State Facilities Oversight and Management Program
In Cooperation with the Department of Enterprise Services

MARCH 2012

CONTENTS

OVERVIEW	2
Background	2
Purpose	3
APPROACH TO SIX-YEAR FACILITIES PLANNING	4
Goals for Facilities Planning	4
Six-Year Facilities Planning Strategies.....	4
PLANNING METHODOLOGY	7
Scope.....	7
Process	8
Deliverables and Documentation	9
Communication Strategy	10
Performance Measures.....	10
CONTACT INFORMATION.....	11
APPENDIX A: BUSINESS PROCESS MAP.....	12
APPENDIX B: COMMUNICATION MATRIX.....	13

OVERVIEW

This document serves as the implementation approach for development of the *2013-2019 Six-Year Facilities Plan* to comply with [RCW 43.82.055](#). Since 2007, the Office of Financial Management (OFM) has led the six-year facilities planning process with plans submitted to the Legislature in 2009 and 2011. With this third iteration, the approach is to continue to strengthen and stabilize the process for facilities planning for Washington state.

BACKGROUND

The state houses nearly 40,000 state employees, volunteers, contractors, and community partners in leased and owned offices across the state. Functions housed in these locations range from fish and wildlife enforcement to social service delivery, from driver's license testing to state auditing, and a variety of other functions. The state spends approximately \$240 million annually¹ for nearly 13 million square feet of office and warehouse facilities. This represents a significant financial investment for the citizens of Washington.

Over the past three years, executive branch state agencies have reduced office space by approximately 5 percent, saving the state roughly \$9 million annually. While these savings are notable, the state has the opportunity to do more within the facilities portfolio to reflect the many changes in state government. Changes have included:

- Legislative and policy changes.
- Program and service delivery model changes.
- Improved access to imaging and other technology solutions.
- The multi-generational workforce's changing work styles.
- Increased awareness of vacancy due to lack of growth and contractions.
- Reductions in FTEs.

Industry reports indicate that private and public office space currently averages 250 square feet per employee and is expected to decline to 150 square feet per employee by 2022. The state average is approximately 290 square feet per employee, indicating the state can improve. Contractual obligations, service delivery distribution, current staff work assignments, and physical infrastructure are all major considerations when trying to downsize. With closer collaboration, the state can do more to optimize the facilities portfolio to support the current and future needs of state agencies.

¹ This expenditure includes rent and estimated operating expenses for both leased and owned facilities, but not staff costs.

PURPOSE

To oversee the state's investment in facilities, OFM will develop the *2013-2019 Six-Year Facilities Plan* with support from the Department of Enterprise Services (DES) consistent with state law². The processes used to develop the six-year facilities plan improve the oversight, management, and financial analysis related to facilities that house state agencies. This approach positions the state to more comprehensively manage these resources within and across state agencies.

The *2013-2019 Six-Year Facilities Plan* will (1) identify the square footage and cost expected for each agency's portfolio of facilities and (2) document the facilities actions necessary to meet these targets within the six-year period.

² [RCW 43.82.055](#) directs OFM to work with DES and all other state agencies to determine the long-term facility needs of state government and to submit a six-year facilities plan every two years. The next plan is due January 1, 2013. The six-year facilities plan must: (1) Identify long-term state agency space requirements; and (2) document other pertinent data necessary for cost-effective facility planning.

APPROACH TO SIX-YEAR FACILITIES PLANNING

The planning process for the *2013-2019 Six-Year Facilities Plan* will continue to use a strategic approach with defined goals, strategies, and targets. State agencies are responding to environmental circumstances by continuing to evaluate their core business, rethink their service delivery models, consider alternative workplace solutions (such as work-at-home options), and implement new technology solutions. This presents the opportunity for the state to plan differently for its future needs related to facilities. **This planning process will focus on reducing the state's facilities footprint.** This will be done through:

- Defining and understanding agencies' business and facilities requirements and seeking opportunities to remove barriers.
- Aligning long-range facilities planning with agency strategic plans and budgets.
- Emphasizing cross-agency coordination and collaboration.
- Elevating the issue of space management and educating the community on best practices for space use.
- Fostering a repeatable process.

GOALS FOR FACILITIES

The goals for six-year facilities planning have not changed significantly. The goals include leasing and owning facilities that:

- Support the business needs of state agencies and the state using facilities in suitable condition.
- Use the state's facilities efficiently.
- Use all of the state's fund sources efficiently.

SIX-YEAR FACILITIES PLANNING STRATEGIES

Statewide strategies are methods to achieve the six-year facilities planning goals with consideration of the current environment. A review of current environmental factors informed development of the statewide strategies for each of the planning goals. These factors demonstrate the complexity of strategic decisions for facilities.

Employing a statewide planning strategy allows thoughtful analysis to be completed across state agencies to meet the state's long-term goals for facilities. The following table documents the strategies for the *2013-2019 Six-Year Facilities Plan*.

STATEWIDE STRATEGIES FOR THE 2013-2019 SIX-YEAR FACILITIES PLAN

Goals	Current Environmental Factors	Strategies
Support the business needs of state agencies and the state using facilities in suitable condition.	Government efficiencies	<p>To support this goal, the State Facilities Oversight and Management Program in coordination with state agencies will:</p> <ul style="list-style-type: none"> ▪ Define state agencies needs for facilities through interviews, requests for information, and ongoing coordination. ▪ Understand current building conditions issues. ▪ Keep abreast of changing business needs based on legislative action, economic impact on program services, program operational efficiencies, and other program impacts. ▪ If there are building condition issues reported, understand building condition issues clearly documented by state agencies and evaluate building condition with consideration for state risk. ▪ Identify, develop, and facilitate the adoption of facilities solutions to address the business needs of state agencies and the state.
	Major fiscal and economic impact on services	
	Need to increase operational efficiency	
	Change in federal law, state law, regulations, and rules	
	Change in business operations	
	Change in technology needs to support the business	
	Aging and poorly maintained buildings	
	Inadequate funding to maintain buildings	
ADA compliance and cost-effective universal design		
Increased policy emphasis on climate change and environmental responsibility		
Use the state’s facilities efficiently.	Inconsistency in current space utilization	<p>To support this goal, the State Facilities Oversight and Management Program in coordination with state agencies will:</p> <ul style="list-style-type: none"> ▪ Define efficient use of state facilities. ▪ Establish a meaningful target for space use for each state agency. ▪ Analyze the current space use against the established targets and identify excess space. ▪ Research and educate state agencies on workplace solutions (technology, human resources, and facilities). ▪ Identify, develop, and facilitate the adoption of facilities solutions (including cross-agency colocation) in support of the established targets.
	Increased vacancy in state-obligated space (owned and leased) because of program reductions	
	Broadening diversity in the workforce (multi-generational workforce, different work styles)	
	Alternative space utilization (such as hoteling, telework, shift work, changing technology support)	
	Increased focus on colocation and consolidation opportunities to support more efficient operations	
	Varying growth management strategies in communities	
	Fluctuating commercial real estate market	

Goals	Current Environmental Factors	Strategies
	Inability to modify facilities to increase efficiency due to infrastructure or the high costs of modification	
Use all of the state's fund sources efficiently.	<p>Reduction and realignment of state revenue/funds and budget</p> <hr/> <p>Fluctuating commercial real estate market rates and trends</p> <hr/> <p>Continued interest in the analysis of leasing vs. owning facilities</p> <hr/> <p>Limited ability to eliminate or modify existing state obligations</p>	<p>To support this goal, the State Facilities Oversight and Management Program in coordination with state agencies will:</p> <ul style="list-style-type: none"> ▪ Define efficient use of state funds. ▪ Establish a meaningful target for facility costs for each state agency. ▪ Analyze the costs of facilities against the established targets. ▪ Facilitate cross-agency collaboration to support the established targets. ▪ Review and refine the methodology for planning and budget assumptions for market rate, lease inflation, and operating expenses. ▪ Conduct life cycle cost analysis (economic analysis) on leasing and ownership solutions. ▪ Identify, develop, and facilitate the adoption of facilities solutions (including cross-agency colocation) in support of the established targets.

PLANNING METHODOLOGY

The approach for the *2013-2019 Six-Year Facilities Plan* focuses the scope and process on implementing the strategies defined above.

SCOPE

The 2011 Facilities Inventory System Report includes 93,947,000 square feet of owned facilities and 14,297,000 square feet of leased facilities for a total of 108,244,000 square feet. Every county had facilities used by state government with Columbia and Wahkiakum Counties having the fewest facilities (21) and King County having the most facilities (1,400). The *2013-2019 Six-Year Facilities Plan* will include a subset of this total inventory.

For the 2013-2019 six-year facilities planning process, scope considers: (1) state agencies involved and (2) type of space included. Generally, facilities that are not included in the scope of this planning effort are included in the ten-year capital plan.

AGENCIES INVOLVED

The scope of the six-year facilities planning process includes all state agencies except for agricultural commodity commissions³ and four-year higher education institutions. For the first two planning cycles, legislative and judicial agencies chose not to actively participate.

TYPE OF SPACE INCLUDED

There are four space categories included in the 2013-2019 six-year facilities planning process.

- Leased and owned offices and conference rooms
- Leased laboratories
- Leased hearings rooms within the special use category
- Leased information technology support, communications support and storage/warehouse within the support category

The space categories and space types align with the 2011 Facilities Inventory System. Categories are defined in the [2011 State Facilities Inventory Instructions](#) on page A-2. Office space within a campus owned by 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.

³ RCW 15.04.200(3) states that “Agricultural commodity commissions shall be exempt from the requirements of RCW 43.01.090 and 43.19.500 and chapter 43.82 RCW.”

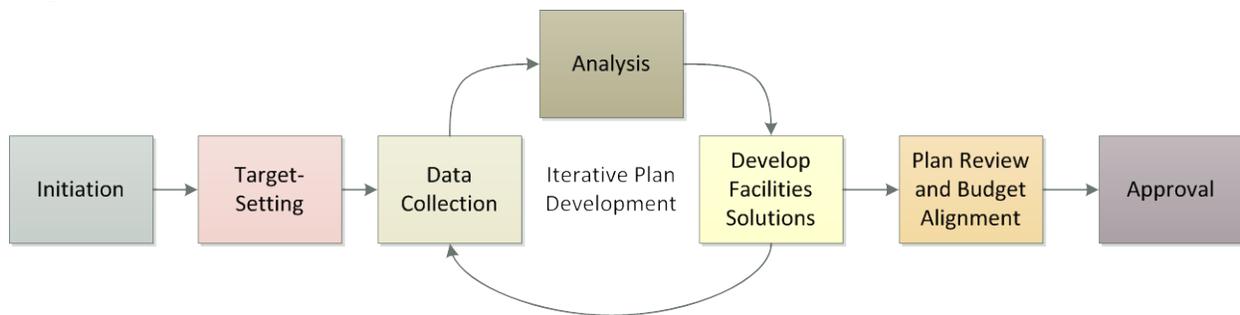
If a space has multiple uses, the facility's space type for purposes of six-year facilities planning is defined consistent with the primary space type listed in the 2011 Facilities Inventory System Report.

Based on the 2011 Facilities Inventory System Report, the scope of the *2013-2019 Six-Year Facilities Plan* is estimated to include approximately 1,000 facilities and 14-15 million square feet. This scope is comparable to the two previous six-year facilities plans.

PROCESS

The process used to develop the *2013-2019 Six-Year Facilities Plan* is an iterative approach. Iterative planning provides the greatest opportunity to ensure that the plan supports the goals for facilities planning, is clearly understood by state agencies and other stakeholders, and can be implemented.

The six-year facilities planning process will occur in five major phases depicted in the following diagram.



INITIATION

The initiation phase is the start-up phase of the planning effort. During this 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 March 2012.

TARGET-SETTING

The purpose of the target-setting phase is to establish meaningful targets for total cost and square feet for each state agency. The metrics set in this phase are documented as the goals for each agency's portfolio are used as the target in the iterative plan development phase. Phase completed May 2012.

ITERATIVE PLAN DEVELOPMENT

The iterative plan development phase includes three components: data collection, analysis, and development of facilities solutions. This phase represents the core work for the development of the *2013-2019 Six-Year Facilities Plan*. It includes:

- Reviewing current facilities data and prior six-year facilities plan (includes identifying excess space),
- Developing and reviewing ideas for meeting the targets,
- Conducting research and exploring solutions,
- Conducting analysis,
- Facilitating cross-agency collaboration,
- Drafting facilities solutions (including action, scope, budget, and timeline),
- Reviewing draft solutions, and
- Gathering feedback.

Phase completed September 2012.

PLAN REVIEW AND BUDGET ALIGNMENT

The purpose of this phase is to draft and refine the *2013-2019 Six-Year Facilities Plan* by aligning the plan with the Governor's budget under development. This phase includes drafting the plan, reviewing the plan, incorporating feedback, and coordinating with the OFM budget analysts for feedback and alignment. Phase completed November 2012.

APPROVAL

The final phase of the planning process includes review and approval of the *2013-2019 Six-Year Facilities Plan* by OFM Executive Management. This final phase ends with the delivery of the *2013-2019 Six-Year Facilities Plan* to the Legislature by January 1, 2013.

[Appendix A](#) provides a more detailed business process map, which includes the lead agency for each key activity and target completion dates.

DELIVERABLES AND DOCUMENTATION

This primary deliverable for this planning process is publication of the *2013-2019 Six-Year Facilities Plan*, as required by state law.

COMMUNICATION STRATEGY

Effective communication is a critical success factor for the completion of the six-year facilities planning process. A variety of stakeholder groups with an interest in this process will be kept informed.

[Appendix B](#) includes a communication matrix to ensure communication responsibilities are clear throughout the planning process. Mechanisms used to conduct effective communication include meetings, briefings, e-mail, telephone calls, and the OFM Facilities Oversight Web site.

PERFORMANCE MEASURES

The State Facilities Oversight and Management Program will use performance measures to help determine the success of this process. These measures 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 consider the current strategies. The following table shows the goals and performance measures by goal.

SUMMARY OF PERFORMANCE MEASURES

Goals	Performance Measure
Support the business needs of state agencies and the state using facilities in suitable condition.	The number of agencies that have their agency needs clearly identified and solutions developed to meet those needs within the planning process.
	The number of agencies that have their business needs addressed within the <i>2013-2019 Six-Year Facilities Plan</i> .
Use the state's facilities efficiently.	Total square feet occupied by agency against the established target. Square feet per FTE by agency against the established target.
Use all of the state's fund sources efficiently.	Estimated annual costs of facilities by year from 2013 to 2019 against the established target.
	Cost per FTE by agency against the established target.

Regular reports will be used to track and highlight actions and accomplishments of agencies in meeting their established targets.

CONTACT INFORMATION

There is a variety of participants in the planning process. 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	OFM Facilities Analyst	E-mail Address	Phone Number
Education: Higher Education	Chuck McKinney	chuck.mckinney@ofm.wa.gov	(360) 902-0450
Education: All Other Education	Rick Bushnell	rick.bushnell@ofm.wa.gov	(360) 902-0410
General Government	Scott Perkins	scott.perkins@ofm.wa.gov	(360) 902-0451
Human Services	Rick Bushnell	rick.bushnell@ofm.wa.gov	(360) 902-0410
Natural Resources	Ann Sweeney (temp)	ann.sweeney@des.wa.gov	(360) 902-7437
Transportation	Chuck McKinney	chuck.mckinney@ofm.wa.gov	(360) 902-0450

For any other inquiries regarding the *2013-2019 Six-Year Facilities Plan* or associated process, contact:

Amy McMahan, OFM Facilities Oversight Manager

E-mail: amy.mcmahan@ofm.wa.gov

Phone: (360) 902-9824

Or

Ann Sweeney, DES Facilities Planning Manager

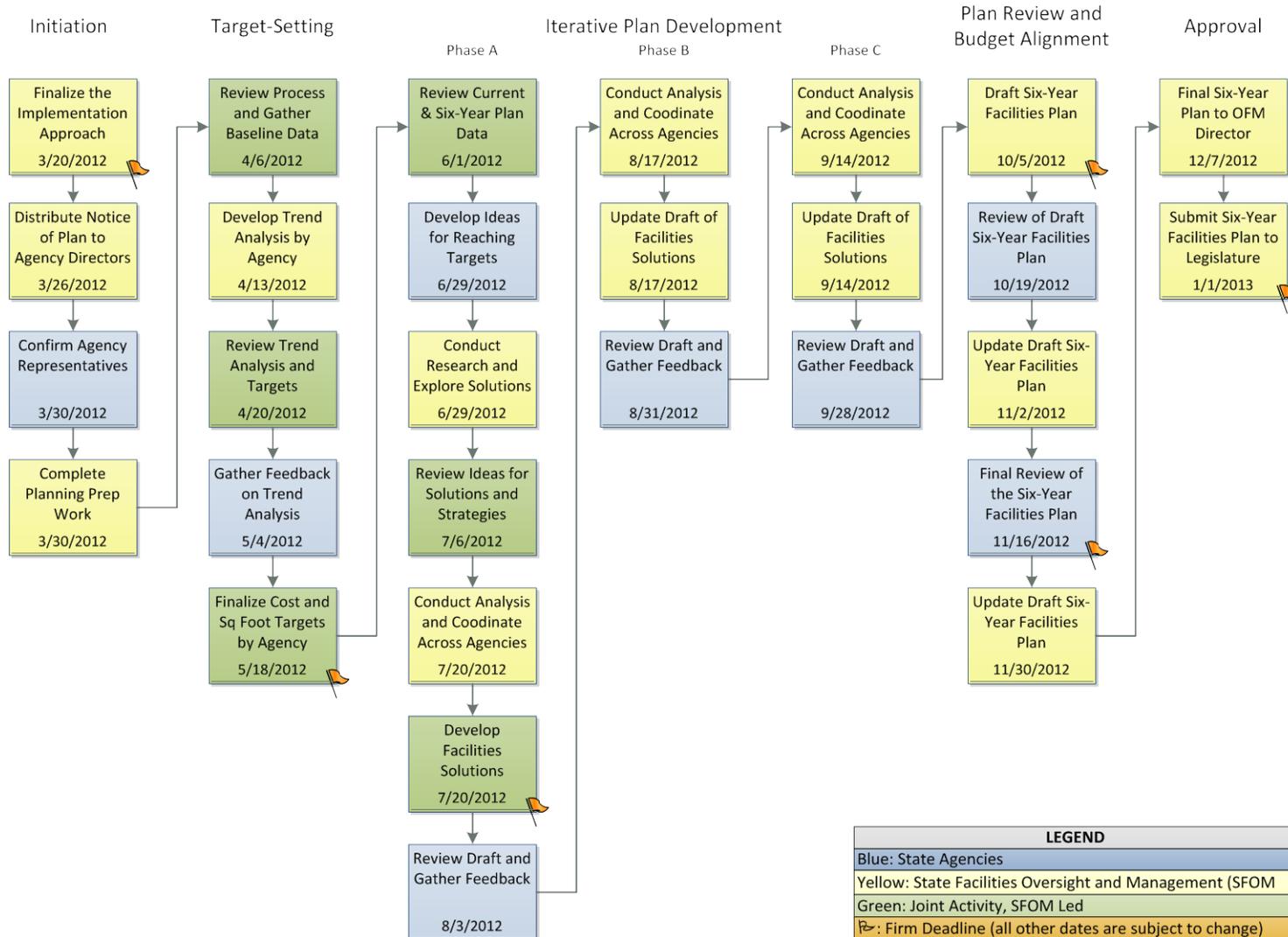
E-mail: ann.sweeney@des.wa.gov

Phone: (360) 902-7437

APPENDIX A: BUSINESS PROCESS MAP

This map shows the key tasks, responsibilities, and completion dates for development of the 2013-2019 Six-Year Facilities Plan.

Business Process Map for the 2013-2019 Six-Year Facilities Plan



APPENDIX B: COMMUNICATION MATRIX

Audience (Who)	Primary Responsibility (Who)	When
State Agency Management	OFM Director OFM Deputy Director OFM Facilities Oversight Manager	March and then as needed
State Agency Primary Point of Contact	OFM Facilities Analysts	Regularly per the Business Process Map
State Agency Budget/Fiscal Managers	OFM Facilities Analysts	As Needed
OFM Budget Analysts	OFM Facilities Analysts	March-July: as needed August-December: monthly
DES Facilities Division	OFM Facilities Oversight Manager DES Facilities Planning Manager	Monthly, as needed
Agency Stakeholder Forum	OFM Facilities Oversight Manager	As needed (minimum quarterly)
Legislative Members and Staff	OFM Facilities Oversight Manager	As needed
Legislative Fiscal Committees	OFM Facilities Oversight Manager	As requested
State Landlords/Developers/Owners (GBOLA and GA Real Estate Forum)	OFM Facilities Oversight Manager DES Facilities Planning Manager	As requested
Local Community Officials	DES Facilities Planning Manager	As requested