



2013-2019 Six-Year Facilities Plan Overview

Fiscal Management
Advisory Committee

October 25, 2012

Overview

The state spends approximately \$240 million annually for nearly 13 million square feet of office and warehouse facilities. To oversee the state's investment in facilities, OFM develops a Six-Year Facilities Plan for submission to the Legislature biennially.

The 2013-2019 Six-Year Facilities Plan is due to the Legislature on January 1, 2013.

Requirement

[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 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.

Legislative intent emphasized the need to conduct facilities analysis and portfolio management effectively.

Purpose

The Six-Year Facilities Plan is a tool to improve the oversight, management, and financial analysis related to facilities that house state agencies. The planning 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.

State Goals for Facilities

The State Facilities Oversight Program, in cooperation with state agencies, has outlined three goals for the state related to facilities. These 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.

Recent State Agency Housing Trend

Over the past three years, executive branch state agencies have reduced office space by approximately 5 percent, saving the state roughly \$9 million annually.

State agencies have responded to legislative expectations, program changes, and fiscal constraints by beginning to:

- evaluate their core business,
- rethink their service delivery models,
- consider some alternative workplace solutions, and
- implement some new technology solutions.

These strategies have allowed agencies to begin to close, consolidate, and downsize within their own facilities portfolio.

State Space Use

In April 2010, state agency housing averaged 313 square feet per FTE. By close of 2013, state agency housing is expected to average 292 square feet per FTE.

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.

Currently, the state has identified over 300,000 square feet of excess space across the state.

Moving the state from 290 sq ft to 250 sq ft per FTE would save the state approximately \$40 million annually.

Audience

The audience for the 2013-2019 Six-Year Facilities Plan includes:

- Legislature
 - For consideration along with budget recommendations
- State Agencies and Department of Enterprise Services
 - For implementation of timely renewals and projects
 - To monitor facilities performance outcomes against the plan.
- OFM Facilities Oversight
 - For alignment with the budget
 - To ensure alignment on upcoming project approvals

Scope

AGENCIES INVOLVED

- All state agencies except for agricultural commodity commissions and four-year higher education institutions. Legislative and judicial agencies chose not to participate.

TYPE OF SPACE INCLUDED

- 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

Approach For Facilities Planning

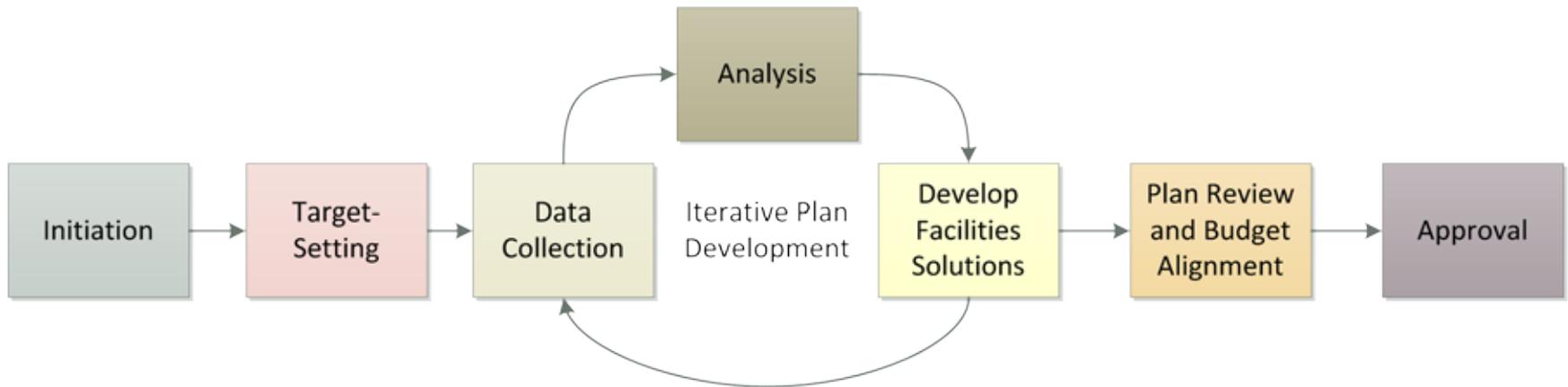
This planning process has focused on reducing the state's facilities footprint.

This has been done through:

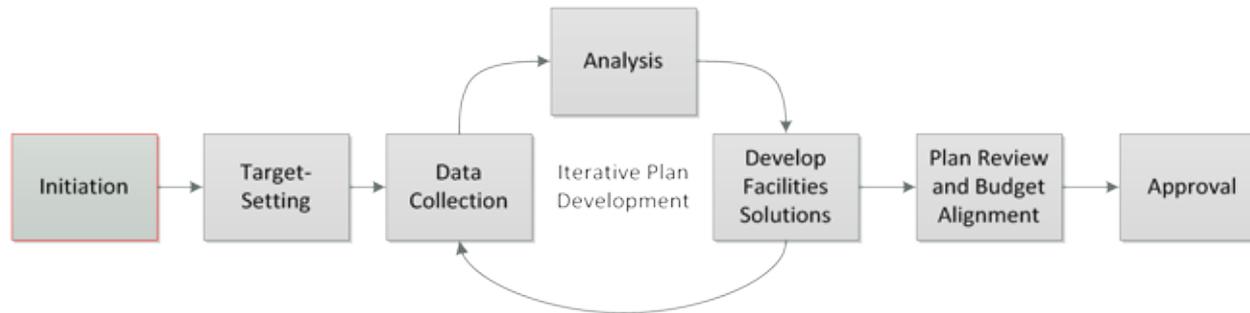
- Defining and understanding agencies' business and facilities requirements and seeking opportunities to remove barriers.
- Aligning long-range facilities planning with agency strategic plans and budgets.
- Emphasizing cross-agency coordination and collaboration.
- Elevating the issue of space management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

Planning Process

The process used to develop the *2013-2019 Six-Year Facilities Plan* is an iterative approach, as illustrated and described below.



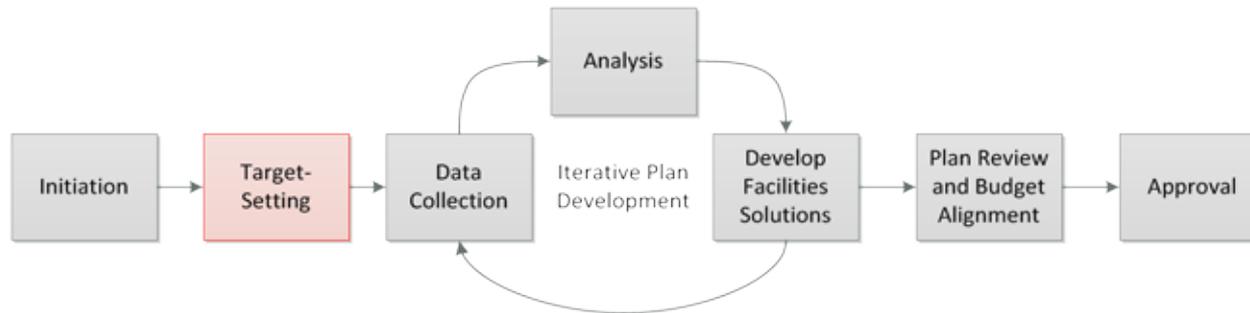
Initiation



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.

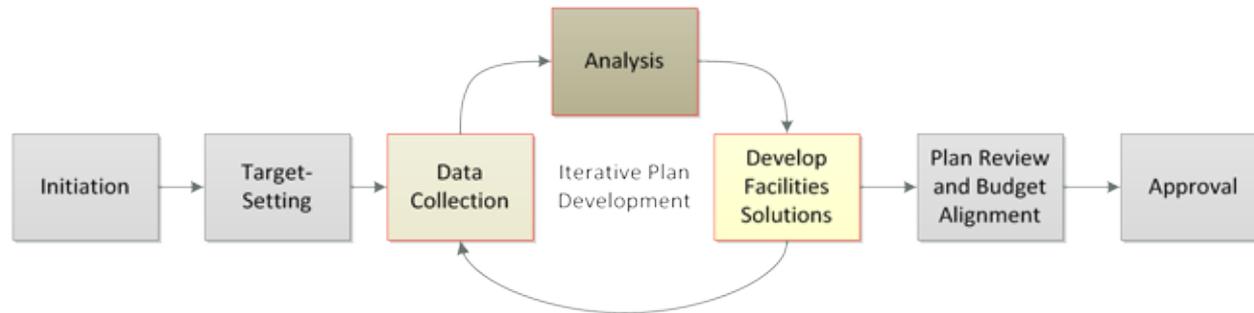
Target-Setting Results

Of the 75 agencies participating in the planning process the breakdown of responses are as follows:

- 24 agencies established a target to reduce
- 47 identified no change in square footage
- 4 agencies identified a need to increase their square footage

Across the state, a 5.8% target reduction by 2019 was documented in June 2012.

Iterative Plan Development



The iterative plan development phase includes three components: data collection, analysis, and development of facilities solutions.

Phase completed Fall 2012.

Iterative Plan Development Core Work

The core work 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.

Analysis Performed

MAY-JULY

Reviewed Agency's current portfolio and projected facilities actions.

JULY

Conducted a portfolio wide review of all office and warehouse space across state government. Approximately 30% of the portfolio was flagged for analysis and follow up.

AUGUST-SEPTEMBER

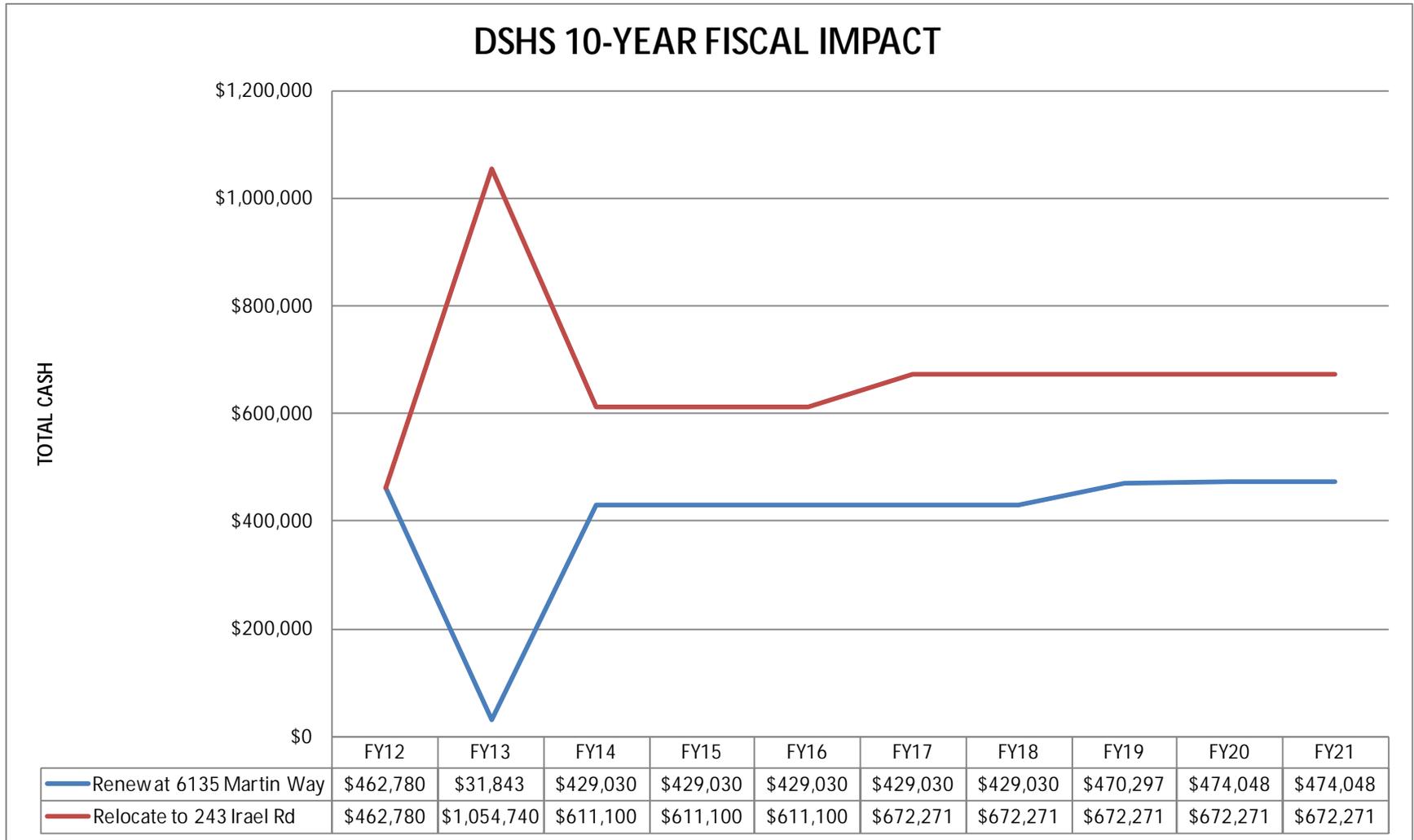
Worked with agencies to vet alternatives that support the facilities goals.

Facilities Solutions

Alternative analysis includes:

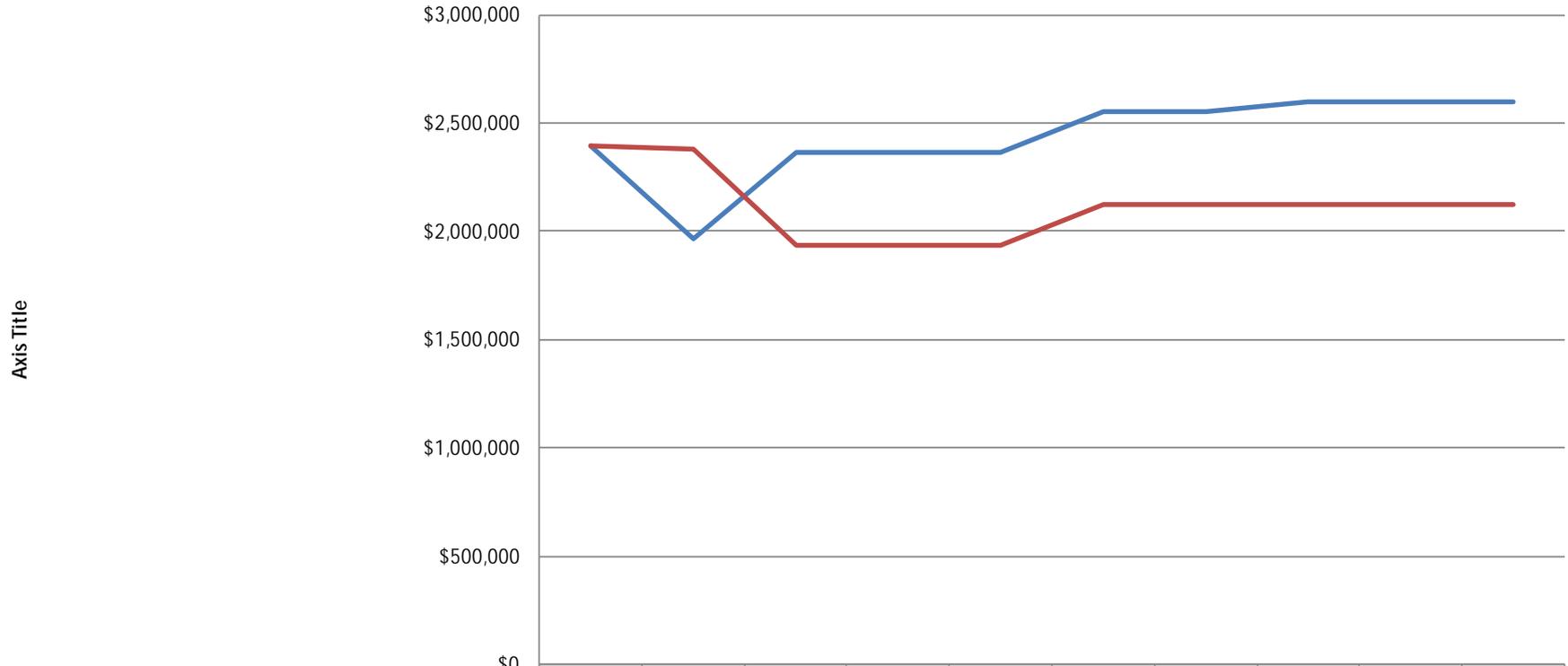
- Square footage change,
- Total cost and delta,
- Pros and cons,
- Risks,
- Timelines,
- Leasing strategy (where necessary)

Agency 10-Year Fiscal Impact



Statewide 10-Year Fiscal Impact

STATEWIDE 10-YEAR FISCAL IMPACT



	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
— Renew DSHS at 6135 Martin Way, DOH lease obligation at 243 Israel Rd	\$2,396,871	\$1,965,933	\$2,363,121	\$2,363,121	\$2,363,121	\$2,556,723	\$2,556,723	\$2,597,990	\$2,601,741	\$2,601,741
— Relocate DSHS to 243 Israel Rd, reduce size of DOH at 243 Israel Rd	\$2,396,871	\$2,377,731	\$1,934,091	\$1,934,091	\$1,934,091	\$2,127,693	\$2,127,693	\$2,127,693	\$2,127,693	\$2,127,693

Data Sources

To Develop the Six-Year Facilities Plan, OFM uses a set of established data sources and assumptions that are refined as analysis is completed. Data sources include:

Market Rate-Urban Areas: [REIS](#)

Market Rate-All Other: Analysis using [CBA](#) and [LoopNet](#) data

Inflation: Seattle CPI-U

Operating Expenses: [WhiteStone Research](#) Operating Expenses

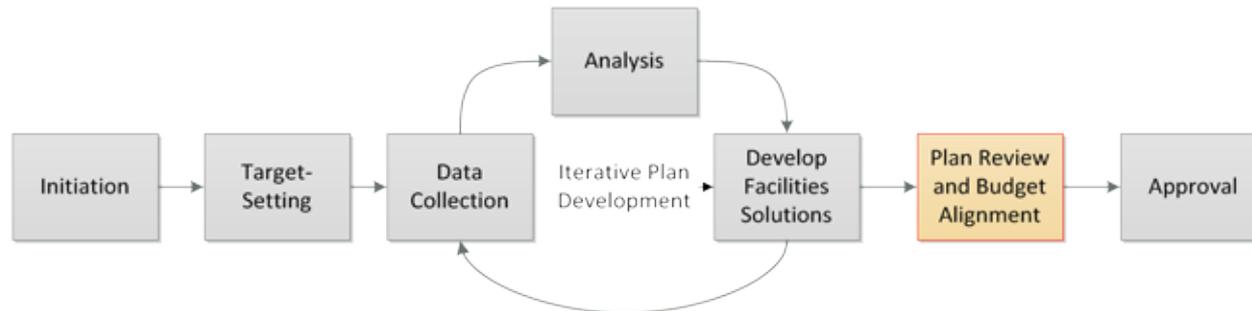
One-Time Cost Assumptions: Assumptions based on past actuals

Collaboration and Review

The 2013-2019 Six-Year Facilities Plan approach incorporated lesson's learned from previous planning cycles and increased communication with agencies. Agencies have been provided with multiple iterations of the Plan (or status updates) including an update in July, August, and October with a final review planned in November.

In between each distribution, Facilities Analysts communicated and coordinated specific project issues with Agency representatives.

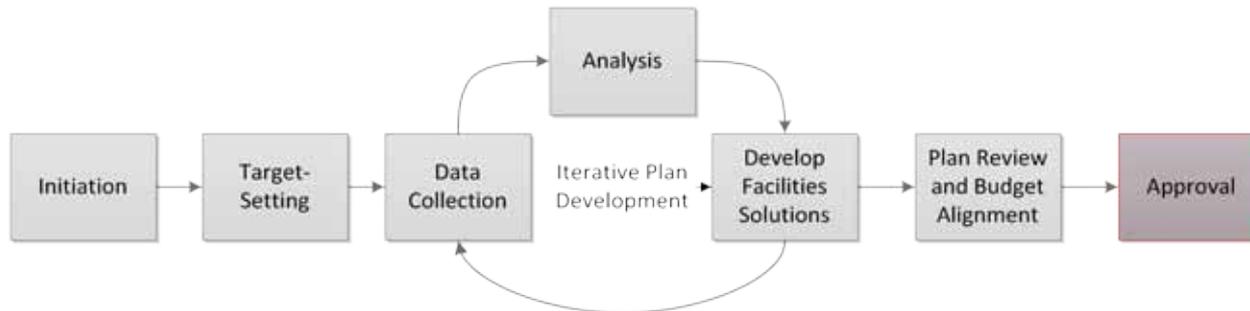
Plan Review and Budget Alignment



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.

Six-Year Plan Outcomes

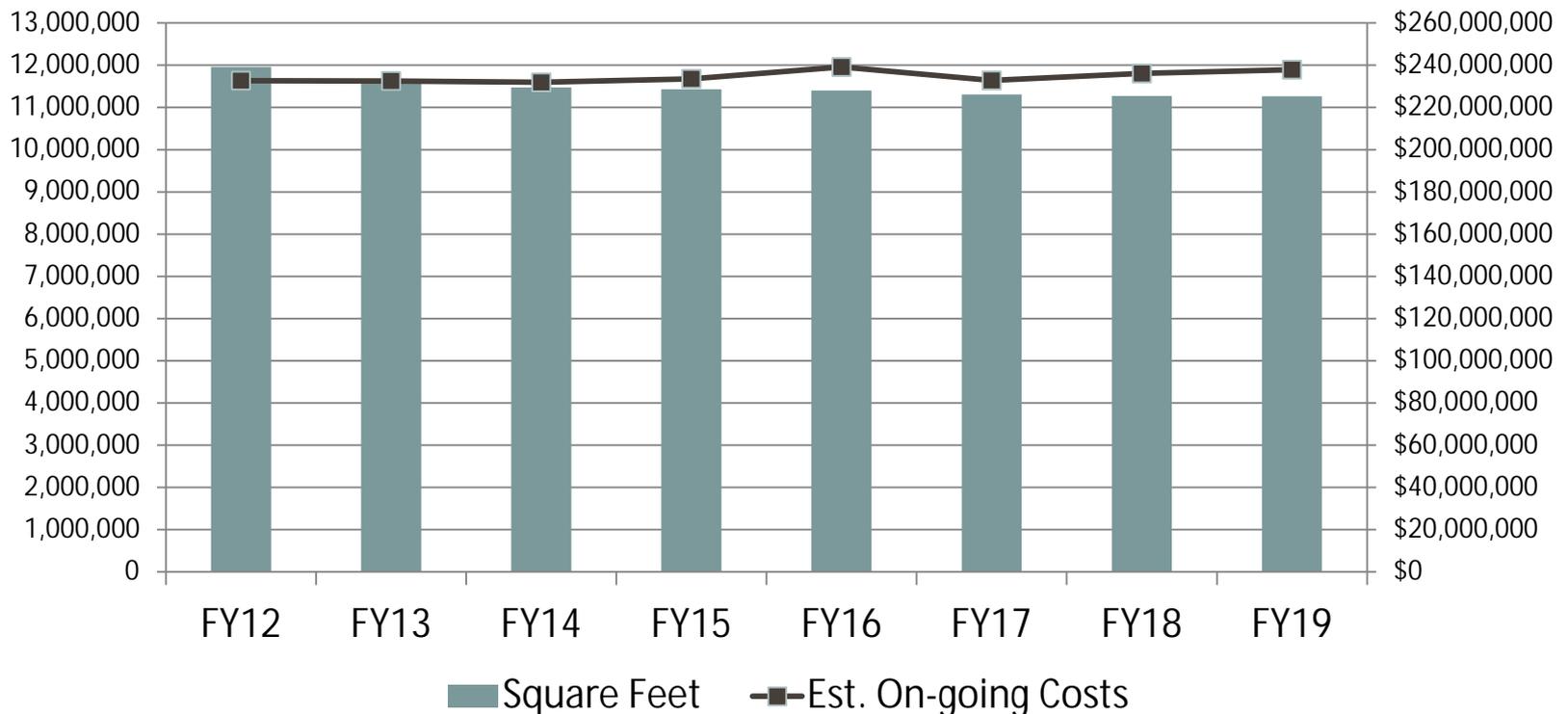
Each agency's Six-Year Facilities Plan includes the following:

- An agency overview
- A summary of the agency's current space use.
- A chart depicting the planned square footage and cost by fiscal year beginning with 2013 and continuing through 2019 for each space type.
- A summary of the actions necessary to achieve the documented metrics including a list of all anticipated projects.

Preliminary Statewide Results

By 2019 the state is estimated to reduce its average space use by 10 square feet per FTE.

Office and Hearings Facilities



Six-Year Plan Implementation

Once the Plan is complete it is the responsibility of the Agency and DES to implement the Plan.

OFM monitors the square footage and approximate cost against the Plan and will produce a report summarizing any variance at the end of FY14 and FY15.

For More Information

For more information see the reference materials and sites below:

[OFM Facilities Oversight Main Page](#)

[OFM Six-Year Facilities Plan Website](#)

[Six-Year Facilities Plan Initiation Memo](#)

[2013-2019 Six-Year Facilities Plan Implementation Approach](#)

Contact Information

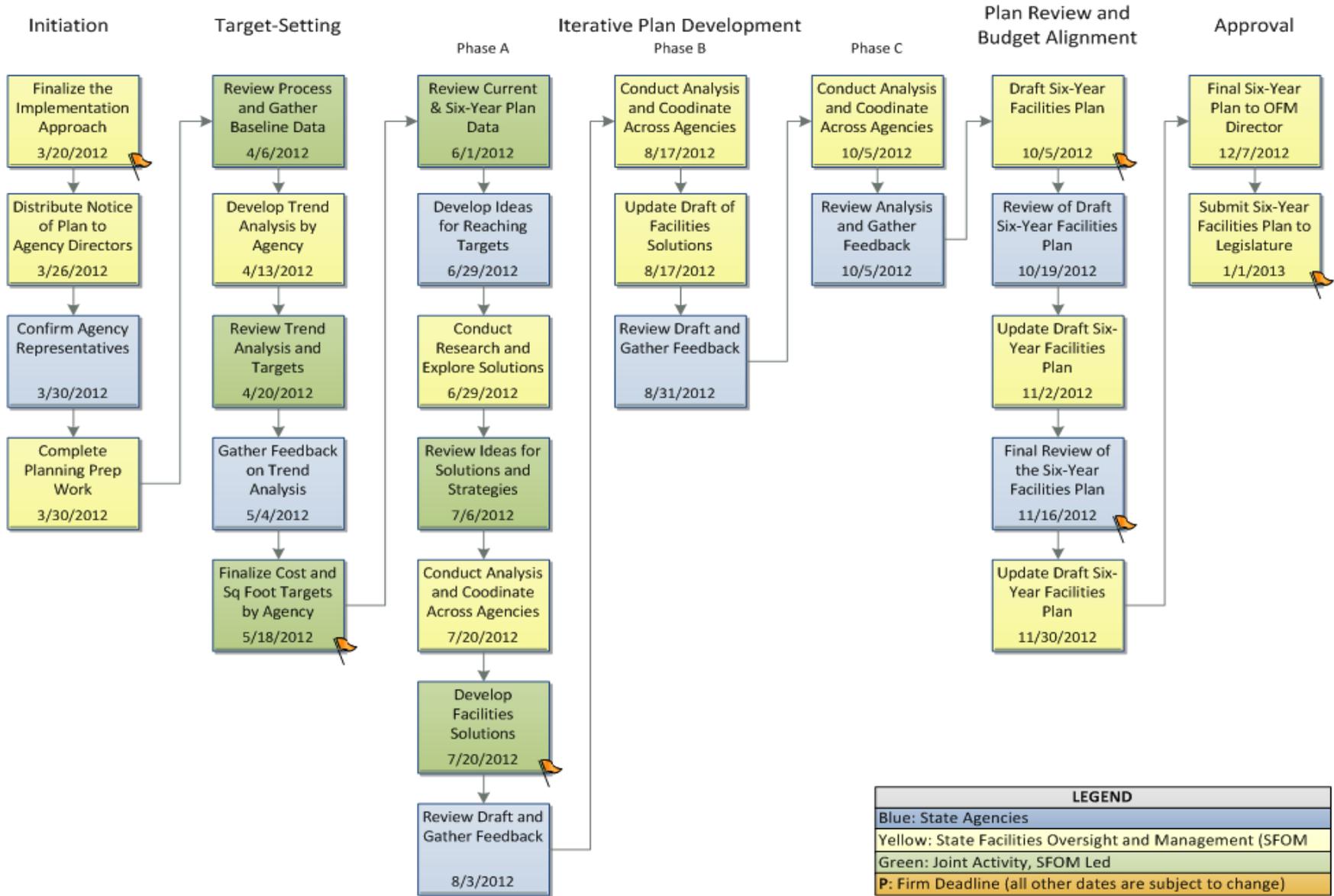
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Business Process Map for the 2013-2019 Six-Year Facilities Plan



REVISED BUSINESS PROCESS: EFFECTIVE SEPTEMBER 13
 All dates included are completion dates