
Draft

Facility Professional

Services

2017-2019 Business Plan

2017-19 Business Plan Facility Professional Services

PART 1 - Business Description

Business Description

Facility Professional Services provides professional level management of state facilities and public works construction projects. The primary function of the Facility Professional Services Division is to provide safe, efficient, cost effective, and well managed facilities that allow state and local agencies, and colleges to perform their essential program services. This includes capital project development, pre-design, facility design, construction, and energy and property management services.

Our main office is located on the second floor of the 1500 Jefferson Building in Olympia, Washington with a satellite office located at Spokane Community College for managing projects in Eastern Washington.

Total staffing is composed of 90-100 FTEs, with a large portion of our staff holding professional licenses in architecture or engineering; experienced staff members with planning degrees or certificates; and on average, our staff members have over fifteen years' experience providing public sector project management and property management services.

The Facility Professional Services Division is comprised of three programs:

1. Asset Management
2. Engineering and Architectural Services
3. Energy Program

Asset Management – Under the authority of RCW 43.19.125 and 79.24, Asset Management performs the central role of ensuring quality services and stewardship of state government facilities. The program provides property and building management services for DES owned office, public and historic space. Approximately 75 percent of the facilities are located in Thurston County with the remaining 25 percent located in Pierce, Cowlitz, Skagit, King and Yakima counties. In addition, the unit provides contract management of facility services, negotiation and administration of leases, and development and oversight of the scope, schedule and budget of capital projects.

Engineering and Architectural Services – Created in 1959 and governed by RCW 43.19.450, Engineering and Architectural Services (EAS) provides a wide range of comprehensive and project management facility expertise. We are the primary public works authority for state facility construction. We are the primary public works authority for state facility construction.

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We perform capital project management using private sector professional services consultants and construction contracts to deliver;

- **Planning and Feasibility Studies** - Preliminary planning and investigations are performed to determine the potential benefits of a specific project or activity. The main purpose of a feasibility study is to consider all factors associated with a project to determine benefits, risks, challenges, and impacts for all stakeholders.
- **Predesign Reports** – During the pre-design phase, studies are done to analyze space requirement issues, existing conditions, the constraints and opportunities of the proposed site, and the cost versus the budget.
- **Design – Bid – Build Construction** - This is a project delivery method in which the agency or owner contracts with separate entities for the design and construction of a project. This is the traditional method for project delivery and consists of three main phases: Design Phase, Bidding Phase, and Construction Phase.
- **Design – Build Construction** – Design-build is a project delivery system used in the construction industry in which the design and construction services are contracted by a single firm. Design-build is used to minimize risks for the project owner and reduce the delivery schedule by overlapping the design phase and construction phase of a project.
- **General Contractor Construction Manager Contracts** – This contract method employs the services of a project management firm to assist in the design of the facility, manage the construction of the facility, act as the general contractor, and guarantee that the facility will be built within budget.
- **Job Order Contracting** – Under this contract method, the contractor agrees to perform an indefinite quantity of public works jobs, defined by individual work orders, over a fixed period of time.

Energy Program – Created in 1985 and governed by RCW 39.35 A and 39.35 C, the Energy Program provides comprehensive project management and other services to help our clients reduce energy and operational costs, and reach sustainability goals. The Energy Program is managed as a self-sustaining business, relying on a fee for service model to support 100 percent of program operating costs. Services are provided through IAAs and project management fees are based on the size, complexity and type of service provided.

A sampling of services provided includes:

- **Energy Savings Performance Contracting (ESPC) Services** – The primary service is to implement energy efficiency projects in public buildings.
- **Energy Life Cycle Cost Analysis (ELCCA) report reviews** – Energy Program staff review ELCCA reports for completeness and technical accuracy on construction or renovation of public facility buildings over 25,000 square feet per RCW 39.35.

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- **Building Commissioning Services** – A systematic process of ensuring owners’ operational needs are met, building systems perform efficiently, and building operators are properly trained.
- **Resource Conservation Management (RCM)** – A coordinated effort to manage resources, services used, and waste generated, for the Capitol Campus and the Department of Enterprise Services’ (DES) managed facilities. Operational savings are gained through organization, analysis, and communication.
- **Energy Star Portfolio Manager Services** – Portfolio Manager is a web-based tool used to: track and report building energy use and to identify opportunities for energy savings in buildings occupied by state government, municipalities and schools.

Facility Professional Services also provides staff support to several boards and committees established by the legislature to guide state facility management and public works construction.

State Capitol Committee – In 1921, The Legislature created the State Capital Committee (SCC) comprised of the governor or the governor’s designee, the lieutenant governor, the secretary of state, and the commissioner of public lands (RCW 43.17.070). The SCC approves new construction and improvements of public buildings, and the acquisition of real estate at the State Capitol and within Thurston County.

Capitol Campus Design Advisory Committee – In 1990, the Capitol Campus Design Advisory Committee (CCDAC) was established as an advisory group to the capitol committee and the Department of Enterprise Services to review programs, planning, design, and landscaping of state capitol facilities and grounds. (RCW 43.34.08). The Asset Management program provides staff support to this committee.

Capital Projects Advisory Review Board – In 2005 the Legislature created the Capital Projects Advisory Review Board (CPARB) to review alternative public works contracting procedures, RCW 39.10, and provide guidance to state policymakers on ways to further enhance the quality, efficiency and accountability of public works contracting methods. E&AS provides staff support, has one seat as a voting member, and provides expertise and guidance on its policy and review committees.

Project Review Committee – In 2007, the Legislature created the Project Review Committee (PRC) to work under CPARB. The PRC is responsible for approve the use of alternative public works contracting procedures such as design-build and general/contractor/construction manager (GC/CM) on projects costing in excess of \$10 million.

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Market Description

We serve a broad range of clients who are either; tenants in the buildings we manage, owners of facilities in need of alteration or repair or proponents of new projects. Our primary clients are state agencies within the executive branch of state government. These include: Thirty-four (34) community and technical colleges, the Departments of: Corrections, Social and Health Services, Veteran's Affairs, Health, and Enterprise Services, the Washington State Patrol, the Military Department and numerous state boards, commissions, and agencies. Through our property management work on the State Capitol Campus, we serve the facility needs of all three branches of state government and all statewide elected officials. We also provide Energy Savings Performance Contracting services and other Energy Program services to universities, K-12 schools, local governments, state agencies, and other public agencies, on a reimbursable basis.

"Rate card" equivalent (Services prices, what customers receive for the money)

Our clients receive professional project management of their capital and energy efficiency projects. Our project management services commence at the very beginning of the project and include: the planning, design, construction and post-construction warranty period phases of the project. For energy projects, services also include review of measurement and verification reports to confirm that the energy savings guarantee was met.

- The operating budget for the Capital Program is based on the total Capital Budget appropriation for projects managed by EAS. Project Management Services for projects not included in the appropriation are performed on a reimbursable basis. EAS' project management fees charged are in accordance with the attached fee schedule (see Appendix 3.1) and are in proportion to total project costs.
- Energy Performance Contract Management Services are performed on a reimbursable basis in accordance with the attached fee schedule (see Appendix 3.2) and are in proportion to the total project cost.
- Energy Commissioning fees are charged in accordance the attached schedule (see Appendix 3.3) and are proportional to the total value of the commissioning work.

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Asset management serves as the landlord for the DES owned properties. The properties are divided into four primary business lines: Capitol Campus Office, Off-Campus Offices, Public and Historic Facilities and Parking. Funding for the business lines is derived from the following sources:

- On Campus Office: An allocation in the Central Service Billing Model based on occupied square footage intended to cover the cost of Maintenance & Operations, Utilities and Fixed Priced Contracts, Capital Project Surcharge (renewal), and Finance Recovery for those assets with debt.
- Off Campus office: Revenues are earned based on negotiated rental rate, bench marked to the local markets.
- Public and Historic Facilities: An allocation based on budgeted FTE's in Thurston County.
- Parking: An allocation based on occupied square footage of Office space for the Capitol Campus tenants; employee parking, agency parking, and visitor parking

Facility development and preservation needs may be addressed through the state's capital budget, and private contributions or proceeds from the sale of some surplus materials can also be applied to public and historic properties. Vehicle parking facilities which support office and public facility functions are financed through user fees, but may also receive capital budget support.

PART 2 - Assessment of Trends, Forecasts, Challenges, and Opportunities

A. What are the key opportunities for this business over the next three years? Which would you like to seize?

Restructured division offers chance to redefine values

Many of our staff have experience expanding roles and responsibilities in recent years. In defining the three programs and the support resources available, we can take advantage of synergies within the unit such as:

- Owner/tenant representation and Project Management leadership from the Asset Management Program
- Experience with multiple project delivery systems such as Design-Build, GC/CM, or Job Order Contracting.
- Developing project management guidelines to provide staff with tools for project tracking, risk mitigation, and consistent practices.
- Creating partnerships with clients through multiple-relationships within the division.
- Increase holistic integrated approach to sustainability and green building.
- Combined training for leadership and professional development of staff.

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- Working together to serve common goals, remove barriers, and build a strong resource of diverse knowledge, skills, and abilities to address daily problems and continually improve our programs.

Increase the overall health of our assets

Build a “total cost of stewardship” model for each asset and develop rental rates that support the costs.

- Improve long-term planning by developing an ongoing process to keep the 10-year Capital Plan current.
- Provide more master planning in regards to sustainability, security, building controls, infrastructure, cultural resources, and future property acquisition, development and disposal.
- Utilize building condition assessments to make good planning decisions and prioritize limited maintenance and capital renewal dollars.

Standardization of Process

- Develop updated guides, standards and other tools for the different project delivery methods and project types. Improve internal processes, procedures and standards for planning, scheduling and completing the work that we do.
- We are currently implementing two new systems to help us with project tracking and reporting. Training will be given to define common terms and improve the consistency of data entry and system use.
- Working relationships, experience with unforeseen situations, and other specialized skill-sets are concentrated at the personal level. Staff should develop partnerships and share this knowledge on an ongoing basis.

Improve Customer Service

- Utilize the newly formed Capital Facilities Advisory Board to improve partnerships with our tenant agencies and stakeholders on Capital Campus.
- Provide information and updates on our website to keep customers current on projects and events.
- Meet with client agencies on a regular basis to inquire about needs and challenges. Contact should be made with members from management, contracts, and claims staff; not only by project managers.
- Provide methods or tools (such as surveys, outreach events, shared email for comments) for customers to give continuous feedback regarding services received.
- Build and strengthen stakeholder relationships, specifically with legislative staff, Office of Financial Management (OFM), public owners groups, Architects, Engineers and Agencies Committee (AEAC), the contracting community, and minority business groups.
- Partner with the Department of Commerce and Office of Superintendent of Public Instruction (OSPI) on Energy Efficiency grants.

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- Develop marketing tools and participate in agency workshops and facility/business officer meetings to offer our services.

B. What major barriers, challenges and risks will this business face over the next three years?

Adequate Capital and Operating Budgets

Current rental rates are not sufficient to adequately maintain and operate Capital Facilities. In order to successfully steward the buildings we own and manage, a full cost of operation must be recouped with our rates.

Limited funding has caused a backlog of deferred maintenance and renewal on Capital Facilities. Staff have not been able to order repairs to meet critical preservation requirements. Building and system failures are increasing due the failure to keep up with normal building maintenance and renewal. This impacts tenant's health and safety and their ability to provide services to the public.

There are many activities we perform that are currently underfunded, such as emergency declarations, funded through the Emergency Repairs appropriation managed by the Office of Financial Management; client agency requested projects that are not funded through Real Estate Certificate of Participation's (COP's), projects funded through other revenue sources or operating funds.

In addition, a Core function of the Program supporting the Capital Projects Advisory Board has been underfunded for several biennium. This function is funded through the Operating Budget as a General Fund appropriation. However, due to the General Fund shortfalls beginning in 2009-11 this function has been systematically reduced through the budget process.

Outdated Technology

Several of the Division's smaller data systems, such as the Small Works Roster, or the A/E Reference File, cannot be edited or updated to respond to current needs without obtaining assistance from Consolidated Technology Services. Updates to these one-off systems are time consuming and costly to the agency.

The Asset Management Program does not have an integrated or centralized facilities management database to capture and track critical inventory data, evaluate and assess building conditions, and provide comprehensive maintenance and renewal plans that would serve to strengthen and inform future budget requests. Current property documents and reports are located in many data formats both physical and electronic and spread over two locations.

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Capitol Lake Long-Term Planning

Planning for long-term use and management of Capitol Lake is a high-profile and politically-charged process, involving local government, tribal and state agency partners. Asset Management is currently working on a phase one report due December 2016, which not only provides information per a 2015 Legislative proviso, but also gives key partners and the public the opportunity to engage and work together toward identified common goals of water quality, sediment management, community use and economic viability. Future phases of this effort will impact DES' management of the lake, including dredging, dam operation, and use to Heritage and Marathon Parks and the Interpretive Center and will be watched closely by our government partners, the Legislature and the community.

PART 3 – Priority Strategies and Initiatives

Based on the assessment in Part 2, and the strategies in the agency strategic plan, what are the 3-5 most important strategies and related initiatives this business should implement in the next three years?	May require budget ↑?
<p>Strategy 1: <i>Gain Customer Confidence through Consistent and Transparent Practices</i></p> <p><i>The restructured division offers the opportunity to redefine values and methods.</i></p>	↔
Related Initiative	
A. Analyze positions and reallocate to align tasks and responsibilities to the appropriate level (annually).	↔
B. Review administrative and division support positions to ensure adequate support to programs and committees. Complete by September 2016.	↔
C. Make changes to reporting relationships to balance work load, align mission, and create growth and succession opportunities. Complete by September 2016.	↔
D. Develop a project management manual to provide consistent guidance to project managers and provide transparency of our processes to customers by November 2016.	↔
E. Implement daily lean solutions to make work flow problems visible, and assist with problem solving (ongoing).	↔
F. Continuous updates to contracts, guidelines, general conditions, and ESCO selection materials to improve Energy processes (ongoing).	↔

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Strategy 2: Stabilize the Financial Health of each Program	↔
<i>Develop ongoing sustainable financial plans for programs and assets</i>	
Related Initiative	
A. Build a cost model for each asset and develop rental rates that support the costs.	↔
B. Verify and update labor rates for trades to ensure cost recovery.	↔
C. Re-establish Fund 422 for FPS reimbursable work. Verify and update PM rates for reimbursable work. Complete by June 2017.	↔
D. Establish sustainable rental rates for all assets and increase operating revenue. Develop communication plan to assist with approval.	↔
E. Complete 10-year capital plan. Develop strategy to best communicate our needs to the legislature and increase funding.	↔
F. Modernize inventory, condition assessment and work order technology systems for better tracking and planning. Complete by December 2017.	↑
G. Provide more master planning in regards to sustainability, security, building controls, infrastructure, cultural resources, and future property acquisition, development and disposal.	↔
H. Obtain Emergency Repairs appropriation for cost recovery. Complete by April 2017.	↑
I. Develop statewide Resource Conservation Management program to enhance energy efficiency opportunities for future energy savings performance contracting projects. Strategy Plan complete by December 2017.	↑

Strategy 3: Improve Customer Service	
<i>Develop strategies for establishing direct interactions and partnerships with customers to increase customer communications, trust, and confidence.</i>	
Related Initiative	
A. Utilize the newly formed Campus Facilities Advisory Board to improve partnerships with our tenant agencies and stakeholders on the Capitol Campus (ongoing).	↔
B. Provide information and updates on our website to keep customers current on projects and events. Create more interactive websites that provide project detail and comparisons across the state (ongoing).	↔

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C. Meet with client agencies on a regular basis to inquire about needs and challenges. Contact should be made with members from management, contracts, and claims staff; not only by project managers (ongoing).	↔
D. Provide tools or methods (such as surveys, outreach events, shared email for comments) for customers to give continuous feedback regarding services received. Complete by June 2017.	↔
E. Build and strengthen stakeholder relationships, specifically with legislative staff, Office of Financial Management (OFM), public owners groups, Architects, Engineers and Agencies Committee (AEAC), the contracting community, and minority organizations (ongoing).	↔
F. Partner with the Department of Commerce and Office of Superintendent of Public Instruction (OSPI), and Washington State University Energy Program on Energy Efficiency grants, and strategies and technologies (ongoing).	↔
G. Develop marketing tools and participate in agency workshops and facility/business meetings to offer our services (biannually).	↔

Strategy 4: Increase Diverse Business Participation	
<i>Assist small/diverse businesses in overcoming participation challenges as we review our processes, provide outreach, and develop guidance documents to help them navigate state and project selection requirements.</i>	
Related Initiative	
A. Recruit and train a Public Works Business Diversity Program Manager position. Complete July 2016.	↑
B. Implement a technology solution to track diverse business participation. Complete by July 2016.	↔
C. Shepherd legislation to revise the small and limited public works statute. Complete April 2017.	↔
D. Review Disadvantaged Business Enterprise (DBE) inclusion programs implemented by partner agencies. Complete December 2016.	↔
E. Develop a DBE inclusion program for DES, reviewed and approved by the Assistant Attorney General, inclusive of contract language and supporting policies and procedures for implementation. Complete December 2016.	↔
F. Implement approved inclusion program into contract changes and associated support processes. Complete March 2017.	↔
G. Coordinate diverse business participation activities with the Governor's diversity subcabinet efforts (ongoing).	↔

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Strategy 5: Modernize Technology Solutions	
<i>Update out of date systems and consolidate one-off systems and tools to streamline processes and support better tracking, reporting and data management systems.</i>	
Related Initiative	
A. Complete a 6-year Technology Plan to define a long range road map for implementation of systems. Complete by August 2016.	↑
B. Create a Tririga Governance structure to provide constant data stewardship and policy development across programs with link to executive management for elevated decision making. Complete by December 2016.	↔
C. Implement Public Works Diversity Management tool. Complete by July 2016.	↔
D. Implement a certified payroll and apprenticeship management tool. Complete by December 2016.	↔
E. Implement a capital planning and project management system. Complete by December 2016.	↔
F. Implement a facility inventory and condition assessment tool. Start April 2017, complete by December 2017.	↑
G. Implement a preventative maintenance and repair work order management tool. Start April 2018, complete by December 2018.	↑
H. Implement Utility Tracking software and an energy consumption dashboard for the Capitol Campus, complete by December 2017.	↑
I. Implement an interactive web-based system for tracking Energy Star Portfolio Manager activities. Complete by December 2017.	↑

PART 4 – Impacts on DES shared services

In this section describe any special demands on DES shared services that the priority strategies/initiatives will require. Also note any other extraordinary levels of service this business expects to need from the shared services. 2017-19

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What special assistance will this business need from DES HR are needed in 2017-19? (i.e. recruitment, retention, development, etc.)
1. Analysis and reallocation of positions to align tasks and responsibilities to the appropriate level.
2. Facilitate changes in reporting relationships and help identify succession opportunities.

What facilities or equipment initiatives are needed in 2017-19?	May require budget ↑?
1. Move records from General Administration Building Records Center to electronic format.	↑

What technology initiatives are needed in 2017-19?	May require budget ↑?
1. Continued replacement or repair of in-house built systems.	↔
2. Document management standards that can be enforced through a technology solution(s).	↔
3. Implementation of technology solution tools: <ul style="list-style-type: none"> • Public Works Diversity Management • Certified payroll and apprenticeship management • Capital planning and project management system • Facility inventory and condition assessment • Preventative maintenance and repair work order management • Energy Star Portfolio Manager interactive tracking • Utility software and energy consumption dashboard tracking • Energy Program is required to be able to access all energy project history. This will require compiling data from PTS and Tririga. 	↑

What financial initiatives are needed in 2017-19? (i.e. rate or cost structure changes, new financing methods, cost analyses, etc.)	May require budget ↑?
1. Perform a comprehensive rate and fee structure review: <ol style="list-style-type: none"> a. Capital Project Management Programs for core capital budget work. b. Reimbursable Capital Project Management Program for off-budget construction management. c. Energy Program, establish a rate for statewide RCM. 	↑

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2. Re-establish revolving fund in fund 422 to capture fees and expenses for reimbursable work. This is necessary to increase market share of K-12 and local agencies capital project management.	↔
3. Establish sustainable rental rates for all assets and increase operating revenue.	↔
4. Update labor rates for trades	↔
5. Obtain Emergency Repairs appropriation for cost recovery.	↔
6. Energy Program RCM statewide funding	↑
7. Energy Star Portfolio Manager Support	↑

What contract or management initiatives are needed in 2017-19?	May require budget ↑?
1. Implementation of digital signature processes.	↔
2. Diverse business inclusion program, inclusive of contract language and supporting policies and procedures.	↔

What process improvement or new process design initiatives are needed in 2017-19?	May require budget ↑?
1. Create and adapt workflow systems for implementation of new technology systems (B2GNow, LCP Tracker, Tririga), to include Energy Project Tracking.	↔
2. Implementation of daily lean solutions to make work flow problems visible, and assist with problem solving.	↔
3. Update Program Strategy Maps.	↔

What communications, marketing and customer relations initiatives are needed in 2017-19?	May require budget ↑?
1. Invest in marketing materials and events participation.	↔
2. Develop tools or methods for customers to give continuous feedback regarding services received.	↔

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PART 5 – Legislative and Budget Request Proposals

A. What policy or legislative changes will be needed?

Describe the change needed	Cite the policy, rule or statute that might need to be changed	Is this something we should do in 2017-2019 time frame?	May require budget ↑?
1. Remove barriers to small and diverse businesses	RCW 39.04.155	Yes	No
2. Outreach to appropriate public stakeholders: advertisement shall be published in a legal newspaper of general circulation (not local but statewide)	RCW. 39.04.020	Yes	No
3. Apprenticeship training reporting: DES to provide assistance “to the affected agencies they serve and collect the following data on behalf of those affected agencies...”	RCW 39.04-320	Yes	No

List of Appendices

1. Fee Schedules
 - 1.1. [Capital Project Management Fee Schedule](#)
 - 1.2. Energy Project Management Fee Schedule
 - 1.3. Energy Commissioning Fee Schedule
2. Strategy Maps
 - 2.1. FPS – Contracts and Claims
 - 2.2. FPS – Asset Management Program
 - 2.3. FPS – Engineering and Architectural Services Program
 - 2.4. FPS – Energy Program