OFFICE OF FINANCIAL MANAGEMENT

STATE OF WASHINGTON

FACILITY INVENTORY SYSTEM REPORT

RCW 43.82.150

FACILITIES OVERSIGHT DIVISION

SEPTEMBER 2008

Facility Inventory System Report

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Executive Summary

The state leases and owns facilities to house state agencies. This represents a significant financial investment by Washington's citizens. In 2007, the Office of Financial Management (OFM) was given oversight responsibilities for the acquisition of these facilities through Substitute House Bill 2366 (SHB 2366). This report provides recommendations related to this new responsibility, as required by the legislation.

We recommend replacing the facilities inventory system with an Internet-based system because the current system is unreliable, incomplete, difficult to access, and stores limited data. An Internet-based system will provide more accurate information for decision making related to leasing, purchasing and constructing facilities.

Based on the analysis and planning done by OFM, it is estimated that it would take 14 months to build and deploy a new facility inventory system at an estimated cost of $434,000. Once in place, this new system is expected to require $92,000 annually to maintain. However, this system is also expected to save approximately $320,000 in facilities costs each of the next six years so it is expected to recover the initial investment.

The Six-Year Strategic Facilities Plan, due January 1, 2009, will include additional recommendations for improvements to oversight and acquisition of facilities.

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Introduction

1.1 Purpose

This report is required by RCW 43.82.150 as revised in 2007 with the enactment of SHB 2366 related to accountability, efficiency, and oversight of state facility planning and management.

The purpose of the Facilities Inventory System (FIS) Report is to recommend improvements to the facilities inventory system. This includes identifying costs and an implementation schedule for the redevelopment of this system. In addition, this report is required to make recommendations on improvements that can be made to increase accountability and assist in the evaluation of budget requests and facility management by the Governor and Legislature.

1.2 Background

The inventory of facilities owned and leased by state agencies represents a significant financial investment by the citizens of Washington state. Because of this, RCW 43.82.150 has required an annual inventory of state-owned and leased facilities since 1997 (see Attachment A). OFM first collected the data by distributing DOS diskettes to state agencies and higher education institutions to be updated on an annual basis. In 2006, the method was changed to electronic spreadsheets (Excel). Several prior legislative reports related to facilities inventory and capital projects have identified a need for improvements in the inventory data (see Attachment B).

In 2007, SHB 2366 strengthened OFM's role in the oversight of facilities management, placing greater emphasis on the inventory data and its reliability and accessibility.

1.3 Scope of Facilities Inventory Reporting

RCW 43.82.150 requires that the facilities inventory report include all owned or leased facilities and that all agencies, departments, boards, commissions, and higher education institutions of the state of Washington comply with the reporting requirement. The scope does not include land. Agencies, departments, boards, commissions, and higher education institutions collect the data internally and report to OFM via electronic Excel spreadsheets. The FIS data is to be updated annually and reported to the appropriate legislative committees.

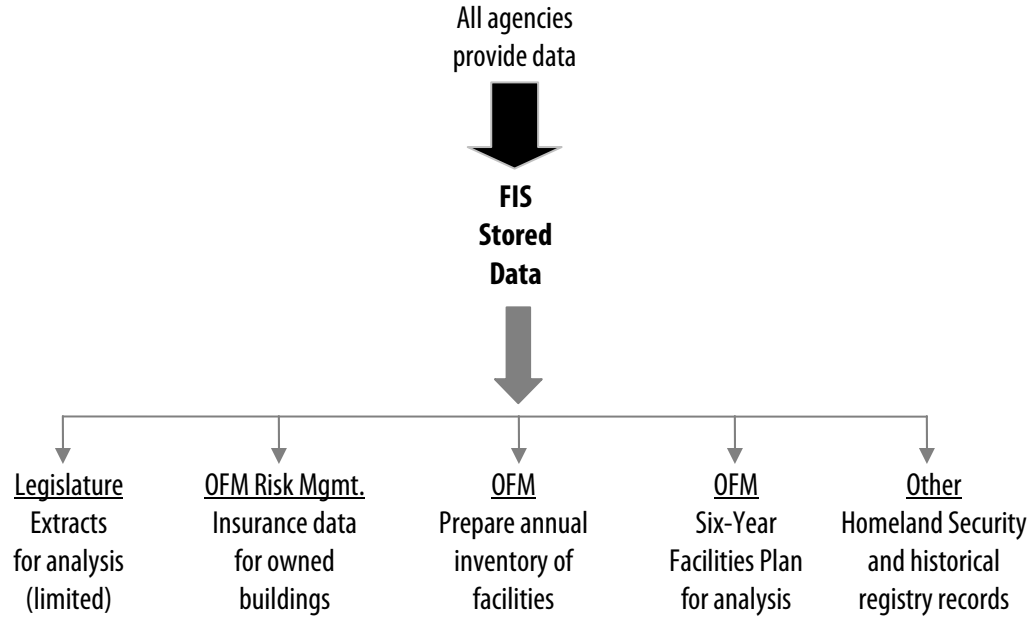
The current facilities inventory report provides data about leased and owned facilities, such as location, square footage, certain costs, and the list of agencies occupying the space. A list of information now collected can be found in Attachment C.

1.4 Current Uses of the Facilities Inventory Reporting

The FIS report is one of several sources of information that support OFM's responsibilities for leased and owned facilities. Other examples include capital and operating budget development, six-year strategic facilities planning, and various facilities oversight analysis and reporting functions. The inventory serves as a database only. Information is also used by some entities for their reporting and analysis needs (see Diagram A).

Diagram A

Current Uses of Facility Inventory System (FIS) Data



1.5 Current Facilities Inventory Reporting Limitations

As noted in the intent section of SHB 2366, "other statewide data systems that track state-owned and leased facility information are limited, onerous, and inflexible." OFM's experience with FIS leads us to concur.

The primary issues that limit the report's value for analysis and decision making include the following:

- Limited data is collected about the facilities;
- Data collected is unreliable and incomplete;
- Common data definitions do not exist for all data elements being requested;
- No accurate fiscal data about leases and ownership costs can be obtained;
- Current Excel tool does not allow for robust validation of the data;
- No building history is maintained;
- It is onerous to extract data from and create meaningful reports;
- It is difficult for agencies to import data from existing systems; and
- There are no relationships among other OFM systems, including financial systems, to allow for comparison of information.

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Business Needs

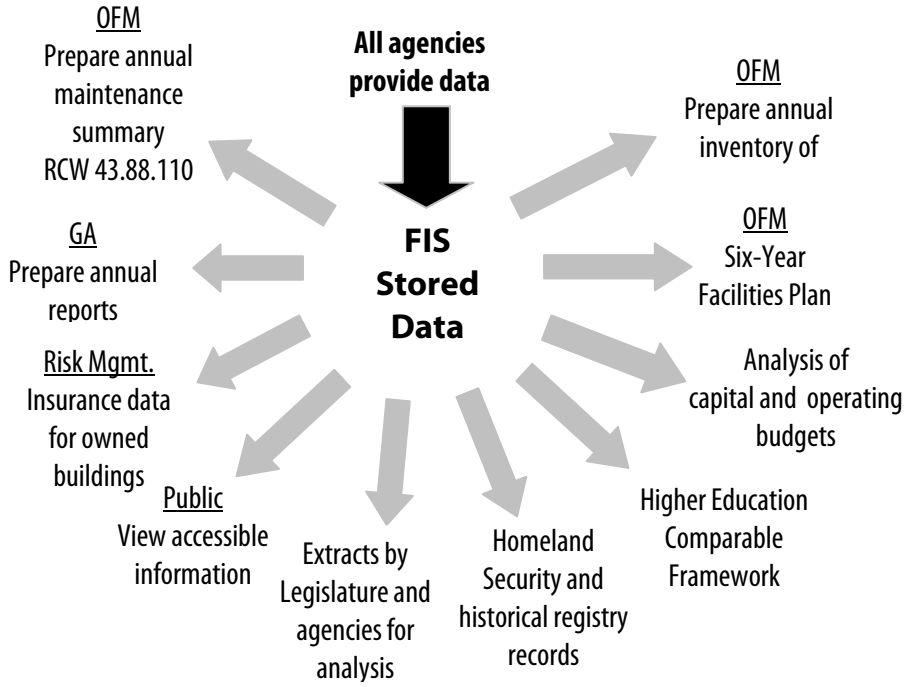
2.1 Business Opportunities

The 2007 facilities inventory report lists a total of approximately 107 million square feet of facilities, both owned and leased, with 22.7 million square feet of office and warehouse space. More than 11,600 facilities were reported. If Washington follows the trends in other states, this information is likely underreported. An incomplete inventory can lead to missed opportunities. For instance, the state of Georgia developed a facilities inventory system in 2006. Before then, Georgia estimated it had approximately 11,000 buildings. When the inventory was complete, the actual number exceeded 19,000. In addition, Georgia was able to consolidate facilities and leases, resulting in greater efficiency of state resources.[1]

A more robust tool could allow for better analysis of space use efficiency, collocation opportunities, consolidated lease negotiations, and additional leasing versus ownership considerations. In addition, by consolidating the location(s) of information stored, this tool could be used to meet additional reporting requirements and conduct analysis (see Diagram B).

Diagram B

Expanded Uses of Facility Inventory System (FIS)



[1] *"Do you know what you own*?" Governing Magazine, January 2007

2.2 System Objectives

The FIS is a system for collecting and sharing data about facilities. The data is used for analysis of capital and operating budgets, six-year strategic facilities planning, and various facilities oversight analysis and reporting functions. The objectives for an enhanced FIS include:

- Improve the quality and reliability of the data with functions such as data validation and help tools that define the data elements;
- Maintain history, including date stamping and creating new records for data entries;
- Increase the amount of information collected about facilities, including common data elements needed for reports by the Military Department, Department of General Administration (GA), and internal OFM programs, as feasible;
- Create reporting functionality;
- Link to OFM financial systems, and import from and export to agency systems; and
- Ensure that the information is accessible to the public, Legislature, OFM divisions, state agencies, and higher education institutions.

2.3 Functional (Business) Requirements

The facilities data elements to be collected will be further defined in the initial phase of the implementation plan. A preliminary list of the elements to be considered is provided in Attachment C.

The business requirements address these data elements:

1. Collection;
2. Validation and editing;
3. Viewing, reporting, and extraction; and
4. Historical retention.

The following table displays the functional requirements and their relationship to the system objectives. Key aspects of the future FIS system are displayed in Diagram C on page 11.

Business Requirements

Requirements	System Objectives & Explanations
1. Provide collection of data	• **Reduce administrative burden of reporting and cleaning up data.** • **Collect additional data, including data needed by the Military Department, GA, and internal OFM programs, as feasible.**
1.1 Collect all required data or have the flexibility to add fields and implement related business rules.	All elements of current system must be included. In addition, new data elements may be added for Six-Year Strategic Facilities Planning, risk management-insurances data, Homeland Security reporting, annual lease reporting by GA, Higher Education Comparative Framework, etc.
1.2 Support rapid, direct entry of multiple facilities.	Organization of screens and data entry features should assist entry of multiple facilities. For cost data, support interface with state accounting system.
1.3 Support electronic importing of data.	Many agencies with greatest number of facilities can submit data via imports.
1.4 Support attachment of documents and photos.	Intent is to provide comprehensive information by facility.
1.5 Support updating of data as needed.	Some agencies may continue to complete annual update; others may enter data more frequently.
1.6 Identify geographic location of facility.	At a minimum, system should provide geographic coordinates for a facility's location. While ideal, is optional for system to display location on a map.
1.7 Provide and maintain historical data.	Data needs to be identified by date and retrievable for more than one year.
2. Provide validation, editing and auditing of data	**Improve quality and reliability of data.**
2.1 Validate standard identifier codes.	Standardize data entry by selecting from lists of standard identifiers and names, etc., such as standard agency numbers, county numbers, Homeland Security districts, etc.
2.2 Support confirmation and editing of data.	For example, display final entered version for confirmation, provide cut and paste features, flag questionable entries.
2.3. Provide on-screen help to guide where to get data to enter and provide definitions.	For example, the on-screen help tool "hover-over" provides explanation of the selected field and searchable instructions or drop down help menu.
2.4 Provide a "Notes" space for sources of data.	Intent is to support data continuity.
2.5 Identify duplicate facility entries. Support a statewide, single facility identifier.	Agencies identify facilities in various ways, which leads to duplicate entries when data is compiled at the state level. A single facility identifier is needed. For example, the agencies' identifiers can be retained but cross-walked to a system-generated identifier assigned for state reporting.

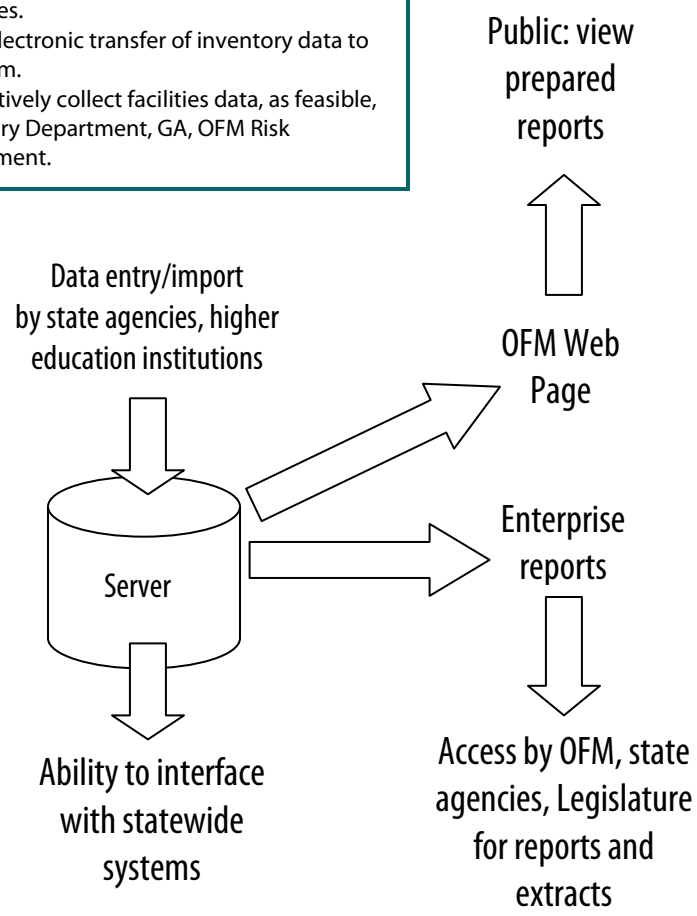
Business Requirements

Requirements	System Objectives & Explanations
3. Provide viewing, reporting and extraction of data	**Ensure information is accessible to public, Legislature, OFM divisions, state agencies, and higher education institutions.**
3.1. Support data extraction through a Web-based download.	Data needs to be accessible and "self-service" to increase convenience and reduce staff handling.
3.2 Interface with OFM's standard reporting system to generate and display reports.	Requirement is to use existing reporting systems rather than build unique capabilities.

Diagram C
Key Aspects of Future FIS

System objectives for data entry

- Improve accuracy and consistency of facilities inventory data.
- Collect data required to support OFM oversight of facilities.
- Enable electronic transfer of inventory data to FIS system.
- Cooperatively collect facilities data, as feasible, for Military Department, GA, OFM Risk Management.



System objectives for reporting

Ensure information is accessible to the public, Legislature, OFM divisions, state agencies, higher education institutions.

System objective for linkages

Enable linkages to OFM accounting and budget systems to support analysis, monitoring, decision making.

2.4 Non-Functional (Technical) Requirements

The proposed solution must be compatible with OFM and Washington state information technology policies and standards. For this report, non-functional requirements take into account:

- OFM standard Intel-based hardware with Microsoft Windows 2003 Operating Systems on all servers;
- OFM VM-Ware data center environment;
- OFM platform configuration, which consists of hardware load balancing, 2.8 GHz two and four Dual Core Processors, and up to 16 GB Random Access Memory;
- Microsoft SQL 2000 or greater;
- OFM uses a Business Objects XI and Business Objects environment for ad hoc queries and reporting, respectively. The proposed solution must be capable of functioning properly in this environment;
- The proposed solution must support the state's adopted standards for client workstation operating systems using Microsoft's Windows XP and Vista, and Internet browser environments using Microsoft's Internet Explorer versions 6.x and greater;
- Thin client architecture is the OFM preferred model. This means the server is used for processing activities and the application mainly focuses on conveying input and output between users and the remote server; and
- Scalability and expandability to accommodate additional functionality and interfaces.

2.5 System Constraints

A summary of system constraints is based on the scope of the inventory, state and OFM policy, and the timeline. These constraints should be considered in the evaluation of replacement systems.

Architecture:
The solution must accommodate the architecture direction and standards set by OFM. In addition, the recommended solution should use OFM's Enterprise Reporting system for its management/enterprise reports.

Implementation timeline:
If this report's recommendation is adopted and funded during the 2009 legislative session, the earliest date that implementation can begin is July 2009. Per RCW 43.82.150, OFM must produce an inventory report to the Legislature by October 1, 2010.

2.6 Potential System Enhancements (Out of Scope)

At this time, the scope is limited to the creation of a replacement FIS. Additional systems elements were identified through the course of developing this report. These elements are considered enhancements not critical to establishing an inventory. However, adding these elements could allow for more comprehensive, strategic portfolio management and decision making. Elements to consider for future releases, include, but are not limited to the following:

- Expanded scope to include land;
- Linkage to fiscal systems to allow for direct expenditure information related to leases, operations, and maintenance for facilities (capability to link is included in scope; actual linkages require improvements to financial systems);
- Geospatial (GIS) mapping tool;
- Project tracking for significant facilities projects;
- Condition assessment tool for buildings;
- Detailed information on occupied and vacant spaces through floor plans; and
- Energy and utility tracking.

2.7 Other Considerations

The 2008 Capital Budget requires the Joint Legislative Audit and Review Committee (JLARC) to complete a project to define and develop a facilities condition assessment and inventory system for K-12 public school facilities. OFM has reviewed the study's basic requirements and discussed the project with JLARC staff. Some elements of the two systems may overlap. However, many elements of the JLARC study are unique to the school systems and would not apply to the state's larger subset of data.

Due to variations in the timelines for these systems recommendations, a full evaluation of commonalities and differences could not be completed for this report. However, while not included in the current scope, the OFM system could allow for expansion capabilities to include K-12 elements, should it be appropriate. It could additionally allow the development of appropriate common data definitions across these systems for basic elements such as site, facility, etc.

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Alternatives

Research was conducted to identify how each systems alternative would address the systems objectives and meet the functional and non-functional requirements, as noted in Section 2. It was not the intent of this report to select a certain brand of software or to assume creation of a particular system.

3.1 Systems Researched

The research identified off-the-shelf software as a category and compared the development of a new system. The system evaluations were broad and included discussions with other states and governments; higher education institutions; and state agencies. Evaluations were also based on vendor information and discussions, and demonstrations of applications.

States contacted about their systems:

- Georgia, which uses its custom Building, Land and Lease Inventory of Property (BLLIP) system;
- Missouri, which uses modules of the Archibus, Inc., enterprise facilities and infrastructure management system; and
- Massachusetts, which uses FAMIS enterprise facilities management software.

Washington state agencies and institutions contacted about their systems:

- Department of Social and Health Services;
- State Parks and Recreation Commission;
- Department of Natural Resources, which uses the SAP Real Estate module for its revenue-generating sites;
- Department of General Administration;
- Department of Transportation, which uses the Real Property and Leasing module of Archibus;
- Office of Financial Management, which uses OP_EN for the Grants, Contracts, and Loan Management System;
- University of Washington;
- Central Washington University;
- Washington State Board for Community and Technical Colleges; and
- Office of the Superintendent of Public Instruction.

The initial assessment yielded the alternatives of Georgia's Buildings Land and Lease Inventory of Property (BLLIP) system and the category of enterprise systems that include facilities or asset management modules, such as Archibus and SAP.

3.2 Systems Eliminated from Consideration

The research eliminated BLLIP from consideration. Although it is similar in scope to the facilities inventory under consideration, it does not meet the non-functional requirements. It was not considered further as an off-the-shelf product. However, concepts from this application were assumed in the custom-build system.

The remaining systems for consideration were a custom-built system or an off-the-shelf product.

3.3 Evaluation Criteria

The solution was drawn from the material in this document and from these elements:

- Systems objectives;
- Each potential solution's fit to the requirements, both functional and non-functional;
- Constraints; and
- Solution costs and risks.

3.4 Analysis

Analysis of both options resulted in the conclusion that each can address systems objectives, requirements and constraints. However, the analysis determined that additional work would have to be done to an off-the-shelf product to meet the defined needs. This additional work includes modifications to:

- Achieve data validation. Validation of imported data will be needed as agencies continue to submit a compiled file of data rather than enter data individually for each site.
- Meet state standards. Adjustments would need to be made to include: the classification of agencies and their programs, maintain state standards for logon and security, or meet accommodations required by the Americans with Disabilities Act.
- Fully interface with Enterprise Reporting: Using the Enterprise Reporting module allows state agencies to use one portal to gain access to the data through reports. Most off-the-shelf software has built-in reporting capability and allows for interfaces to other reporting systems, but full functionality is unknown until the software is bought, then tested.
- Ensure user-friendly interfaces. User-friendly, self-teaching features are critical to serve multiple users. Data entry must be accurate and training time must be minimal to meet the system's goals.

In addition, it is unclear if off-the-shelf products will have the capability to be modified to meet future expansion needs. Extensive changes to off-the-shelf software may invalidate vendor support and increase the risk of unexpected effects of vendor upgrades. A custom-built solution can be created to accommodate all of these elements with development of the application.

Cost-Benefit Analysis

Key aspects of costs and benefits are discussed in the following sections and presented in summary tables. (Although discretionary, a full cost-benefit analysis was performed. It is available upon request.)

4.1 Core Cost Assumptions

Core assumptions used in the cost analysis are:

- Alternatives are to be implemented as illustrated in Diagram C on page 11;
- Both the off-the-shelf and developed systems were estimated to serve 50 or more concurrent users;
- No costs were included for external quality assurance. As noted in Section 5, the project is proposed as a Level 1 on the Severity and Risk Matrix of the State Information Services Board. As a Level 1 project, external quality assurance is at the "home" agency's discretion; and
- The project funding is provided in the next biennium (July 2009).

4.2 Baseline Cost of Existing FIS

The existing FIS process requires staff time to distribute the annual update, review the resulting reports, correct formatting errors, and consolidate the data into an Excel file. Based upon experience from the 2007 process, staff time is estimated at .2 FTE as a blend of IT analyst, facilities analyst, and support staff time. Current FIS costs are included in tables A and B on the following pages.

4.3 Cost of building a system

Estimated costs of building a system are included in Table A. Development provides data entry, importing, viewing, extracting and reporting through OFM's Enterprise Reports. The system would be Web-based, with no downloading required.

Important cost considerations of the custom-built product are that:

- OFM will have additional expenses for staff and operating costs; and
- Agencies will have additional expenses for maintenance as outside vendor support will not be available.

4.4 Cost of off-the-shelf, enterprise module

Estimated costs of an off-the-shelf enterprise module are listed in Table B on page 20.

Important cost considerations of the off-the-shelf product are:

- Modifications would be required for definition differences and to adapt the system to the state's organizational structure;
- Purchased software would deliver a means of entering data and a programming structure to operate the system, but the interface and Web pages would need to be programmed;
- Hardware and software to support the Web-based software would need to be maintained;
- Training of new users on an on-going basis would still be required; and
- The off-the-shelf system would be Web-based, with no downloading of the system onto the desktop PC.

4.5 Cost-Benefit Analysis

By informing these executive decisions with facilities inventory information, OFM expects to reduce the rental of excess space and vacancy in state-owned property. In addition, a clear understanding of rates being negotiated by state agencies could lead to more effective lease negotiations. Both have the potential to reduce facilities' costs.

Of the more than 100 million square feet of state-owned and leased facilities space reported statewide in 2007, approximately 21 million square feet are in office space. At an average 2007 value of $18.34 per square foot, this totals $385.1 million of state obligation. OFM analysis using this data is estimated to affect one-half (0.5) percent of this value over six years. Therefore, the cost avoidance amount used in the cost-benefit analysis is $320,950 for each of six years.

Table A: Summary of Costs to Build an Improved Facilities Inventory System

Expense	Obj. Code	FY 2009 Operate Existing	FY 2010 Build New	FY 2011 Maintain New	FY 2012 Maintain New	FY 2013 Maintain New	FY 2014 Maintain New
Salaries/Wages	A	17,220	216,216	46,020	46,020	46,020	46,020
Employee Benefits	B	4,092	53,364	11,052	11,052	11,052	11,052
Personal Service	CA	0	0	0	0	0	0
Communications	EB	0	0	0	0	0	0
Hardware Rent/Lease	ED	0	0	0	0	0	0
Hardware Maintenance	EE	0	0	0	0	0	0
Software Rent/Lease	ED	0	0	0	0	0	0
Software Maint./Upgrade	EE	0	0	0	0	0	0
Goods/Services	EL	0	0	0	0	0	0
Training	E		3850	800	800	800	800
DIS Costs for Storage Use Area Network (SAN)	E		5,000	5,000	5,000	5,000	5,000
Goods/Services Other	E	0	12,000				
Travel	G	0	1,400	250	250	250	250
Hardware Capitalized	JC	0	0	0	0	0	0
Software Capitalized	JC	0	0	0	0	0	0
Hardware NonCap (VM Replacement)	KA	0	15,600	3,600	3,600	3,600	3,600
Software NonCap	KA	0	5,000	0	0	0	0
Hardware Lease/Purchase	P	0	0	0	0	0	0
Software Lease/Purchase	P	0	0	0	0	0	0
Administrative Costs	T	9,590	121,311	25,682	25,682	25,682	25,682
Total		30,902	433,741	92,404	92,404	92,404	92,404
FTEs		.2	2.75	.55	.55	.55	.55

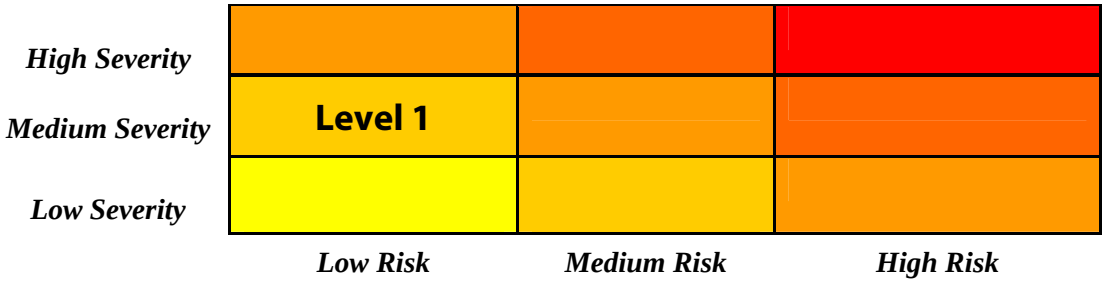
Table B: Summary of Costs to Buy Off-the-Shelf Software and Modify

Expense	Obj. Code	FY 2009 Operate Existing	FY 2010 Buy/Modify New	FY 2011 Maintain New	FY 2012 Maintain New	FY 2013 Maintain New	FY 2014 Maintain New
Salaries/Wages	A	17,220	77,196	3,313	3,313	3,313	3,313
Employee Benefits	B	4,092	19,200	814	814	814	814
Personal Service	CA	0	0				
Communications	EB	0	0				
Hardware Rent/Lease	ED	0	0				
Hardware Maintenance	EE	0	0				
Software Rent/Lease	ED	0	225,535	40,634	40,634	40,634	40,634
Software Maint/Upgrade	EE	0	12,071				
Goods/Services	EL	0	0				
Training	E	0	3,850	800	800	800	800
DIS Costs for Storage Use Area Network (SAN)	E	0	5,000	5,000	5,000	5,000	5,000
Goods/Services. Other	E	0	18,897				
Travel	G	0	0				
Hardware Capitalized	JC	0	0				
Software Capitalized	JC	0	0				
Hardware NonCap	KA	0	0				
Software NonCap	KA	0	0				
Hardware Lease/Purchase	P	0	0				
Software Lease/Purchase	P	0	0				
Administrative Costs	T	9,590	43,378	22,285	22,285	22,285	22,285
Total		30,902	405,127	72,846	72,846	72,846	72,846
FTEs		.2	1.0	.5	.5	.5	.5

Assessment of Risk

The risk of the investment is assessed using the Severity and Risk Matrix of the Information Services Board, State Department of Information Services (instructions are available at http://www.isb.wa.gov/policies/portfolio/101S.doc). The FIS project is medium impact/severity and low risk, as follows:

Proposed Redevelopment of Facility Inventory System



Considerations to place the rating at a ***medium severity/impact*** include:

- Limited requirements for periodic reporting (but at least annually);
- No support of daily transactions needed by agencies in the conduct of their business; and
- Use of Web-based technology that is widely accessible but does not require downloads onto desktop equipment or risk affecting agencies' other installed programs.

Considerations to place the rating at a ***low risk*** include:

- Clarification of business definitions for the inventory but not extensive change of business rules (is a data reporting, not a business transaction system);
- Investment value is within OFM's delegated authority;
- Development and implementation are completed in 12 months;
- Development will use standard, proven agency technology; and
- Strong executive sponsorship is available and project staff will use documented processes to mitigate risk.

According to the policies of the Information Services Board, oversight and requirements for a Level 1 project are as follows:

Oversight Levels

	Justification and Approval Decision	Study and Project Management Approach/Execution	Oversight
Level 1	Agency executive approval with option of DIS consultation	Agency-defined methods	• Internal quality assurance at agency determination • Agency may report project as part of portfolio

Requirements for Level 1 Oversight

Agency discretion	• Feasibility study • Quality assurance • In portfolio • Oversight • Project reporting and status • Key meeting participation by DIS Management and Oversight Strategic Technologies Division (MOSTD) staff
Agency internal	Approval level
Recommended	Investment plan

Recommended Facilities Inventory System Solution

6.1 Recommendation

The recommended solution is to custom build a system to meet the objectives and requirements listed in Section 3.4.

Given that costs of alternatives developed in Section 4 are comparable, this recommendation is based primarily upon the analysis and considerations documented in Section 3.

6.2 Implementation Plan to Build a System

The Gantt chart in Diagram D on page 25 plans development to start in July 2009, and culminates with a first inventory report to the Legislature by the October 1, 2010, deadline. This assumes that funding is provided in the 2009–11 biennial budget. The plan provides for the following:

Project Initiation:
The development team will be managed by OFM. A customer team will be established to represent users of the system and the data.

Requirements Gathering:
Three months of advance work will occur to further define system requirements. This work will address common definitions for data, how data will be validated, details of the data collection and importing process, and the frequency of system use. This work will be critical to improving data quality and reliability. Costs of the advance work were estimated at the "product consultant" level.

System Development:
Development will occur over 12 months and include all key features in Release 1. No additional feature releases are estimated at this time.

Testing:
Release 1 will be preceded by a beta release to key users.

Training:
Initial training in applying standard definitions and system use will be provided to an estimated 150 users. The training will be conducted by the OFM development team. Instructions will be developed and distributed to agencies and will be available with the application.

Reporting:
The first report to the Legislature will be made by the October 1, 2010, deadline.

Public Access:
Web-based access to the data will be made available to all users, including the Legislature, state agencies, and the public. This access may be in the form of reports summarizing the data.

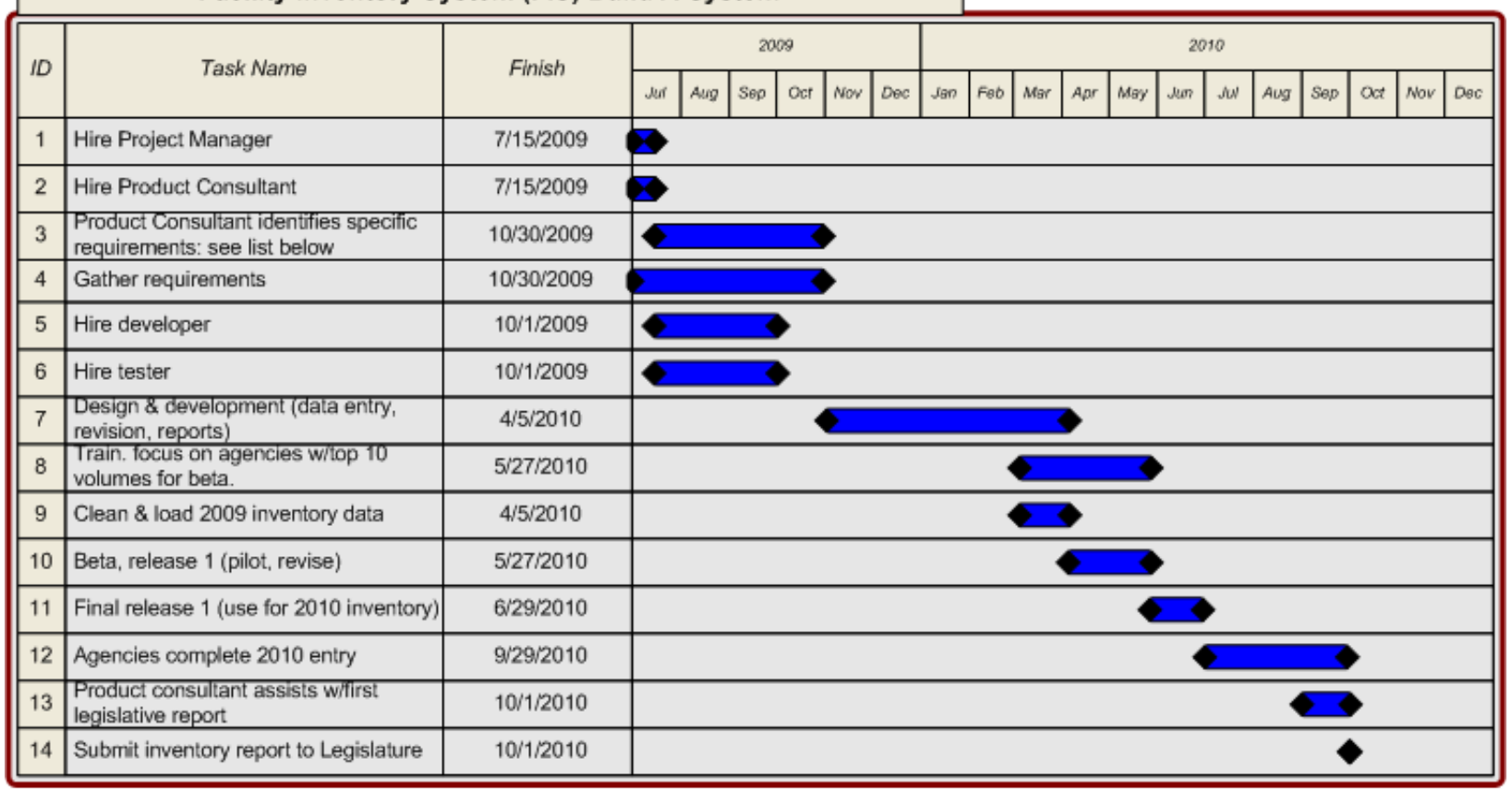
Maintenance Support:
Ongoing support will include the continued time, but at reduced levels, of the project manager and a developer, and portions of time of the product consultant/IT support person and facilities analyst. Annual training will be provided.

Diagram D

Systems Implementation Timeline

Facility Inventory System (FIS) Build A System

ID	Task Name	Finish
1	Hire Project Manager	7/15/2009
2	Hire Product Consultant	7/15/2009
3	Product Consultant identifies specific requirements: see list below	10/30/2009
4	Gather requirements	10/30/2009
5	Hire developer	10/1/2009
6	Hire tester	10/1/2009
7	Design & development (data entry, revision, reports)	4/5/2010
8	Train. focus on agencies w/top 10 volumes for beta.	5/27/2010
9	Clean & load 2009 inventory data	4/5/2010
10	Beta, release 1 (pilot, revise)	5/27/2010
11	Final release 1 (use for 2010 inventory)	6/29/2010
12	Agencies complete 2010 entry	9/29/2010
13	Product consultant assists w/first legislative report	10/1/2010
14	Submit inventory report to Legislature	10/1/2010



Project Mgr.	FY 2010 .5 FTE	FY 2011 .15 FTE
Product Consultant	FY 2010 1.0 FTE	FY 2011 .25 FTE
Tester	FY 2010 .5 FTE	FY 2011 0 FTE
Developer	FY 2010 .75 FTE	FY 2011 .15 FTE

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Recommendations for Improved Accountability and Evaluation

In addition to the facilities inventory system analysis and recommendations, this report is required to make recommendations on improvements to increase accountability and assist in the evaluation of budget requests and facility management by the Governor and Legislature.

The most significant improvements to boost accountability and evaluation are those already outlined in SHB 2366, which include implementation of the six-year strategic facilities plan; requirement for a modified pre-design for new facilities, relocations, and expansions; and additional portfolio management through facilities oversight. Each of these is being implemented.

OFM, in partnership with GA, has identified a need to review the process for acquiring leased space. This may include processes for more formal project management and monitoring. The Six-Year Strategic Facilities Plan, due January 1, 2009, will include additional recommendations for improvements to oversight and acquisition of facilities.

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Attachment A: Statutes

RCW 43.82.150 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 owned or leased facilities utilized by state government. At a minimum, the inventory system must include the facility owner, location, type, condition, 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 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) All agencies, departments, boards, commissions, and institutions of the state of Washington shall provide to the office of financial management a complete inventory of owned and leased facilities by September 1, 2010. The inventory must be updated and submitted to the office of financial management by September 1st of each subsequent year. The inventories required under this subsection must be submitted in a standard format prescribed by the office of financial management.

(3) The office of financial management shall report to the legislature by September 1, 2008, on recommended improvements to the inventory system, redevelopment costs, and an implementation schedule for the redevelopment of the inventory system. The report shall also make recommendations on other improvements that will improve accountability and assist in the evaluation of budget requests and facility management by the governor and the legislature.

(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.

[2007 c 506 § 7; 1997 c 96 § 2; 1993 c 325 § 1.]

Notes

Findings -- Intent -- 2007 c 506: "The legislature finds that the capital stock of facilities owned and leased by state agencies represents a significant financial investment by the citizens of the state of Washington. Capital construction projects funded in the state's capital budget require diligent analysis and approval by the governor and the legislature. In some cases, long-term leases obligate state agencies to a larger financial commitment than some capital construction projects without a comparable level of diligence. State facility analysis and portfolio management can be strengthened through greater oversight and support from the office of financial management and the legislature and with input from stakeholders.

The legislature finds that the state lacks specific policies and standards on conducting life-cycle cost analysis to determine the cost-effectiveness of owning or leasing state facilities and lacks clear guidance on when and how to use it. Further, there is limited oversight and review of the results of life-cycle cost analyses in the capital project review process. Unless decision makers are provided a thorough economic analysis, they cannot identify the most cost-effective alternative or identify opportunities for improving the cost-effectiveness of state facility alternatives.

The legislature finds that the statewide accounting system limits the ability of the office of financial management and the legislature to analyze agency expenditures that include only leases for land, buildings, and structures. Additionally, other statewide data systems that track state-owned and leased facility information are limited, onerous, and inflexible.

Therefore, it is the intent of the legislature to strengthen the office of financial management's oversight role in state facility analysis and decision making. Further, it is the intent of the legislature to support the office of financial management's and the department of general administration's need for technical expertise and data systems to conduct thorough analysis, long-term planning, and state facility portfolio management by providing adequate resources in the capital and operating budgets." [2007 c 506 § 1.]

Findings -- Purpose--1997 c 96: "The legislature finds that the capital stock of facilities owned by state agencies represents a significant financial investment by the citizens of the state of Washington, and that providing agencies with the tools and incentives needed to adequately maintain state facilities is critically important to realizing the full value of this investment. The legislature also finds that ongoing reporting of facility inventory, condition, and maintenance information by agencies will improve accountability and assist in the evaluation of budget requests and facility management by the legislature and governor. The purpose of this act is to ensure that recent enhancements to facility and maintenance reporting systems implemented by the office of financial management, and a new program created by the department of general administration to provide maintenance information and technical assistance to state and local agencies, are sustained into the future." [1997 c 96 § 1.]

Attachment B: Documents Relating to Facilities Data

The following sources of information were used in the development of this document:

"Capital Planning and Budgeting: Study of Leasing Versus Ownership Costs," the Joint Legislative Audit and Review Committee, Report 95-16, December 1995.

Focused on the economic analysis the state has used in evaluating leasing and ownership alternatives for government facilities. One finding was that facilities data is inconsistently defined.

"Facility Inventory System Assessment," Brewer Consulting Services, LLC, June 2003.

A technology feasibility study that recommended immediate replacement of the outdated diskette process and consideration of a state facilities management system to be used by all state agencies, higher education institutions, and boards and commissions for their daily facilities management work and state-level facilities reporting. It did not define specific requirements for daily facilities management, but recommended improvements in the oversight of the collection of facilities data, and cited concerns by legislative staff about the quality of the data, including: non utilization of FIS Information, timely receipt of information, data integrity, completeness of the data, and accuracy of the data

"Capital Asset Management System Feasibility Study," Sierra Systems Inc., June 2004.

A technology feasibility study that included the Facility Inventory System in the larger scope of a replacement for OFM's CAMS (Capital Asset Management System). It recommended a state asset management system to be used by agencies and boards and commissions for their daily inventorying and tracking of assets, as well as state-level asset and facilities reporting. It did not address specific requirements for daily facilities management; but addressed only the annual facilities inventory needs.

"Performance Audit of Capital Budget Processes," by the Joint Legislative Audit and Review Committee, Report 05-7, February 2005.

Its recommendation directly related to availability of reliable facilities data: "The Office of Financial Management should develop a plan in consultation with fiscal committees and agency capital officers to address weaknesses in oversight that are outlined in this report. The plan should address the following issues:

- Aligning resources to program workload;
- Identifying and institutionalizing procedures and best practices;
- Creating easily accessible, reliable information systems;
- Developing statewide performance measures for all capital projects; and
- Evaluating projects earlier in the planning phases."

"State of Washington Strategic Facilities Planning and Management System," Berk & Associates, October 2007.

A process and implementation plan to accomplish OFM's expanded responsibilities under the 2007 legislation, SHB 2366, to strengthen oversight of facilities owned and leased by the

state. The “system” in the title refers to the process and not to an automated system. The document makes broad recommendations about the need to develop and maintain a comprehensive facility inventory and asset management system in its Action #4. These recommendations include a Web-based facilities inventory system with an enterprise approach and a process that requires ongoing rather than annual updates. The system should have the ability to:

- Search the records;
- Vary access for different users and needs;
- Generate reports to aid in long-range planning and management decision making;
- Retain historical and current information; and
- Maintain additional data elements related to square footage, buildings, locations, ownership, and planned and needed facilities improvements.

Attachment C: Current Facilities Inventory System Data Elements

Data Elements in 2007 Facility Inventory System

Title	Application	Description
Agency	owned and leased	Agency number.
Agency name	owned and leased	Agency name (Could change to entity to include non-state agencies).
Site ID #	owned and leased	Site identification used by agency. Facility ID must be unique for each site (no duplicate codes). Maximum of 16 characters.
Site name	owned and leased	Common site name used by agency.
Facility ID #	owned and leased	Facility identification used by agency. Facility ID must be unique for each site (no duplicate codes). Maximum of 16 characters.
Facility name	owned and leased	Common facility name used by agency.
Street address	owned and leased	Physical street address of site or most prominent building on site.
Address 2	owned and leased	Additional address information, if pertinent.
City name	owned and leased	Name of city/town in which site is located.
City code	owned and leased	4-digit city code identifying city/town in which site is located. Enter 0003 if site is located in an unincorporated area. Enter 9999 for sites located outside Washington state.
Zip-Plus 4	owned and leased	Minimum of 5-digit zip code is required. Include additional 4-digit geographic segment locator code, if known.
County name	owned and leased	Name of county in which site is located.
County code	owned and leased	2-digit county code identifying county in which site is located. Enter 99 for sites outside Washington state. (See Table 2.)
Legislative district	owned and leased	3-digit code indicating state legislative district in which site is located. Enter 099 for sites outside Washington state. If unsure about legislative district, use the Legislature's district finder at http://www1.leg.wa.gov/legislature/.
GIS code: Latitude	owned and leased	Latitude coordinate in decimal degrees of the facility. Latitude and longitude location coordinates in decimal degrees are required so GIS software can match facility information with data on hazards. Such coordinates are required for all hazard mitigation project applications submitted to FEMA.

Data Elements in 2007 Facility Inventory System (continued)		
GIS code: Longitude	owned and leased	Longitude coordinate in decimal degrees of the facility.
Client capacity	owned and leased	Total site capacity (if any), not current population.
Acreage	owned and leased	Total acreage to the nearest one-tenth of an acre.
Usable Sq. Ft.	owned and leased	Total net assignable or rentable square feet of space in facility.
Gross Sq. Ft.	owned and leased	Total gross square feet of the building area contained in facility.
Registered for historic places	owned and leased	Is the facility on the Register for Historic Places or eligible to be on the register (at least 50 years old)?
Homeland Security region	owned and leased	State Homeland Security region of the county where facility is located.
Ownership code	owned and leased	1-digit code indicating if site is owned (O), leased (L), or not applicable (N).
Site purchase price	owned only	Purchase price for site.
Condition	owned only	Condition assessment.
Construction date	owned only	Date of original construction of facility. Use date of initial occupancy.
Purchase date	owned only	Date of purchase of facility if not state constructed. If state constructed, use date of initial occupancy.
Const/purchase cost	owned only	If land only, use the cost for land. If single facility, include land cost with facility. If more than one facility per site, omit land cost.
Renovation date	owned only	Major renovation means making changes to major components of a facility. Costs for major renovations exceed 60 percent of the replacement cost of the facility and include work on the basic building components, such as the structural, HVAC, or electrical systems. Projects which cost less than 60 percent of replacement cost or contain components such as portable partitions, portable equipment, and furnishings that do not contribute to the basic structure are not a major renovation and should not be reported.
Renovation cost	owned only	Facility cost of last major renovation.
Replacement cost	owned only	Cost to replace the asset.
Lease type	leased only	One-digit code indicating facility lease type.
Lease date	leased only	Starting date of lease expressed as MM/DD/YYYY.
Lease term	leased only	Lease term expressed as YYMM.

Data Elements in 2007 Facility Inventory System (continued)		
Agency notes	owned and leased	Agency comments.
Essential facility	owned and leased	Essential per RCW 36.70A.200.
Space type	owned and leased	Put the respective space use in order from most to least.
User agency	owned and leased	Use up to 10 codes for agencies that occupy the facility. Report this if more than one agency or user is different than reporting agency.

Potential Data Elements

Below is a list of data elements likely to be considered in the development process:

Title	Application	Description
Site ID number	owned and leased	Unique identifier to each site to tie to other systems.
Facility ID number	owned and leased	Unique identifier for each facility on a site to tie to other systems.
Additional building information	owned and leased	Information about building, such as number of floors, square footage per floor, and security features; multiple data elements.
Capital project information	owned	Description and completion date of last preservation project, cost, and how financed.
Owner information	owned and leased	Information about legal ownership, parcel number; multiple data elements.
Lease terms	owned and leased	Information about lease terms with information about lessor and lessee. Should include state properties leased to and from private entities as well as state agencies.
Occupant information	owned and leased	Information about various tenants in facility and how they use space; multiple data elements.
Historical preservation	owned and leased	Information about building's historical status; multiple data elements.
Costs	owned and leased	Information about costs to own or lease and operate each site/facility; multiple data elements.
Usage information	owned and leased	Information about how a site is used, such as number of workspaces for office space or amount of usable space.
Higher Education Comparable Framework	owned	Information from the Higher Education Comparable Framework.

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