State of Washington
Office of Financial Management

2015 Modified Pre-design Instructions

November 2015

Table of Contents

SECTION 1

MODIFIED INTRODUCTION TO THE PRE-DESIGN

1.1 PURPOSE

Facilities owned and leased by state agencies represent a significant financial investment by the citizens of Washington. To manage this investment by using state facilities to their fullest potential before acquiring new facilities whenever possible, the Office of Financial Management (OFM) is required to establish and maintain a process for the approval of new space.

A modified pre-design (MPD) is a set of documents an agency completes to seek approval from OFM to acquire, expand or relocate a state facility through lease or purchase. The documents summarize the main elements of an agency's facility request. The MPD is required by RCW 43.82.035. State agencies must submit a MPD before beginning the process of acquiring a facility.

Approved MPD materials are provided to the Legislature for its information and to the Department of Enterprise Services (DES) and other agencies with real estate authority to initiate projects. In some cases, the approved MPD is also shared with local governments, community groups or stakeholders.

1.2 PREPARING TO COMPLETE A MODIFIED PRE-DESIGN

The process of preparing an MPD involves data collection, analysis, organization, communication and evaluation. Through this process, viable alternatives to meeting your agency's business needs are explored. Before starting an MPD, an agency should arrange a meeting with its assigned OFM facilities analyst to discuss business need, scope, funding, schedule and alternatives. While the MPD is being developed, consultation with the OFM facilities analyst is strongly encouraged.

The MPD's writer should discuss the following key concepts with agency leadership.

BUSINESS NEED AND FACILITIES ALTERNATIVES

The writer should work with his or her agency to ensure a thorough understanding of the business need, define the number of users (including staff, contractor and volunteers) who need space, articulate the unique program needs and describe how the request for space supports the agency's strategic plan. A well-developed MPD is prepared with input from program, facilities, budget and human resources staff.

If legislative action is the basis for the request, the writer should ensure he or she has a clear understanding of legislative direction and intent.

If building condition is the basis for the request, the writer should ensure that an assessment of building condition is conducted.

The writer should explore all viable alternatives. This includes an option to fill existing state owned or leased space and an option where the state takes no action. In most cases, a minimum of three alternatives should be provided.

WORKPLACE STRATEGY

The state is striving to create efficient, purpose-drive modern workplaces. To support this effort, OFM encourages agencies to consider their workplace strategy before completing the MPD. Workplace strategy is the dynamic alignment of an organization's work patterns with the work environment to enable peak performance and optimize costs. Put another way: Workplace strategies are tools to create a culture and behaviors that an agency desires to get the work done.

When preparing an MPD, you should consider your agency's workplace strategy. To help the agency define its workplace strategy, you may consider:

- Engaging staff to understand the work performed in the space and identify where people conduct that work.
- Evaluating the use of additional opportunities for flex work, mobile work or telework.
- Discussing with leadership the culture desired in the workplace.
- Identifying current information technology solutions to promote mobility.
- Consulting with human resource staff to ensure alignment with recruitment and retention policies and practices.
- Discussing with records management staff how to reduce paper file storage.
- Consulting with the OFM workplace strategist for more strategies to optimize the space.

1.3 Modified Pre-Design Review Process

An OFM facilities analyst will review all documents submitted, seek additional information as needed and conduct an analysis. Successful requests:

- Are complete when submitted.
- Have a clear explanation of the problem or opportunity.
- Demonstrate a strong business case for the preferred alternative.
- Define a preferred project scope and reasonable timeline.
- Include realistic alternatives that were considered.
- Define ongoing cost and one-time costs.
- Document funding (by fund source).
- Are signed by the agency's fiscal authority and the director or designee.

During the OFM review process, changes or additional information may be required before the MPD is approved. OFM may seek additional input from your agency or other stakeholders when evaluated the request including DES where appropriate. Agencies should make appropriate allowance for the time and resources involved in this part of the process.

The review and approval process will typically take 30 or fewer days. Requests that are documented in the current Six-Year Facilities Plan will usually take fewer days and usually require less rework by the agency. If the request is not included in the Six-Year Facilities Plan, agencies are required to explain the circumstances that prevented earlier inclusion. Requests greater than 20,000 square feet or pending budget approval could take longer than 30 days to approve.

After a project is approved, it will be forward to the appropriate real estate authority to implement.

Modified Pre-Design Tools

2.1 Overview

The modified pre-design is typically composed of two forms. The first is the MPD, which defines the problem, alternatives considered and the business case for the preferred alternative. The second is the Space Planning Data Sheet, which documents the agency's space needs, including user, workspace and other spaces necessary to support the agency's programs. The table below illustrates which documents must be provided for OFM to evaluate the request.

Request Type	Documents Required
Standard request for under 500 SF	Modified Pre-Design Form
Standard request for more than 500 SF and less than 20,000 SF	Modified Pre-Design Form Space Planning Data Sheet
Standard request for more than 20,000 SF	Modified Pre-Design Form Space Planning Data Sheet Life-Cycle Cost Analysis
A request for 12 months or fewer and under 500 SF	Temporary request memo
A request for 12 months or fewer and over 500 SF	Temporary request memo Space Planning Data Sheet
Emergency request for space to be occupied immediately	Emergency request memo

Note: Projects that meet the capital requirements for predesigns on major facility projects with an estimated project cost of $5 million or more are not required to have an MPD.

2.2 Modified Pre-Design Form

The MPD form is similar to a budget decision package. It is the place for the agency to make a persuasive case for acquiring space. Whenever possible, the request for space should be aligned with the current Six-Year Facilities Plan, the agency's strategic plan and its workplace strategy.

Below is a section-by-section summary along with tips for completing the MPD form. All standard requests must have a completed MPD form.

Section One – Project Summary

The project summary provides a basic overview of the space being requested. It includes contact information, space type information, square footage, cost estimates and basic lease terms. It is important that all fields in this summary are complete.

Tips

- Rentable square footage should be collected from the Space Planning Data Sheet.
- Annual and ongoing costs should match the total numbers from Section 3 – Financial Information.
- The agency's real estate authority can assist the writer in gathering information on current facilities.

Section Two – Project Request and Business Need

The project request and business need should fully describe the space that is being requested, the purpose of the space and the problem being addressed with the acquisition of space. Responses should be thorough. Where applicable, identify legislative action that mandates the need for space (such as new laws, new budget funds, etc.).

Tips

- Real estate authorities typically estimate roughly 18 months to acquire space. If the request requires a quicker occupancy date, describe in detail the need for this shortened timeline in the first question.
- If the space request is for less than 500 square feet, provide a detailed description of the space being proposed in the second question (such as two cubicles or one conference room).
- While conducting market research is imperative to good decision making, the agency should not discuss specific facilities solutions or negotiate the terms of a lease with a private real estate broker or developer prior to submitting the MPD.
- Where appropriate, provide supporting details such as links to the caseload forecast, budget provisos, agency strategic plans or notifications from lessors when requested relocation is the result of market conditions.
- The OFM workplace strategist can assist in defining how workplace strategies can be implemented.

Section Three – Financial Information

The financial information should summarize the agency's current and anticipated ongoing costs and one-time costs, and describe how the project will be funded.

Tips

- General market data is available from OFM to assist an agency in projecting the ongoing costs of new or expanded space. OFM can also provide specific reports, upon request, to allow the agency to understand market conditions.
- Costs such as janitorial and energy can be difficult to estimate if the space that the agency will acquire is not known. To assist with completing this section, OFM has research available and can provide estimates of these costs by region.
- Lessors are required to provide parking in compliance with the local code. If additional parking is required, there is likely to be a cost. This cost should be included in the MPD document.
- Annual cost per square foot should be calculated by dividing the total annual cost by the square footage of the space.
- Contact your agency's budget office to complete fund source information. This should include a list of actual funds and, if applicable, their percentages. For example, an agency response may say something like the following:

  The ongoing costs for this building are anticipated to be 80 percent General Fund-State, and 12 percent unclaimed property and 8 percent timber taxes. The agency anticipates some revenue from partners may pay a portion of the ongoing costs.
- If your agency has done other facilities projects recently, contact your budget office to gather expenditure data from those projects to prepare one-time cost estimates. If you have no historic data, OFM can assist by providing comparable data from other recent MPD documents.
- If a future budget request is required to support the acquisition of the new space, OFM may put the facilities decision on hold, pending legislative action.

Section Four – Alternatives Considered

The alternative considered section is where the writer should describe all options considered. Each alternative should be briefly described and its pros and cons documented. The agency must consider taking no action as one of the alternatives.

Tips

- The facilities inventory provides the location of all state owned and leased facilities. This document is a useful tool for determining if an existing state-obligated facility could meet the agency's business needs.
- Agencies are encouraged to explore alternative space use concepts, such as shared workspaces, as an alternative to acquiring additional space.

Section Five – Authorization

The MPD must be signed by the agency's financial manager and director or designee before OFM will consider the request.

2.3 Space Planning Data Sheet

The Space Planning Data Sheet is required with most MPD submissions as identified in Section 2.1 above. This tool calculates the estimated usable and rentable square feet needed to meet the agency's business need. Data supplied in this document will help agencies to develop their space plan, OFM to evaluate agency requests for space and DES in the solicitation process. The tool consists of eight worksheets to address eight program needs.

Most worksheets provide a general guideline for what should be included and the size range at the bottom of each sheet. The worksheet will automatically calculate the totals. Complete only the worksheets that are needed for your project.

Below is a section-by-section summary and tips for completing the space planning data sheet.

Project Summary

This page is a roll-up of the data entered in the other worksheets.

Tips: The project tile, date and existing facilities total square feet should be the only data input on this worksheet. This information carries over to all the other worksheets.

Workspaces and Users

The workspace and users worksheet is the place where an agency identifies both the number of users and workspaces that are necessary in the new space to support the agency's business need. To assist agencies in completing this form, definitions are provided below.

User: Any person who routinely works in a facility for any amount of time and may or may not have a work space assignment. A user could be a state employee, a volunteer, a contractor or a community partner.

Work space: An office, cubicle, service counter or other work area where a user performs his or her assigned duties. Work space may or may not be assigned.

Touchdown space: A shared, unassigned work space used by mobile workers or visitors to conduct work on an irregular basis.

A square feet per space type guide is provided in the worksheet with suggestions on the size of individual work spaces.

Tips:

- Existing facility user and work space data should be a count from the current space(s). This should not be a reflection of the new space you are requesting in the first year.
- Consider reviewing the work patterns in the agency's existing space before completing the form. Explore opportunities to share work space when the work patterns suggest that the user does not regularly perform work within the work space.
- The bottom three lines of the worksheet contain a space for visitor work spaces. These fields should be completed only if there is a defined business need. These spaces should not be dedicated to a single user.
- When projecting growth over the five- and 10-year term, consider validating historic growth patterns using readily available sources such as caseload forecast data, fiscal.wa.gov or other agency data sources.

Conference, Training and Collaboration Space

The conference, training and collaboration worksheet is the place where an agency identifies both the type of spaces and the square footage that are necessary in the new space to support the agency's business need. To assist agencies in completing this form, definitions are provided below.

A square feet per occupant guide is provided in the worksheet with suggestions on how to size these areas.

Tips:

- Review the current conference room schedule or observe current work patterns to understand the use of these spaces. Where use is not at least 60 percent of the time, consider how these spaces may be reconfigured to better support the business.
- Consider breakout rooms as an alternative to individual private offices, where appropriate, for the work performed.
- If there is need for a unique technology need or a specific configuration, include this information in the additional notes column.

Storage, Files and Workrooms

The storage, files, and workrooms worksheet is where general storage, file space, mail rooms, supply areas and high-density file areas should be included.

Tips:

- Relocation is a great time to purge old files and other materials. Consult your agency records officer or review your agency retention schedule to identify what documents could be eliminated. This strategy could reduce your need for space for these items.
- If time allows, consider opportunities to image documents.
- If the agency has a need for high-density file space, describe the floor loading requirements in the addition notes column.

Other Office Support Areas

The other office support areas worksheet is where spaces such as general reception, wellness rooms, lunch/break rooms, LAN rooms and janitorial closets should be included.

Tips:

- Carefully consider the size of the agency's proposed LAN room. As technology has changed, the amount of space needed for this type of equipment has generally shrunk.
- Unless there is a specific program need, include showers only when an office is over 20,000 square feet.
- If the agency has a resource/library area, relocation is an ideal time to identify which materials will continue to add value and to find a way to recycle or discard other materials.

Program-Specific Areas

The program-specific areas worksheet is where an agency should identify those spaces that are unique to its business needs and would not easily fit into another worksheet. These spaces may include interview rooms, training rooms, evidence storage or a service delivery lobby.

Tips:

- Include restrooms in the request when they are a unique business need, such as a separate set of client restrooms or a urinalysis room. Standard office restrooms are assumed in the load of the building.
- If the agency has specific configuration or equipment needs within the space, such as a venting for a laboratory, include this information in the additional notes column.
- Pay special attention to recent changes in the business model and identify the types of spaces that support those changes. For example, a service delivery lobby could be smaller because the agency has adopted more electronic services and fewer people are coming to the office.

Warehouse and Special Equipment

The warehouse and special equipment worksheet is where an agency should identify space that is not typically a part of an office space but is necessary to meet business needs. The Warehouse and Special Equipment square footage is not included in the office circulation area. The sum of the square footage for Warehouse and Special Equipment is added to the rentable square feet to total the total project square footage.

Location and Site Requirements

The location and site requirements worksheet should provide information about where a facility needs to be and what the agency's business needs are for the area around the facility. Location and site requirements information is essential for any project. This information is especially important when seeking new space or relocating. However, not all questions may apply to your project. Please complete all relevant questions and leave the remaining blank.

Tips:

- When defining geographic boundaries and service delivery areas, consider contacting the agency's research and data staff and identifying where the client population centers are located.
- Be careful not to define boundaries or access requirements too narrowly. This could result in a failed search for space or limit competition in that process, leading to higher costs.
- When defining adjacencies, consider your customers' work patterns as well as the agency's business processes and business partners.
- Local codes determine the minimum amount of parking required by a lessor. Some local codes do not require a building owner to provide parking stalls. If a location does not provide parking or if the number of stalls is not sufficient, a parking exemption will be requested from DES.
- Consider your customer and employee need and commute trip reduction when defining public transit needs.

2.4 Life-Cycle Cost Model

All proposed leased and owned property acquisition projects over 20,000 square feet must have a life-cycle cost analysis performed unless the expected occupancy of the proposed space is five or fewer years, per RCW 39.35B. For more information, visit OFM's life-cycle cost analysis website or contact an OFM facilities analyst for assistance.

2.5 Temporary or Emergency Request Memo

A temporary request is defined as a facility requests for 12 or fewer months. In the event that an agency needs an extension on a lease acquired by a temporary request (beyond the initial period), a second temporary request must be submitted and approved by OFM. Temporary requests are typically reviewed in 10 business days.

An emergency request may be necessary in some circumstances. An emergency is defined as a serious, unforeseen combination of circumstances that calls for immediate action. Emergency requests will typically be reviewed in three business days, and follow-up action for approval will be taken as appropriate. The regular termination date on an existing lease does not constitute an emergency.

To request a temporary or emergency request, submit a memo to your OFM facilities analyst addressing the following questions:

- A description of the need for space
- A description of the circumstances of the emergency (if applicable)
- The proposed solution, including square footage and FTE information
- Estimated costs and space size associated with that solution
- Proposed funding mechanism
- Your contact information

Washington State Office of Financial Management
Insurance Building * PO BOX 43113 * Olympia, WA 98504-3113
(360) 902-0555 * FAX (360) 664-2832