STATE OF OREGON

Statewide Facility Planning Process

DEPARTMENT OF ADMINISTRATIVE SERVICES
CHIEF FINANCIAL OFFICE
FACILITY PLANING UNIT

2021-23 Biennium

Overview

The programs and services administered by the State of Oregon, through various agencies, boards and commissions, require physical assets to occur. These assets, in total, represent a significant financial outlay that must be understood to ensure proper stewardship for both long-term utility and strategic investment purposes.

ORS 276.227 charges the Department of Administrative Services (DAS) with managing a statewide facility planning process. The process, administered by the Facilities Planning Unit (FPU) within the Capital Finance and Planning section of the Chief Financial Office (CFO), provides an objective evaluation of our state portfolio for making long-range, strategic investment decisions that prioritize (among other factors) liability and risk, programmatic need, and community benefit. The purpose of this effort is to ensure the state is making rational, data-driven investment decisions using a multitude of dimensions, and providing facilities that are as efficient and effective as possible in delivering responsive government services.

FACILITIES PLANNING UNIT (FPU)

The FPU was established by Executive Order 12-17 to provide lead responsibility for the planning of capital projects and plans.

FPU oversees the following key tasks related to the implementation of ORS 276.227:

- Maintain a database of all state facilities and their physical condition
- Administering the Statewide Facility Planning Process (described herein)
- Analyzing and evaluating statewide facility needs for capital budgeting
- Setting guidelines, standards, and best practices for state facilities
- Providing information and recommendations on state facilities to elected leaders

10-YEAR STRATEGIC CAPITAL PLANNING: AN INTEGRATED, LONG-RANGE VIEW

In accordance with Executive Order 12-17, FPU is charged with developing and administering a 10-year Strategic Capital Investment Plan for the state. FPU is currently developing an integrated, long-range planning process for deployment in future biennia. However, it is important to understand that while each agency may (or may not) have existing strategic plans that identify future capital investment needs, there is currently no established process that integrates multiple agency plans in a manner that reveals strategic opportunities that optimize outcomes for the state and its citizens across agencies. These opportunities might include the shared (multi-agency) need for specialized facilities, such as labs or field offices; consolidating inadequate or expensive leased facilities into long-term, state-owned assets; and identification of strategic economic development opportunities in rural communities. This integrated, long-range view is important as the state considers how best to deliver services, provide the most responsive government, and leverage capital funds to optimize program delivery and maximize community impact. It is not an effort to supplant the internal processes of each agency, but rather a means by which we build on each agency's needs to collaboratively achieve a wider range of state goals.

GUIDING PRINCIPLES

FPU established a series of six core principles that guide the statewide enterprise of capital investment planning and project development. While these guiding principles are not specific project evaluation criteria, they serve as the underpinnings of best practices in capital planning.

- **Design For Quality** - Good building design contributes to higher employee productivity and better public service. Aspire for the highest feasible level of environmental and architectural design.
- **Steward Our Investments** - Public investments must be properly maintained to ensure safety and reduce long-term cost. Design high-performance buildings with the lowest total cost of ownership.
- **Right-Size Our Portfolio** - Buildings have large environmental footprints, and are costly to build, operate and maintain. Prioritize adaptive reuse of buildings and projects that maximize efficiency and long-term utility.
- **Contribute To The Whole** - Our buildings serve key roles across the state and represent sizable community investments. Consider how a project impacts the community and helps achieve statewide priorities.
- **Convey Our Identity** - Our buildings represent the aspirations, integrity, and legacy of Oregonians. Ensure buildings contribute to an "image of accessibility and responsiveness of government".
- **Be Resilient** - We build for resilience using science, data and community wisdom to protect against and adapt to risks, thereby making people, communities and

systems better prepared to withstand catastrophic events—both natural and man-made—and able to bounce back more quickly and emerge stronger from these shocks and stresses.

Statewide Facility Planning Process

DAS administers a Statewide Facility Planning Process (outlined in this document) that requires biennial submission of key facility-related information to satisfy the statutory requirements of ORS 276.227. This important information allows FPU to evaluate state facility condition and needs for developing financing and budgeting strategies that address these needs. It also informs FPU in establishing guidelines and standards for acquiring, managing and maintaining state facilities that best serve the strategic, long-range interests of the state.

STATEWIDE BUDGET AND CAPITAL PRIORITIZATION

The Statewide Facility Planning Process provides a uniform approach to evaluating project funding based on how the project achieves three distinct plan dimensions: Facility Stewardship (Priorities 1-3), Resilience/Risk Mitigation (Priority 4), and Modernization (Priority 5). In addition, projects are subjectively evaluated for funding recommendations based on "readiness" criteria.

AGENCY PLAN/PRIORITY SUMMARY

Agencies must present a cost summary that clearly addresses Deferred Maintenance (Priority 1), Capital Renewal (Priorities 2/3), Seismic/Risk (Priority 4), and Modernization (Priority 5). Modernization (Priority 5) should be shown as a net cost (less Priorities 1-4) to accurately account for priority-related costs, since total Modernization project costs may include Priority 1-4 project work in their scope. This allows agencies to demonstrate how modernization projects can effectively address these other priorities. Figure I provides an example summary of plan costs by priority.

MAJOR CONSTRUCTION/ACQUISITION PROJECTS (PRIORITY 5)

At the heart of agency facility plans are Major Construction/Acquisition projects. Generally, these projects represent an aggregation of smaller actions/interventions related to one facility, whether that facility is being renovated (modernized), or replaced. Major Construction/Acquisition project costs should be allocated by the funding amount directed toward each of the following plan dimensions: **Facility Stewardship** (Priorities 1-3), **Resilience/Risk Mitigation** (Priority 4), and **Modernization** (Priority 5). A project may address multiple dimensions— for instance, a facility renovation project may eliminate a portion of deferred maintenance and allow for a seismic rehabilitation in one execution. Distributing project costs in this manner provides added transparency, and illuminates a project's effectiveness at addressing multiple funding priorities. Figure II provides an example aggregated project summary

PROJECT READINESS

In addition to satisfying basic criteria, such as alignment with a referenced strategic plan/program initiative, demonstration of mission-critical or other need, and reasonable exploration/analysis of alternative solutions, project funding recommendations will correspond to project development phasing and reflect the level of due diligence, planning, and design/execution completed. Project readiness recommendations will be performed by members of the CPAB. For projects exceeding $5M in total cost, an agency must present to CPAB at each applicable funding developmental phase to receive continued Board recommend support

FACILITY STEWARDSHIP (PRIORITIES 1-3)

- Does this project(s) involve eliminating deferred maintenance and/or addressing capital renewal?
- Please summarize qualifying project costs by the priority addressed (Priorities 1-3)
- Does your agency have sufficient capacity to execute these projects?
  - If no, what is your plan for ensuring the timely execution of these projects?
- Describe the project(s) scope (such as major roof project) and the approximate schedule of execution.
- What is the intended project delivery method? (e.g. CM/GC, DBB, GMP)

RESILIENCE/RISK (PRIORITY 4)

- Does this project(s) involve implementing resilience and/or mitigate a hazard or risk?
- Please summarize qualifying project costs by the priority addressed (Priority 4)

- Does your agency have sufficient capacity to execute these projects?
  - If no, what is your plan for ensuring the timely execution of these projects?
- Describe the project(s) scope (such as seismic rehabilitation) and the approximate schedule of execution.
- What is the intended project delivery method? (e.g. CM/GC, DBB, GMP)

MODERNIZATION (PRIORITY 5)

- Does this project(s) involve a facility modernization?
  - If yes, is this a replacement facility?
- Is this a new facility (adds new capacity)?
- Please summarize qualifying project costs by the priority addressed (Priority 5)
- Does this project implement an adopted facility/agency plan goal/strategy?
  - If yes, reference specific plan language this project addresses.
- Does this project meet a mission-critical or other agency/program-related need?
  - If yes, describe how this project fulfills this need
- Describe alternative solutions considered
- What is the intended project delivery method? (e.g. CM/GC, DBB, GMP)
- Have you completed the following project development phases:

✓ **Phase I:** Initial Feasibility/Preliminary Cost Estimates

- **Required:** Preliminary project scope/cost estimate, and source of estimate

✓ **Phase II:** Planning/Conceptual Design/Site Identification or Acquisition

- **Required:** Concept design/site plan

✓ **Phase III:** Architectural Design/Engineering

- **Required:** Project presentation with current A/E cost estimate/construction schedule

✓ **Phase IV:** Construction

- **Required:** Detailed A/E cost estimate/construction schedule; any significant scope changes

FIGURE I: EXAMPLE — AGENCY PLAN/PRIORITY SUMMARY MATRIX

AGENCY PLAN SUMMARY	DM/LIFE SAFETY (PRIORITY 1)	CAPITAL RENEWAL (PRIORITY 2)	CAPITAL RENEWAL (PRIORITY 3)	SEISMIC/RISK (PRIORITY 4)	MODERNIZATION (NET PRIORITY 5)[1]	TOTAL
DM/CR	$20M	$15M	$10M	$0	$0	$45M
Resilience/Risk	$0	$0	$0	$5M	$0	$5M
Modernization	$0	$0	$0	$0	$40M	$40M
Total	$20M	$15M	$10M	$5M	$40M	$90M

[1]Priority 5, less project-related Priority 1-4 costs

FIGURE II: EXAMPLE — AGGREGATED PROJECT SUMMARY

PROJECT NAME	TOTAL COST	DM/CR	RESILIENCE	MODERNIZATION	PROJECT PHASE	READINESS
East Office Building Remodel	$50M	$10M	$5M	$35M	IV	Full Funding

METRICS: EFFECTIVE, EFFICIENT, AND AFFORDABLE

FPU has identified three key performance measures intended to gauge the state of our portfolio. The information provided through the SFPP inform these measures at an agency and statewide level, and provide a relevant "snapshot" that speaks to effectiveness, efficiency, and affordability:

Facility Condition Index (FCI) – A calculated measure of facility condition relative to its current replacement value (expressed as a percentage) and represented by the following categories:

- Good (0 - 5%) - In new or well-maintained condition with no visual evidence of wear, soiling or other deficiencies
- Fair (5 - 10%) - Subject to wear and soiling, but is still in a serviceable and functioning condition
- Poor (10 - 60%) - Subjected to hard or long-term wear. Nearing the end of its useful or serviceable life
- Very Poor (>60%) - Has reached the end of its useful or serviceable life. Renewal now necessary

Space Utilization – A calculated measure of how efficiently space is being used, this metric varies for different space types, with greater emphasis on office/adminsitrative uses. The State of Oregon is moving toward a new guideline of 175 Usable Square Feet

(USF)/Position for office/administrative uses. For other uses, a secondary metric is used*.

Operation and Maintenance Cost per Gross Square Foot – a standard measure of affordability, this metric varies by building and operational type.

***Note:** For agency facilities (or portions of facilities) used for office/administration activities, a standard metric of Usable Square Feet (USF)/Position Count is calculated. For agencies with less than 10% office/administrative spaces, FPU is requesting an agency-specific metric (see Facility Summary Narrative 107BF16a) that provides insight into how agencies with primarily non-office-based operations determine their space needs. Essentially, what is the relevant metric each agency uses as a measure of their space needs , and by extension, their space efficiency?

CAPITAL PROJECTS ADVISORY BOARD (CPAB)

ORS 276.227 also establishes the Capital Projects Advisory Board (CPAB) whose purpose is to carry out required public review for agency-proposed capital and major lease projects.

Together with CPAB, DAS administers the Statewide Facilities Planning Process to meet the statutory requirements of ORS 276.227 and to assist state agencies with their capital budget development. The process is designed to ensure the collection of required facilities information and public review of major capital projects, with recommendations for approval. The established time frame allows agency projects to move forward with a timely budget request in their biennial budget if the project is approved.

CAPITOL PLANNING COMMISSION (CPC)

In addition to CPAB, the Capitol Planning Commission (CPC) reviews and recommends all state agency proposals that involve the purchase, erection or significant change of use of a state building requiring an expenditure of more than $1 million within the cities of Salem and Keizer, to assure compliance with area development plans.

Agency Role

Each state agency is required to submit an Agency Facility Plan (AFP) to DAS if it meets one or more of the following criteria. If the agency:

- Currently owns buildings or plans to build or buy a building valued at $1 million or greater
- Plans a major re-organization of the agency
- Has or proposes to enter into a private lease of 10,000 or more square feet of conditioned space for a period of ten years or more
- Proposes to request a budget to construct a major capital project
- Plans to seek a legislative or Emergency Board approval for a major construction or acquisition project
- Plans to seek planning funds for a major construction or acquisition project

In accordance with ORS 276.227, agencies are required to establish and implement long-range maintenance and management plans for facilities for which this state is responsible to ensure that facilities are maintained in good repair and that the useful lives of facilities are maximized.

DAS may request that agencies submit updated long-range facility plans and funding strategies that reflect changes in technology and priorities (program changes).

INVENTORY SUBMISSION

DAS manages the system of record (inventory) for state agency facilities. As part of the SFPP, agencies are required to submit an inventory of facilities greater than $1 million each biennium.

As of 2016, FPU retired the previous Facility Inventory Database and replaced it with iPlan, a cloud-based system that integrates facility condition information with powerful reporting and maintenance budgeting tools. Full migration of all state agency facility information is on-going. During this migration, FPU is providing technical assistance for completing the biennial agency inventory submission requirements.

AGENCY FACILITY PLANS (AFP)

An Agency Facility Plan (AFP) is designed as the principal means of collecting required information to satisfy statutory requirements and permit FPU and CPAB to evaluate agency capital projects and perform long-range strategic planning. Since the SFPP runs in tandem with the biennial budgeting process, a schedule for AFP submission is developed for timely review of the information, and to ensure each plan meets statutory requirements.

Designated agency contacts will receive planning materials in the Spring of the even-numbered year preceding the full legislative session, including documents and associated workbooks for developing and submitting their AFP.

Planning materials include the following documents and workbooks:

- SFPP Manual (This document)
- CPAB Reporting Schedule
- CPAB Plan Presentation Guidelines
- CPAB Agency Facility Plan/Budget Submission Workbook (Excel):
    A. CPAB Maintenance Priority 1-4; Priority 5
    B. Facilities Maintenance/Construction Narrative (107BF02)
    C. Facility Summary Report (107BF16a)
    D. Facility O&M/DM Report (107BF16b)
    E. Project Narrative (107BF11)
    F. Capital Improvement Summary (107FB10)
    G. Major Construction/Acquisition 10-Year Plan (107BF13)

Individual instructions for completing the above workbook forms is located in the Instructions tab of the Workbook.

Statutory References

ORS 276.227

Statewide planning process; public review process for capital projects; advisory board; state property database; maintenance plans. (1) The State of Oregon recognizes that providing and operating state government facilities is a significant capital investment in public infrastructure. Accordingly, it is the policy of the State of Oregon to plan, finance, acquire, construct, manage and maintain state government facilities in a manner that maximizes and protects this investment.

(2) The Oregon Department of Administrative Services shall establish a statewide planning process that evaluates the needs of the state's facilities, provides comparative information on the condition of the state's facilities, establishes guidelines and standards for acquiring, managing and maintaining state facilities and provides financing and budgeting strategies to allocate resources to facilities' needs.

(3)(a) The Director of the Oregon Department of Administrative Services shall establish a public review process for the proposed capital projects of all state agencies. To assist in this review, the director shall establish a Capital Projects Advisory Board consisting of seven members. Five members shall be public members knowledgeable about construction, facilities management and maintenance issues. Two members may be state employees. The director shall appoint the chairperson of the board.

(b) The director, in consultation with the board, may request that agencies submit updated long-range facility plans and funding strategies that reflect changes in technology and priorities. The director may ask the board to report on and make recommendations related to long-range plans, the condition of facilities, maintenance schedules, funding strategies and options for new facilities. The director may seek recommendations from the board regarding the needs of existing facilities, funding strategies and long-term facility goals.

(c) The review process may be applicable to capital projects meeting the definition of major construction/acquisition in the Governor's budget and to significant leases.

(d) For each state agency proposing a capital project, the review process may include an examination of the following:

(A) The effectiveness of asset protection, including maintenance, repair and other activities;

(B) The effectiveness of space utilization, including an inventory of existing occupied and unoccupied building space;

(C) The advisability of lease, purchase or other funding strategies;

(D) The condition of existing occupied and unoccupied building space;

(E) Appropriate technology;

(F) The agency's mission and long-range facilities plans; and

(G) For new facilities, expansions and additions, the ability of the agency to maintain and operate all of the agency's facilities in a cost-effective manner.

(e) The review process shall ensure that capital project decisions are approached in a cost-effective manner after considering all reasonable alternatives.

(f) With assistance from the board, the department shall provide recommendations and information to the Governor and the Legislative Assembly on the construction, leasing and facilities management issues of state government.

(4) The department shall establish and maintain a central database of information on state-owned property of all state agencies, including land, buildings, infrastructure, improvements and leases. This database shall include an inventory of state-owned facilities as well as descriptive and technical information.

(5) State agencies shall establish and implement long-range maintenance and management plans for facilities for which this state is responsible to ensure that facilities are maintained in good repair and that the useful lives of facilities are maximized. For each new facility, a maintenance and management plan appropriate to the use and useful life of the facility shall be developed and implemented.

(6) The department may engage in cooperative projects with local government.

(7) The provisions of this section do not apply to public universities listed in ORS 352.002, the Oregon Health and Science University or a community college as defined in ORS 341.005. [1993 c.724 §17; 1997 c.571 §1; 2011 c.637 §85]

ORS 276.229

276.229 Four-year major construction budgets for state agencies; maintenance plans and budgets; application to certain agencies. (1) State agencies shall develop four-year major construction budgets. Projects included in these budgets may be accelerated or deferred upon approval of the Emergency Board.

(2) State agencies shall include the biennial costs associated with maintenance, major repairs or building alterations in their regular budget presentation to the Legislative Assembly. Agencies shall include in their budget presentations short-term and long-term plans to reduce or eliminate any existing backlog of deferred maintenance.

(3) The provisions of this section do not apply to public universities listed in ORS 352.002, the Oregon Health and Science University, or a community college as defined in ORS 341.005. [1997 c.571 §3; 2011 c.637 §86]