Building a Modern Work Environment: Washington Space Use and Standards
Space Use Recommendations Report
Sec. 1076(1), Chapter 3, Laws of 2015, 3rd Special Session

Office of Financial Management
Facilities Oversight
July 2016
Summary

Background
Washington state currently owns and leases over 11 million square feet of office space that accommodates more than 43,000 employees, volunteers and contractors statewide and represents a significant investment by taxpayers.

Since 2000, Washington has maintained a space allocation standard for a single space target of 215 square feet per person. This standard, reviewed and reissued in 2009, was developed by the Department of General Administration (now Department of Enterprise Services, or DES) and approved by the Office of Financial Management (OFM) as required by state law.

Over the years, the work of state government has changed: how it’s done, where it’s done and who does it. Advances in technology, changing customer and employee demographics, social media, mobile work and the economy are just a few of the factors that affect workplace needs. We are building a workplace not just for today’s employees and customers, but for future generations. There are four — soon to be five — generations in the workplace, with research showing that workplace expectations fluctuate depending on generational needs. Leaders in all sectors, including government, continue to refine organizational culture and set new business and workplace expectations. At the same time, constrained resources and mandates for services will challenge the state to do more with the limited budget to meet demands.

To address these factors, we must adopt policies and practices that support transforming the physical environment where needed, provide greater workplace flexibility, enable a more mobile workforce and engage employees in workplace innovation.

State Space Use
Across all facilities, we average 290 square feet per work space and 323 square feet per user. While we have made considerable progress in managing our facilities footprint over the past 16 years, the state has not achieved the space allocation goal established in 2000. A significant reason is that the current space allocation standard does not take into consideration the various types of work performed by state agencies. For example, to support its own mission, a driver’s license office needs a certain amount of space for a customer service counter and a lobby waiting area. This results in a larger square feet per user metric than a Department of Natural Resources field office, for instance, where staff work for a few hours in the office and then in the field.

Standardized workplaces filled with cubicles are already being replaced by innovative workplace solutions that better support the workforce. Like the private sector, the state must think strategically about the workplace and the policies it employs. Continuing the policy of universal work space design, regardless of job function, or shrinking work spaces in a standardized way for all types of work could reduce service delivery, productivity and employee engagement. These are outcomes state government cannot afford to suffer.

By adopting modern workplace policies, strategies and tools that align how work is done with the work space we have the opportunity to recruit and retain talent, increase productivity, foster an engaging work environment, support health and wellness, ensure continuity of operations, manage rising real estate costs and reduce the state’s environmental footprint.
**Workplace Innovation**

We can improve our space use. In fact, several state agencies have already begun to implement facilities projects that modernize their work environments for a specific program or programs. Agencies reported that these projects have increased staff productivity, increased utilization of the space, created better alignment of the workplace with the work and, in some cases, lowered facilities costs. By focusing on how space is used by staff and customers, the state can move to fostering more efficient and productive work environments.

As a first step in supporting this innovation, Gov. Jay Inslee recently issued Executive Order 16-07: *Building a Modern Work Environment*. This order directs executive branch agencies to establish a workplace strategy council, enable a mobile workforce and create modern work environments while maintaining or improving business operations and customer service.

**Space Use Policies, Standards and Enforcement Practices**

State space use policy and practice — and law — have changed over the years. The most recent changes have created some redundancy in the statute that requires DES and OFM to provide oversight of state agency space use. These overlapping authorities have led to redundant business processes, inconsistent space use policy direction and confusion by state agencies. These issues have also caused delays in real estate projects.

**Recommendations**

We recommend that the Legislature update Chapter 43.82 RCW to allow us to streamline business practices and better align roles. Proposed changes are provided in Appendix B. This change clarifies space use oversight authority as a duty of OFM.

In addition, to continue our workplace innovation efforts and enable a modern work environment, we will work with state agencies, including DES, to:

- Publish a space use policy and workplace strategies report by Jan. 1, 2017, as required by RCW 43.82.055, that encourages better alignment of the workplace with agency business needs and modern workplace strategies.
- Establish agency-specific goals for improved space use by Jan. 1, 2017. These goals will be reviewed and documented in the state’s Six-Year Facilities Plan published biennially to the Legislature.
- Apply the new space use policy through the six-year facilities planning and modified predesign processes.
- Establish tools, contracts and training to support workplace innovation efforts.
- Support one-time funding requests that show a return on investment, as resources allow, for the implementation of modern workplace environments. This may include enhancing technology, acquiring design services, providing new or retrofit furniture or making building alterations in lieu of increasing lease costs.

Further details about these recommendations and actions are contained in this report.
Introduction

Purpose
In 2015, the Legislature directed OFM to conduct space use studies and make recommendations on the state’s space standards, including alternative workplace strategies. This report provides a high-level summary of Washington’s current space use and delivers the required recommendations.

Background
Ownership and leasing space for government operations is a significant financial investment by taxpayers. Therefore, we strive to lease and own 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.

While all state agencies strive to meet these goals, the mission and business needs of individual agencies vary widely. The business needs range from service delivery functions such as driver’s licensing offices to call centers, administrative headquarters to conference and hearings spaces. This diversity of business need and function leads to significant differences in facility design, size and costs.

The average age of a Washington state employee is 48, with 30 percent of the workforce under the age of 40. Retirements are occurring at a rate of just less than 3 percent a year; the majority of new hires are under the age of 35.\(^1\) As workforce demographics shift, a workplace that reflects these changes will make the state more competitive in attracting and retaining talent.

These issues are not unique to the state. Across all sectors of business — public and private — organizations are re-examining how to provide space that supports the work being performed. How, when and where the work is being performed is constantly evolving. Business changes reflect many workers’ and customers’ expectations that services are no longer necessarily performed face-to-face at a traditional office; they may be delivered online, for instance. There is an increased emphasis in all business sectors on flexibility in workplace, schedule and mobility.

Modern office design is accommodating these demands by creating space that is flexible, giving employees choices in the type of space they use for the work they are performing. The office design can include collaboration spaces, meetings spaces, open work areas and focus rooms, along with cubicles and private offices.

As we strive to create high-quality, modern workplaces, it is imperative that we examine the condition of our facilities as well as the statewide policies and practices that created them.

Methodology
In the spring of 2016, we conducted a study of state facilities and how agencies use them. This study included offices, laboratories, training centers, technology centers and storage facilities. The primary focus was on office space, as it composes the majority of the space that accommodates users.

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State agencies were asked to provide information about each office building they occupy. This information included the address, square footage, counts of work spaces, user information, ongoing costs and utilization of the space. Seventy-three state agencies reported information to OFM for 775 facilities. Of those facilities, 744 were considered in this study. (The remaining facilities were removed from the sample due to incomplete reporting or mixed use.)

We also contracted with an expert workplace strategy team at Jones Lang LaSalle to conduct on-site time studies, commonly called space utilization studies. These space utilization studies were conducted in 28 agency offices over the course of one week. These studies involved hourly counts to measure occupancy and usage of various types of work spaces including offices, workstations and conference rooms.

To evaluate the state’s space use, create recommendations and prepare this report, we also:

- Reviewed data and policies from the private sector.
- Reviewed data and polices from the federal government and other state governments.
- Compared current state space use to research from the International Facilities Management Association and professional workplace strategists.
- Considered research and recommendations from DES on space allocation standards.
- Reviewed lessons learned from the modern workplace strategy pilots in Washington state agencies.
- Reviewed private sector cases studies.
Washington’s Current Space Use

The 744 facilities included in this analysis represent a total of over 11.1 million square feet, with a cost of roughly $210 million annually. We house approximately 43,400 state employees in these offices, along with volunteers, contractors and community partners. Functions in these locations range from law enforcement to social service delivery, from contractor registration to state auditing and a variety of other functions.

We maintain more than 45,000 work spaces across the state. Office space ranges from a single private office of 72 square feet to a large office with more than 2,300 work spaces in over 412,000 square feet. Vacant work spaces are widely distributed.

This section of the report documents methods for evaluating space efficiency, provides an overview of the state’s current metrics, discusses the modern work environment and offers key findings related to current space use.

Methods for Evaluating Space Efficiency

There are several methods for measuring efficient space use. We gathered data for this study to evaluate four of the most common methods: square feet per work space, square feet per user, work space-to-user ratio and space utilization representing the time users spend in an office. A description of each of these metrics is provided below.

Square Feet per Work Space

Measuring the efficiency of an office facility has traditionally been done using a ratio of square feet per work space. This is our current primary method of measuring even though the standard specifies “person,” not “work space,” due to the established method of collecting space planning data. Although becoming less common, many organizations use this metric to measure space efficiency.

The formula for this ratio is:

\[
square \text{feet per work space} = \frac{\text{total obligated square feet}}{\text{(# of offices + workstations)}}
\]

This measure does not reflect how an office is used, but rather how an office is designed.

Square Feet per User

Another commonly used method for measuring space is a variation on the method above that focuses on the users of the building. Research suggests that this is the primary method used by major organizations; the state began using this metric in 2015.

The formula for this ratio is:

\[
square \text{feet per user} = \frac{\text{total obligated square feet}}{\text{(# of staff + contractors + seasonal workers + other users)}}
\]

Other users include volunteers, federal partners and, in some cases, nonprofit partners. This measurement better aligns with how the office facility is used, but does not consider the frequency of use. Research suggests that this metric varies widely in the private sector, depending on business need.
Users-to-Work-Spaces Ratio

This metric is generally a reflection of how a facility is designed versus how it is being assigned to users. A ratio of 1:1 is traditional in a business model where a work space is assigned to each user regardless of use. While some agencies have begun to move away from this model, most state agencies continue to use it.

The formula for this ratio is:

\[
\frac{\text{total # of users}}{\text{total # of work spaces}}: 1 \text{ work space.}
\]

Research suggests that a large portion of work across all sectors, including government, actually occurs outside the office facility. Advances in technology over the past 10 years have made it easier to perform work traditionally done in the office at alternate locations. Research suggests that this metric ranges from 1:1 to 5:1, based on business function.

Utilization Rate

Finally, the best method for understanding space use is to identify the utilization rate through an observational study of time in the office or by surveying users through a work pattern assessment. For this study, work pattern data were obtained from all state agencies.

The formula for this ratio is:

\[
\text{utilization rate} = \frac{\text{est. # of user hours in the facility}}{(\text{# of workstations} \times 40 \text{ hours})}.
\]

In addition, observational space use studies were conducted on a sample of approximately 8 percent of the square footage reported. Because of the rigor involved in gathering data, this metric is used by fewer organizations to gauge efficiency. However, its use is increasing as more workers adapt their work patterns due to the availability of technology.

Jones Lang LaSalle indicated that typical space utilization rates across all industries, when measured, range from 40–60 percent. Organizations that observe this metric are setting a goal of 70–80 percent of work space being actively used. This represents the percentage of time a user is at a work space, but does not include the time a user is away from the work space but may be in the facility (such as time spent in meetings).

An active utilization rate higher than 80 percent does not allow the organization to account for peak occupancy times. When organizations exceed this level, they report problems with meeting room and parking availability. They also report needing extra time to find the appropriate work space. These factors impair employee productivity and morale.
Washington State Space Use: By the Numbers

Square feet per work space
Our square foot per work space ranges from 50 to 2,833 square feet. This includes all types of state facilities, from small field offices to large hearings offices that are primarily conference room space. Nearly 26 percent of state facilities have less than 200 square feet per work space. More than 14 percent of state facilities are over 400 square per work space, primarily to accommodate service delivery functions. Many factors account for the large range, including size of the facility, shared support spaces, availability of space in a market, primary function of the space, agency business need and agency culture. More than 50 percent of state facilities support multiple work functions. The agencies’ responses show unique space use across all agencies, sectors and primary uses of space. This is generally consistent with each agency’s defined business needs.

Square feet per user
Our square foot per user ranges from 14 to 2,401 square feet. The most efficient use is in small field offices, with multiple users sharing work space. The facilities at the other end of the spectrum are mixed-use facilities (such as buildings with office and warehouse functions).

In approximately 24 percent of facilities, the square foot per user is less than the square foot per work space. This likely indicates that work spaces are being shared in these facilities.

Ratio of users to workstations
Our ratio of users-to-work spaces ranges from 0.2: 1 to 12:1. General government offices have the lowest average ratio of users-to-workstations (0.9: 1) and natural resource offices have the highest average ratio of users-to-workstations (1.5:1). This data appears to be consistent with agencies’ varying practices of assigning space. Some agencies provide a dedicated work space for every employee, regardless of work performed. Other agencies do not provide dedicated work spaces for employees who perform their work primarily in the field. Still other agencies have a mobilize workforce and provide drop-in or touch down spaces for employees as needed.

Utilization rate
The utilization rate for our facilities is based on agency reported data. Agencies reported that 82 percent of users are in the office more than 30 hours a week. Only 12 percent of users were reported as using the office fewer than 20 hours per week.

Jones Lang LaSalle reported a 53 percent average utilization rate of the sample of facilities. The range of utilization was 38–66 percent. This inconsistent data suggests that agencies may have over reported their office use in some workplaces. The method of gathering utilization data is new to the state; we recognize that there are opportunities to refine the approach to improve accuracy.

Agency-specific averages are provided in Appendix A: Agency Average Space Efficiency Metrics.
Building Modern Work Environments

The nature of work is changing. Advances in technology, changing customer and employee demographics, shifting employee expectations and rising real estate costs are just a few of the drivers.

In 2013, in response to this paradigm shift, OFM began developing the state’s workplace strategy initiative. This is an effort to help agencies identify, experiment with and adopt innovative ways to support their business by modernizing the physical environment, providing greater workplace flexibility and enabling a more mobile workforce. The focus is on looking at how, when and where people do their best work and providing the options and tools to perform that work.

In the private sector, standardized workplaces filled with cubicles are being replaced by innovative workplace solutions that better support employees. Like the private sector, the state must think strategically about the workplace and the policies it employs. By adopting modern workplace policies that align how work is done with the work space, the state has the opportunity to:

- Recruit and retain talent.
- Increase productivity and engagement.
- Foster an engaging work environment.
- Support health and wellness.
- Ensure continuity of operations.
- Manage rising real estate costs.
- Reduce the state’s environmental footprint.

To support this effort, several state agencies have conducted workplace innovation pilot projects. Many of these projects include modernizing the agency’s work environments for a specific program or programs. Participating agencies include OFM, DES, Washington Technology Solutions, Department of Health, Department of Social and Health Services, Department of Fish and Wildlife, Department of Transportation, Employment Security Department and Citizens Commission on Salaries for Elected Officials.

These agencies have exemplified great leadership in paving the way to a changing government. Agencies generally report that these pilot projects have boosted staff productivity, increased utilization of the space and created better alignment of the workplace with the work. Other agencies now have the opportunity to visualize the future for their own space using these pilots as models.

To support the expansion of these efforts, Gov. Inslee issued Executive Order 16-07: Building a Modern Work Environment in June 2016, which superseded and expands the expectations included in Executive Order 14-02: Expanding Telework and Flexible Work Hours. The order directs executive branch agencies to establish a workplace strategy council, enable a mobile workforce and create modern workplace environments while maintaining or improving business operations and customer service.
Findings Related to Current Space Use

Through a review of the various metrics at a statewide level, across similar functional areas and primary business functions, and by agency, we found that:

- The main driver in space acquisition, design and use is the agency’s business need.
- Based on the work performed, state agencies have different business needs. Agencies tend to use space similarly across their own portfolio and in alignment with a customary set of business principles.
- In many cases, the type of work and how it is performed dictates the design. However, in some agencies, it appears that implementation of the state standards has resulted in across-the-board assignment of space and cookie-cutter workplace design. The data suggests that in these cases these implementation practices have led to designing offices that are underutilized.
- The amount of time users spend in program-specific spaces and off-site is generally not being factored into how the user’s work spaces are designed and assigned.
- Further, the utilization studies suggest that dedicated work space may not be necessary, depending on the type of work performed.
- Finally, when comparing the state’s current space use metrics to research across the industry, we have the opportunity to be more efficient.

From the state’s recent pilot projects, the findings about work space are:

- Cubicles and offices have become a commodity and a status symbol.
- Individual employees may not need as much physical space as what has previously been provided due to advances in technology, such as electronic rather than paper files or sound-masking technology.
- Shared workplaces can be a valuable tool for state governments, especially in urban areas where multiple agencies could make use of these facilities.
- People can be more engaged and collaborative when working without physical furniture barriers.
- Current technology can be leveraged to enhance the workplace and expand work locations out of the office.

Key findings about how to make changes to the workplace from the state’s recent pilot projects are:

- Change management (including good, open communication and employee engagement) is critical for morale and employee engagement.
- Successful transition in a project must include an organizational assessment, including type of work, culture, furniture, technology and agency goals.
- Mobile work programs, whether internal or external to the office, need to embrace ways of staying connected to colleagues and customers through technology.
- Funding for hardware and software, furniture or other tools may be required to initiate a distributed work model, but will increase productivity and may reduce future real estate costs.
Space Use Policies, Standards and Enforcement Practices

Space use data provided above suggests opportunities for both greater efficiency in the workplace and more employee engagement. To understand how to begin to implement changes in the state’s policies on space use, we must first examine the current policies, standards and enforcement practices. This section of the report provides background information, an overview of the current standards and related space use enforcement practices.

Background

Washington’s policies and standards have evolved over time. In 1965, the Legislature added language to Chapter 43.82 RCW that required the Department of General Administration (GA) to “make space utilization studies, and shall establish standards for use of space by state agencies.” Records indicate that as far back as the 1970s, these established standards included hierarchy-based work spaces based on job classification. The higher the job class in the organization, the larger the work space standard.

Through the 1980s and 1990s, several changes to statute modified space use policy, including a focus on collocation of state agencies. During this period, GA also modified the space allocation standards several times, maintaining the concept of hierarchy-based work spaces.

In 2000, GA adopted a single space allocation standard of 215 rentable square feet per person. This allocation included a workstation or private office, support space, unique program areas, internal circulation and nonassignable common areas. This space standard suggested more latitude for agencies to lay out space in a way that best aligned with business needs and directed specific design principles. GA treated this standard as a guideline, and exemptions were granted informally.

In 2007, the Legislature added several duties to OFM, citing the need to strengthen OFM’s oversight role in state facilities analysis and decision making. These duties included:

- Establishing a modified predesign process and tools for agencies to evaluate requests for new, expanded or relocated facilities.
- Approval of leases that meet specific criteria.
- Preparation of a six-year facilities plan that documents state agency business needs and other data necessary for cost-effective facility planning.
- Consultation on real estate transactions.

The law also added requirements for GA to provide regular reports to OFM and the Legislature. In 2009, GA updated its space allocation standard, making minor clarifications to the 2000 guidelines and clarifying the intent to enforce them. OFM approved those standards in early 2010. The policy was updated in 2011, when DES was formed, but the standards remained the same. DES indicated that it would enforce the standards and the established exemption process.

In 2015, the Legislature formalized OFM’s role in establishing and enforcing space use policy and workplace strategies. This was done to support the development of the six-year facilities plan and remain consistent with OFM’s policy role.
Current Standards
As indicated above, the standards adopted by DES and approved by OFM emphasize the concept of a universal standard for general office space. The space allocation standard has been 215 square feet per person since 2000.

<table>
<thead>
<tr>
<th>Table A</th>
<th>Standard Space Allocation Standard per person (in RSF/person)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average workstation size (ratio of 10% private offices and 90% open space cubicles)</td>
<td>80</td>
</tr>
<tr>
<td>Support space: reception, conference, meeting, equipment, copy, etc.</td>
<td>40</td>
</tr>
<tr>
<td>Special areas (See Table B)</td>
<td>As needed (up to 19)</td>
</tr>
<tr>
<td><strong>Total Program Space</strong></td>
<td>139</td>
</tr>
<tr>
<td>Internal office circulation (40% of total program space)</td>
<td>56</td>
</tr>
<tr>
<td>Common areas: building lobbies, utility rooms, stairs, elevators, etc.</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total Space Allocation Per Person</strong></td>
<td>215</td>
</tr>
</tbody>
</table>

Source: 2009 GA Space Allocation Standards

The standard also describes basic design concepts, including universal 8-by-8 workstation design in the office, and discourages the use of “too many workstation or office types.” This concept was originally included to support the use of compatible and interchangeable furniture.

The standard is ambiguous about the inclusion of special areas, as documented in the table above. It suggests “as needed” and specifies an “up to” amount of 19 square feet. It also provides other design guidelines, including office assignment criteria and sample workstation configurations.

Current Enforcement Practices
When the state law changed in 2007, OFM began more closely overseeing the real estate portfolio. OFM developed and began using the six-year facilities plan and the modified predesign process to consider agency requests for new, relocated or expanded space. Through these processes, OFM facilities analysts evaluate agency requests against their current space use, known program changes (such as staff reductions, growth or new legislative requirements), space use in peer agencies and comparable space use in the private sector, and the state space allocation standards. Through OFM’s analysis and consultation with agencies, the total square footage and approximate space use are defined.

As technology has rapidly changed and mobility increases, OFM identified that it was critical to look at the whole work environment, including how space and technology are used, what practices are used to assign space and how the users were working in and outside of the workplace.

Improved space use through modified predesign
Due to changes in the gambling industry affecting its funding and to agency reorganization, the Washington State Gambling Commission experienced a 35 percent reduction in staff since it acquired its headquarters facility. This change resulted in inefficient use of space, with large areas of vacant workspace. The Gambling Commission worked with OFM to evaluate business needs and define a new space better suited to it, including law enforcement and laboratory functions. By relocating to a more-efficient space and implementing shared workspaces for staff not in the building full time, the agency is able to reduce its total obligated space by roughly 13,000 square feet and its lease costs by up to $250,000 annually while improving functionality and workflow.
Therefore, in 2015, OFM began updating its modified predesign tools to support agencies in considering modern workplace strategies. This includes evaluating the metrics of square foot per user and user-to-workstation ratio.

In 2015, DES also began enforcing and evaluating exemptions to the space allocation standards to ensure compliance with state law. These exemptions are sometimes processed at the beginning of a project and sometimes after design is complete, but always prior to signing a lease.

As illustrated in the image below, the impact of this approach is that agencies must gain approval from OFM for the space and then justify the space need again to DES. Agencies have expressed frustration about this duplication.

Findings on Space Use Policies, Standards and Enforcement

We evaluated the state’s space use policies, standards and enforcement practices against the state’s space use, the state’s modern work environment initiative and industry trends. Findings include:

- A single space allocation standard is not consistent with the diverse business needs of agencies.
- Seventy percent of the state’s facilities have a square footage per work space and user that is either considerably lower or considerably higher than the space allocation standard. Only 30 percent of state facilities are between 200–250 square feet per person.
- Open office concepts are important for costs control, employee access to light and good air flow. However, policies such as “universal work space” and prescriptive design requirements such as a specific percentage of private offices are not consistent with modern work environment strategies, which focus on aligning work with the workplace and agency culture.
- Aligning the state’s policies and the evaluation of space with an organizational assessment that includes each agency’s types of work, culture, furniture, technology and agency goals is critical to successfully implementing modern work environments.
- Measuring and setting goals based on all the space use metrics defined above are critical to improve space efficiency.
- The statute does not align with current business practices. Both DES and OFM have responsibility for long-range planning and oversight of space use (including evaluation of collocation opportunities).
- OFM’s role is generally recognized as policy, planning and budget, while the role of DES is generally recognized as customer service and implementation. There are opportunities to streamline the oversight practices for space use by consolidating those functions in a single agency.

Agencies are consistently challenged with doing more work with the same or fewer resources. Updated space use policies provide an opportunity for innovative and creative workplace solutions that foster employee engagement while supporting workplace culture and business needs.
**Recommendations**

We want to move away from legacy workplaces that are static, inflexible and hierarchical to more flexible, collaborative and efficient workplaces that are aligned with business needs and work patterns. To support this change, we recommend the following actions.

**Change State Law**

To streamline business processes, and after consultation with DES, we recommend that the Legislature update Chapter 43.82 RCW to align with current practice and primary roles. The proposed legislation (in Appendix B) will:

- Move the authority for space standards to OFM.
- Move the responsibility to evaluate collocation opportunities to OFM.
- Remove the requirement for DES to establish, enforce and report on facilities efficiency standards.
- Remove the requirement for DES to conduct long-range planning. This duty is also assigned to and being completed by OFM under the law.

Until legislative action can be taken, OFM and DES will work collaboratively on an interagency agreement that streamlines business processes to align with the proposed legislation.

**Publish a Space Use Policy and Workplace Strategies**

OFM will work with all state agencies, including DES, to develop and publish a space use policy and workplace strategies by Jan. 1, 2017, as required by RCW 43.82.055. In concert with the Governor’s executive order, the policy and strategies will encourage better alignment of the workplace with agency business needs and modern workplace strategies. The policy and strategies will include, but will not be limited to:

- Focusing on how users are working when assigning and designing space.
- Encouraging employee engagement in space planning.
- Requiring the evaluation of reconfiguration before expansion.
- Evaluating collocation opportunities.
- Requiring agencies with over 50,000 square feet of office space to establish agency space use administrative policies and procedures in alignment with the OFM space use policy no later than Sept. 1, 2017. OFM will assist agencies in the development of these documents. Agencies will provide their administrative policies and procedures to OFM.
- Considering the availability of transit and traffic impacts when siting facilities.
- Incorporating WELL building standards, as appropriate.

OFM will apply the new space use policies and workplace strategies through the six-year facilities planning and modified predesign processes.

**Establish Agency Specific Facilities Goals in the Six-Year Facilities Plan**

Through the six-year facilities planning process, OFM will work with state agencies to establish agency-specific facilities goals for improved space use. These goals will be published in the Six-Year Facilities Plan by Jan. 1, 2017. These facilities goals will be reviewed and updated each biennium and published in the state’s Six-Year Facilities Plan for legislative review.
Create Tools, Contracts and Training
OFM will work with all state agencies, including DES and Department of Corrections – Correctional Industries Program, to:

- Refine and publish a statewide work pattern tool, culture identification tools and space use concepts.
- Expand the modern work environment website.
- Create and publish change management tools and techniques.
- Establish a convenience contract through DES for agency use for space utilization studies.
- Establish a convenience contract through DES for design consultation services.
- Identify and provide furniture solutions that support the modern work environment.
- Create training opportunities that support building a modern work environment.

DES will assist agencies in designing their business needs in a modern work environment.

Support One-Time Funding
OFM will work with state agencies and the Legislature to support one-time funding requests that show a return on investment, as resources allow, for the implementation of modern work environments. This may include enhancing technology, acquiring design services, providing new or retrofit furniture, or making building alterations in lieu of increasing lease costs.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td>Mobility (or mobile work)</td>
<td>The ability to work in a variety of locations to maximize productivity. Mobility also encompasses remote work that is functionally required for some jobs, such as fieldwork.</td>
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<tr>
<td>Office</td>
<td>An enclosed room in which people work. This does not include interview rooms or conferences room.</td>
</tr>
<tr>
<td>Square feet</td>
<td>A measurement used to describe the total obligated space in a building.</td>
</tr>
<tr>
<td>Space standard</td>
<td>A standard methodology or guideline that lays out expectations for how space will be designed or used.</td>
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<tr>
<td>Space utilization</td>
<td>A measure of whether or how space is being used.</td>
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<tr>
<td>Space utilization study</td>
<td>A study of space utilization. These studies usually involve visual observations of space use over multiple days by a third party.</td>
</tr>
<tr>
<td>Touchdown or drop-in space</td>
<td>A type of work space that is not assigned to a user. A drop-in space can be a table and chair, unassigned workstation or unassigned office space.</td>
</tr>
<tr>
<td>User</td>
<td>A person who routinely uses work space in a facility for any amount of time and may or may not have a work space assignment. A user could be an agency employee, a volunteer, a contractor or a community partner. Users are not clients or customers.</td>
</tr>
<tr>
<td>WELL Building Standard ®</td>
<td>WELL is a performance-based system for measuring, certifying and monitoring features of the built environment that affect human health and well-being through air, water, nourishment, light, fitness, comfort and mind.</td>
</tr>
<tr>
<td>Work environment</td>
<td>Everything that shapes the employee’s involvement with the work itself, including the organizational culture, physical space, technology and tools, and interactions with co-workers and supervisors.</td>
</tr>
<tr>
<td>Workplace</td>
<td>A physical location where work can is done.</td>
</tr>
<tr>
<td>Workplace strategy</td>
<td>The dynamic alignment of an organization’s work patterns with the work environment to enable peak performance and reduce costs while maintaining or improving business operations and customer service.</td>
</tr>
<tr>
<td>Work space</td>
<td>A space (office, workstation, drop in or touch-down space, etc.) where work is done. The number of work spaces is commonly counted as the full number of all the offices, workstations and drop-in or touchdown spaces in a facility.</td>
</tr>
<tr>
<td>Workstation</td>
<td>An area in which people work that is not enclosed. This includes areas such as a cubicle or a stand-alone desk. This does not include offices, interview rooms, phone rooms or workstations used for copiers, supplies or other equipment.</td>
</tr>
<tr>
<td>Work pattern assessment</td>
<td>A survey tool designed to understand space use of individual users and general patterns of space use in an organization.</td>
</tr>
</tbody>
</table>
# Appendix A: Agency Average Space Efficiency Metrics

Below is a list of the average space efficiency metrics by agency.

<table>
<thead>
<tr>
<th>Agency Name</th>
<th>Total Square Feet</th>
<th>Square Feet/ Work space</th>
<th>Square Feet/ User</th>
<th>User : WS Ratio</th>
<th>Utilization Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Social and Health Services</td>
<td>3,084,106</td>
<td>221</td>
<td>244</td>
<td>0.9:1</td>
<td>66% - 86%</td>
</tr>
<tr>
<td>Department of Transportation</td>
<td>1,098,325</td>
<td>274</td>
<td>306</td>
<td>0.9:1</td>
<td>65% - 85%</td>
</tr>
<tr>
<td>Department of Labor and Industries</td>
<td>726,981</td>
<td>210</td>
<td>238</td>
<td>0.9:1</td>
<td>61% - 81%</td>
</tr>
<tr>
<td>Department of Corrections</td>
<td>570,505</td>
<td>279</td>
<td>301</td>
<td>0.9:1</td>
<td>61% - 82%</td>
</tr>
<tr>
<td>Office of the Attorney General</td>
<td>518,202</td>
<td>356</td>
<td>406</td>
<td>0.9:1</td>
<td>64% - 83%</td>
</tr>
<tr>
<td>Department of Employment Security</td>
<td>516,779</td>
<td>261</td>
<td>288</td>
<td>0.9:1</td>
<td>67% - 88%</td>
</tr>
<tr>
<td>Department of Ecology</td>
<td>505,536</td>
<td>279</td>
<td>305</td>
<td>0.9:1</td>
<td>63% - 83%</td>
</tr>
<tr>
<td>Department of Licensing</td>
<td>424,047</td>
<td>267</td>
<td>334</td>
<td>0.8:1</td>
<td>60% - 78%</td>
</tr>
<tr>
<td>Department of Health</td>
<td>412,122</td>
<td>228</td>
<td>228</td>
<td>1:1</td>
<td>75% - 98%</td>
</tr>
<tr>
<td>Washington State Patrol</td>
<td>380,001</td>
<td>279</td>
<td>232</td>
<td>1.2:1</td>
<td>57% - 84%</td>
</tr>
<tr>
<td>Department of Revenue</td>
<td>320,475</td>
<td>221</td>
<td>264</td>
<td>0.8:1</td>
<td>61% - 80%</td>
</tr>
<tr>
<td>Department of Natural Resources</td>
<td>320,444</td>
<td>232</td>
<td>183</td>
<td>1.3:1</td>
<td>59% - 88%</td>
</tr>
<tr>
<td>Department of Fish and Wildlife</td>
<td>282,376</td>
<td>244</td>
<td>185</td>
<td>1.3:1</td>
<td>73% - 103%</td>
</tr>
<tr>
<td>Health Care Authority</td>
<td>208,073</td>
<td>177</td>
<td>177</td>
<td>1.1</td>
<td>76% - 99%</td>
</tr>
<tr>
<td>Consolidated Technology Services</td>
<td>135,750</td>
<td>221</td>
<td>256</td>
<td>0.9:1</td>
<td>67% - 86%</td>
</tr>
<tr>
<td>Superintendent of Public Instruction</td>
<td>108,717</td>
<td>228</td>
<td>238</td>
<td>1.1</td>
<td>71% - 92%</td>
</tr>
<tr>
<td>Department of Enterprise Services</td>
<td>104,257</td>
<td>270</td>
<td>295</td>
<td>0.9:1</td>
<td>65% - 86%</td>
</tr>
<tr>
<td>Office of Financial Management</td>
<td>95,482</td>
<td>299</td>
<td>382</td>
<td>0.8:1</td>
<td>52% - 70%</td>
</tr>
<tr>
<td>Department of Commerce</td>
<td>88,564</td>
<td>229</td>
<td>249</td>
<td>0.9:1</td>
<td>68% - 89%</td>
</tr>
<tr>
<td>State Board for Community and Technical Colleges</td>
<td>84,176</td>
<td>339</td>
<td>405</td>
<td>0.8:1</td>
<td>63% - 82%</td>
</tr>
<tr>
<td>Liquor Control Board</td>
<td>80,491</td>
<td>203</td>
<td>203</td>
<td>1:1</td>
<td>49% - 71%</td>
</tr>
<tr>
<td>Board of Industrial Insurance Appeals</td>
<td>79,804</td>
<td>443</td>
<td>461</td>
<td>1:1</td>
<td>69% - 90%</td>
</tr>
<tr>
<td>Office of the State Auditor</td>
<td>78,504</td>
<td>202</td>
<td>212</td>
<td>1:1</td>
<td>56% - 78%</td>
</tr>
<tr>
<td>Department of Early Learning</td>
<td>68,231</td>
<td>214</td>
<td>204</td>
<td>1:1</td>
<td>59% - 82%</td>
</tr>
<tr>
<td>Department of Agriculture</td>
<td>65,002</td>
<td>200</td>
<td>154</td>
<td>1.3:1</td>
<td>94% - 123%</td>
</tr>
<tr>
<td>Office of the Insurance Commissioner</td>
<td>64,191</td>
<td>233</td>
<td>259</td>
<td>0.9:1</td>
<td>63% - 84%</td>
</tr>
<tr>
<td>State Parks and Recreation Commission</td>
<td>59,381</td>
<td>290</td>
<td>308</td>
<td>0.9:1</td>
<td>71% - 92%</td>
</tr>
<tr>
<td>Department of Retirement Systems</td>
<td>57,441</td>
<td>194</td>
<td>224</td>
<td>0.9:1</td>
<td>67% - 86%</td>
</tr>
<tr>
<td>Utilities and Transportation Commission</td>
<td>56,380</td>
<td>322</td>
<td>311</td>
<td>1:1</td>
<td>63% - 87%</td>
</tr>
<tr>
<td>Washington State Gambling Commission</td>
<td>50,519</td>
<td>353</td>
<td>477</td>
<td>0.7:1</td>
<td>45% - 62%</td>
</tr>
<tr>
<td>Department of Financial Institutions</td>
<td>49,245</td>
<td>302</td>
<td>293</td>
<td>1:1</td>
<td>64% - 87%</td>
</tr>
<tr>
<td>Office of Administrative Hearings</td>
<td>47,635</td>
<td>285</td>
<td>271</td>
<td>1.1:1</td>
<td>74% - 98%</td>
</tr>
<tr>
<td>State Lottery Commission</td>
<td>43,971</td>
<td>370</td>
<td>360</td>
<td>1:1</td>
<td>66% - 89%</td>
</tr>
<tr>
<td>Office of the Secretary of State</td>
<td>39,007</td>
<td>339</td>
<td>312</td>
<td>1:1:1</td>
<td>84% - 108%</td>
</tr>
<tr>
<td>Department of Services for the Blind</td>
<td>35,487</td>
<td>399</td>
<td>386</td>
<td>1:1</td>
<td>71% - 94%</td>
</tr>
<tr>
<td>State Investment Board</td>
<td>34,532</td>
<td>332</td>
<td>345</td>
<td>1:1</td>
<td>75% - 96%</td>
</tr>
<tr>
<td>Student Achievement Council</td>
<td>27,676</td>
<td>239</td>
<td>259</td>
<td>0.9:1</td>
<td>65% - 86%</td>
</tr>
<tr>
<td>Office of the State Treasurer</td>
<td>26,840</td>
<td>373</td>
<td>407</td>
<td>0.9:1</td>
<td>69% - 89%</td>
</tr>
<tr>
<td>Department of Veterans Affairs</td>
<td>26,604</td>
<td>317</td>
<td>280</td>
<td>1:1:1</td>
<td>88% - 113%</td>
</tr>
<tr>
<td>Office of the Governor</td>
<td>20,780</td>
<td>424</td>
<td>452</td>
<td>0.9:1</td>
<td>51% - 72%</td>
</tr>
<tr>
<td>Agency Name</td>
<td>Total Square Feet</td>
<td>Square Feet/ Work space</td>
<td>Square Feet/ User</td>
<td>User : WS Ratio</td>
<td>Utilization Range</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>------------------</td>
<td>--------------------------</td>
<td>-------------------</td>
<td>----------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Public Employment Relations Commission</td>
<td>11,730</td>
<td>326</td>
<td>419</td>
<td>0.8:1</td>
<td>33% - 50%</td>
</tr>
<tr>
<td>Recreation and Conservation Funding Board</td>
<td>10,916</td>
<td>168</td>
<td>182</td>
<td>0.9:1</td>
<td>55% - 75%</td>
</tr>
<tr>
<td>Puget Sound Partnership</td>
<td>9,354</td>
<td>164</td>
<td>170</td>
<td>1:1</td>
<td>61% - 83%</td>
</tr>
<tr>
<td>Department of Archaeology and Historic Preservation</td>
<td>9,336</td>
<td>346</td>
<td>406</td>
<td>0.9:1</td>
<td>55% - 74%</td>
</tr>
<tr>
<td>Human Rights Commission</td>
<td>9,036</td>
<td>312</td>
<td>430</td>
<td>0.7:1</td>
<td>45% - 74%</td>
</tr>
<tr>
<td>Workforce Training and Education Coordinating Board</td>
<td>8,168</td>
<td>282</td>
<td>303</td>
<td>0.9:1</td>
<td>71% - 92%</td>
</tr>
<tr>
<td>Washington Traffic Safety Commission</td>
<td>8,113</td>
<td>312</td>
<td>312</td>
<td>1:1</td>
<td>70% - 92%</td>
</tr>
<tr>
<td>Public Disclosure Commission</td>
<td>7,682</td>
<td>366</td>
<td>384</td>
<td>1:1</td>
<td>71% - 93%</td>
</tr>
<tr>
<td>County Road Administration Board</td>
<td>7,349</td>
<td>459</td>
<td>432</td>
<td>1.1:1</td>
<td>70% - 94%</td>
</tr>
<tr>
<td>Washington State Arts Commission</td>
<td>5,971</td>
<td>427</td>
<td>332</td>
<td>1.3:1</td>
<td>100% - 129%</td>
</tr>
<tr>
<td>Environmental and Land Use Hearings Office</td>
<td>5,653</td>
<td>565</td>
<td>471</td>
<td>1.2:1</td>
<td>86% - 113%</td>
</tr>
<tr>
<td>Commission on Judicial Conduct</td>
<td>5,562</td>
<td>795</td>
<td>795</td>
<td>1:1</td>
<td>78% - 100%</td>
</tr>
<tr>
<td>Office of Minority and Women’s Business Enterprises</td>
<td>4,800</td>
<td>200</td>
<td>229</td>
<td>0.9:1</td>
<td>68% - 88%</td>
</tr>
<tr>
<td>Board of Tax Appeals</td>
<td>4,427</td>
<td>402</td>
<td>402</td>
<td>1:1</td>
<td>78% - 100%</td>
</tr>
<tr>
<td>State Board of Accountancy</td>
<td>4,129</td>
<td>318</td>
<td>459</td>
<td>0.7:1</td>
<td>54% - 69%</td>
</tr>
<tr>
<td>Caseload Forecast Council</td>
<td>3,974</td>
<td>331</td>
<td>442</td>
<td>0.8:1</td>
<td>58% - 75%</td>
</tr>
<tr>
<td>Transportation Improvement Board</td>
<td>3,732</td>
<td>311</td>
<td>373</td>
<td>0.8:1</td>
<td>65% - 83%</td>
</tr>
<tr>
<td>State Conservation Commission</td>
<td>3,441</td>
<td>215</td>
<td>246</td>
<td>0.9:1</td>
<td>62% - 81%</td>
</tr>
<tr>
<td>Columbia River Gorge Commission</td>
<td>2,900</td>
<td>363</td>
<td>414</td>
<td>0.9:1</td>
<td>68% - 88%</td>
</tr>
<tr>
<td>Washington Horse Racing Commission</td>
<td>2,093</td>
<td>190</td>
<td>419</td>
<td>0.5:1</td>
<td>28% - 39%</td>
</tr>
<tr>
<td>Law Enforcement Officers’ and Fire Fighters’ Plan 2 Retirement Board</td>
<td>1,998</td>
<td>285</td>
<td>285</td>
<td>1:1</td>
<td>78% - 100%</td>
</tr>
<tr>
<td>Transportation Commission</td>
<td>1,939</td>
<td>323</td>
<td>388</td>
<td>0.8:1</td>
<td>65% - 83%</td>
</tr>
<tr>
<td>Economic and Revenue Forecast Council</td>
<td>1,559</td>
<td>260</td>
<td>260</td>
<td>1:1</td>
<td>73% - 96%</td>
</tr>
<tr>
<td>Washington Charter School Commission</td>
<td>1,539</td>
<td>257</td>
<td>770</td>
<td>0.3:1</td>
<td>26% - 33%</td>
</tr>
<tr>
<td>Governor’s Office of Indian Affairs</td>
<td>1,439</td>
<td>480</td>
<td>720</td>
<td>0.7:1</td>
<td>52% - 67%</td>
</tr>
<tr>
<td>Board for Volunteer Firefighters and Reserve Officers</td>
<td>1,402</td>
<td>280</td>
<td>140</td>
<td>2:1</td>
<td>70% - 115%</td>
</tr>
<tr>
<td>Washington Pollution Liability Insurance Program</td>
<td>1,200</td>
<td>150</td>
<td>200</td>
<td>0.8:1</td>
<td>58% - 75%</td>
</tr>
<tr>
<td>Freight Mobility Strategic Investment Board</td>
<td>900</td>
<td>180</td>
<td>225</td>
<td>0.8:1</td>
<td>32% - 50%</td>
</tr>
<tr>
<td>Washington State Commission on African-American Affairs</td>
<td>781</td>
<td>195</td>
<td>260</td>
<td>0.8:1</td>
<td>39% - 56%</td>
</tr>
<tr>
<td>Washington State Commission on Hispanic Affairs</td>
<td>781</td>
<td>195</td>
<td>260</td>
<td>0.8:1</td>
<td>58% - 75%</td>
</tr>
<tr>
<td>Washington State Commission on Asian Pacific American Affairs</td>
<td>768</td>
<td>192</td>
<td>192</td>
<td>1:1</td>
<td>53% - 75%</td>
</tr>
<tr>
<td>Board of Pilotage Commissioners</td>
<td>484</td>
<td>97</td>
<td>28</td>
<td>3.4:1</td>
<td>54% - 130%</td>
</tr>
<tr>
<td>Washington State Criminal Justice Training Commission</td>
<td>270</td>
<td>90</td>
<td>270</td>
<td>0.3:1</td>
<td>26% - 33%</td>
</tr>
</tbody>
</table>
Appendix B: Proposed Change to State Law

43.82.010
Acquisition, lease, and disposal of real estate for state agencies—Long-range planning—Use of lease as collateral or security—Collocation and consolidation—Studies—Delegation of functions—Exemptions.

(1) The director of enterprise services, on behalf of the agency involved and after consultation with the office of financial management, shall purchase, lease, lease purchase, rent, or otherwise acquire all real estate, improved or unimproved, as may be required by elected state officials, institutions, departments, commissions, boards, and other state agencies, or federal agencies where joint state and federal activities are undertaken and may grant easements and transfer, exchange, sell, lease, or sublease all or part of any surplus real estate for those state agencies which do not otherwise have the specific authority to dispose of real estate. This section does not transfer financial liability for the acquired property to the department of enterprise services.

(2) Except for real estate occupied by federal agencies, the director shall determine the location, size, and design of any real estate or improvements thereon acquired or held pursuant to subsection (1) of this section. Facilities acquired or held pursuant to this chapter, and any improvements thereon, shall conform to standards adopted by the director and approved by the office of financial management governing facility efficiency unless a specific exemption from such standards is provided by the director of enterprise services. The director of enterprise services shall report to the office of financial management and the appropriate committees of the legislature annually on any exemptions granted pursuant to this subsection.

(3) Except for leases permitted under subsection (4) of this section, the director of enterprise services may fix the terms and conditions of each lease entered into under this chapter, except that no lease shall extend greater than twenty years in duration. The director of enterprise services may enter into a long-term lease greater than ten years in duration upon a determination by the director of the office of financial management that the long-term lease provides a more favorable rate than would otherwise be available, it appears to a substantial certainty that the facility is necessary for use by the state for the full length of the lease term, and the facility meets the standards adopted pursuant to subsection (2) of this section. The director of enterprise services may enter into a long-term lease greater than ten years in duration if an analysis shows that the life-cycle cost of leasing the facility is less than the life-cycle cost of purchasing or constructing a facility in lieu of leasing the facility.

(4) The director of enterprise services may fix the terms of leases for property under the department of enterprise services' control at the former Northern State Hospital site for up to sixty years.

(5) Except as permitted under chapter 39.94 RCW, no lease for or on behalf of any state agency may be used or referred to as collateral or security for the payment of securities offered for sale through a public offering. Except as permitted under chapter 39.94 RCW, no lease for or on behalf of any state agency may be used or referred to as collateral or security for the payment of securities offered for sale through a private placement without the prior written approval of the state treasurer. However, this limitation shall not prevent a lessor from assigning or encumbering its interest in a lease as security for the repayment of a promissory note provided that the transaction would otherwise be an exempt transaction under RCW 21.20.320. The state treasurer shall adopt rules that establish the criteria under which any such approval may be granted. In establishing such criteria the state treasurer shall give primary consideration to the protection of the state's credit rating and the integrity of the state's debt management program. If it appears to the state treasurer that any lease has been used or
referred to in violation of this subsection or rules adopted under this subsection, then he or she may recommend that the governor cause such lease to be terminated. The department of enterprise services shall promptly notify the state treasurer whenever it may appear to the department that any lease has been used or referred to in violation of this subsection or rules adopted under this subsection.

(6) It is the policy of the state to encourage the collocation and consolidation of state services into single or adjacent facilities, whenever appropriate, to improve public service delivery, minimize duplication of facilities, increase efficiency of operations, and promote sound growth management planning.

(7) The director of enterprise services shall provide coordinated long-range planning services to identify and evaluate opportunities for collocating and consolidating state facilities. Upon the renewal of any lease, the inception of a new lease, or the purchase of a facility, the director of enterprise services shall determine whether an opportunity exists for collocating the agency or agencies in a single facility with other agencies located in the same geographic area. If a collocation opportunity exists, the director of enterprise services shall consult with the affected state agencies and the office of financial management to evaluate the impact collocation would have on the cost and delivery of agency programs, including whether program delivery would be enhanced due to the centralization of services. The director of enterprise services, in consultation with the office of financial management, shall develop procedures for implementing col!ocation and consolidation of state facilities.

(8) The director of enterprise services is authorized to purchase, lease, rent, or otherwise acquire improved or unimproved real estate as owner or lessee and to lease or sublet all or a part of such real estate to state or federal agencies. The director of enterprise services shall charge each using agency its proportionate rental which shall include an amount sufficient to pay all costs, including, but not limited to, those for utilities, janitorial and accounting services, and sufficient to provide for contingencies; which shall not exceed five percent of the average annual rental, to meet unforeseen expenses incident to management of the real estate.

(9) If the director of enterprise services determines that it is necessary or advisable to undertake any work, construction, alteration, repair, or improvement on any real estate acquired pursuant to subsection (1) or (7) of this section, the director shall cause plans and specifications thereof and an estimate of the cost of such work to be made and filed in his or her office and the state agency benefiting thereby is hereby authorized to pay for such work out of any available funds: PROVIDED, That the cost of executing such work shall not exceed the sum of twenty-five thousand dollars. Work, construction, alteration, repair, or improvement in excess of twenty-five thousand dollars, other than that done by the owner of the property if other than the state, shall be performed in accordance with the public works law of this state.

(10) In order to obtain maximum utilization of space, the director of enterprise services office of financial management shall make space utilization studies, and shall establish standards for use of space by state agencies. Such studies shall include the identification of opportunities for collocation and consolidation of state agency office and support facilities.

(11) The director of enterprise services may construct new buildings on, or improve existing facilities, and furnish and equip, all real estate under his or her management. Prior to the construction of new buildings or major improvements to existing facilities or acquisition of facilities using a lease purchase contract, the director of enterprise services shall conduct an evaluation of the facility design and budget using life-cycle cost analysis, value-engineering, and other techniques to maximize the long-term effectiveness and efficiency of the facility or improvement.

(12) All conveyances and contracts to purchase, lease, rent, transfer, exchange, or sell real estate and to grant and accept easements shall be approved as to form by the attorney general,
signed by the director of enterprise services or the director's designee, and recorded with the county auditor of the county in which the property is located.

(12) The director of enterprise services may delegate any or all of the functions specified in this section to any agency upon such terms and conditions as the director deems advisable. By January 1st of each year, beginning January 1, 2008, the department shall submit an annual report to the office of financial management and the appropriate committees of the legislature on all delegated leases.

(13) This section does not apply to the acquisition of real estate by:
   (a) The state college and universities for research or experimental purposes;
   (b) The state liquor control board for liquor stores and warehouses;
   (c) The department of natural resources, the department of fish and wildlife, the department of transportation, and the state parks and recreation commission for purposes other than the leasing of offices, warehouses, and real estate for similar purposes; and
   (d) The department of commerce for community college health career training programs, offices for the department of commerce or other appropriate state agencies, and other nonprofit community uses, including community meeting and training facilities, where the real estate is acquired during the 2013-2015 fiscal biennium.

(14) Notwithstanding any provision in this chapter to the contrary, the department of enterprise services may negotiate ground leases for public lands on which property is to be acquired under a financing contract pursuant to chapter 39.94 RCW under terms approved by the state finance committee.

(15) The department of enterprise services shall report annually to the office of financial management and the appropriate fiscal committees of the legislature on facility leases executed for all state agencies for the preceding year, lease terms, and annual lease costs. The report must include leases executed under RCW 43.82.045 and subsection (12) of this section.

43.82.055 Long-term facility needs—Six-year facility plan—Efficient use of state facilities.
The office of financial management shall:
(1) Work with the department of enterprise services and all other state agencies to determine the long-term facility needs of state government;
(2) Develop and submit a six-year facility plan to the legislature by January 1st of every odd-numbered year that includes state agency space requirements and other pertinent data necessary for cost-effective facility planning. The department of enterprise services shall assist with this effort as required by the office of financial management; and
(3) Establish and enforce policies and workplace strategies that promote the efficient use of state facilities; and
(4) Evaluate opportunities for colocating and consolidating state facilities in the same geographic area. This includes evaluating the impact collocation would have on the cost and delivery of agency programs, including whether program delivery would be enhanced due to the centralization of services.
Inventory of state-owned or leased facilities—Report.

(1) The office of financial management shall develop and maintain an inventory system to account for all facilities owned or leased by state government. At a minimum, the inventory system must include the facility owner, location, type, condition, use data, and size of each facility. In addition, for owned facilities, the inventory system must include the date and cost of original construction and the cost of any major remodeling or renovation. The inventory must be updated by all agencies, departments, boards, commissions, and institutions by June 30th of each year. The office of financial management shall publish a report summarizing information contained in the inventory system for each agency by October 1st of each year, beginning in 2010 and shall submit this report to the appropriate fiscal committees of the legislature.

(2) The inventory required under this subsection must be submitted in a standard format prescribed by the office of financial management.

(3) Agencies must report space use data for office facilities.

(4) For the purposes of this section, "facilities" means buildings and other structures with walls and a roof. "Facilities" does not mean roads, bridges, parking areas, utility systems, and other similar improvements to real property.