

The Facilities Asset Strategic Plan (FASP)



**PRESENTATION TO THE
MULTNOMAH COUNTY
BOARD OF COUNTY COMMISSIONERS**

**DEPARTMENT OF COUNTY ASSETS
DECEMBER 4, 2012**

WHY A FACILITIES ASSET STRATEGIC PLAN?

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An organization's facilities strategic plan aligns its physical assets including location, operations, maintenance and capital investments to its overall business mission, goals, values and priorities.



County Priorities & Initiatives

- Mission, Vision & Values
- Multnomah Evolves
- Department(s) Strategy



County Facility Assets

- Building Locations
- Facility Age
- Capital Needs
- Operational Costs
- Building Utilization



Trends & Best Practices

- Alternative Work Strategies
- Changing Workforce
- Individual Work Space
- Collaborative Work Place
- Strategic Role of Facilities



Factors Impacting Departments

- Demographic Changes
- Economic conditions
- Service Demand
- External funding
- Legislation /Regulations
- Technology

FASP APPROACH & SCHEDULE

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Nov 2011 – Mar 2012



Apr – Sep 2012

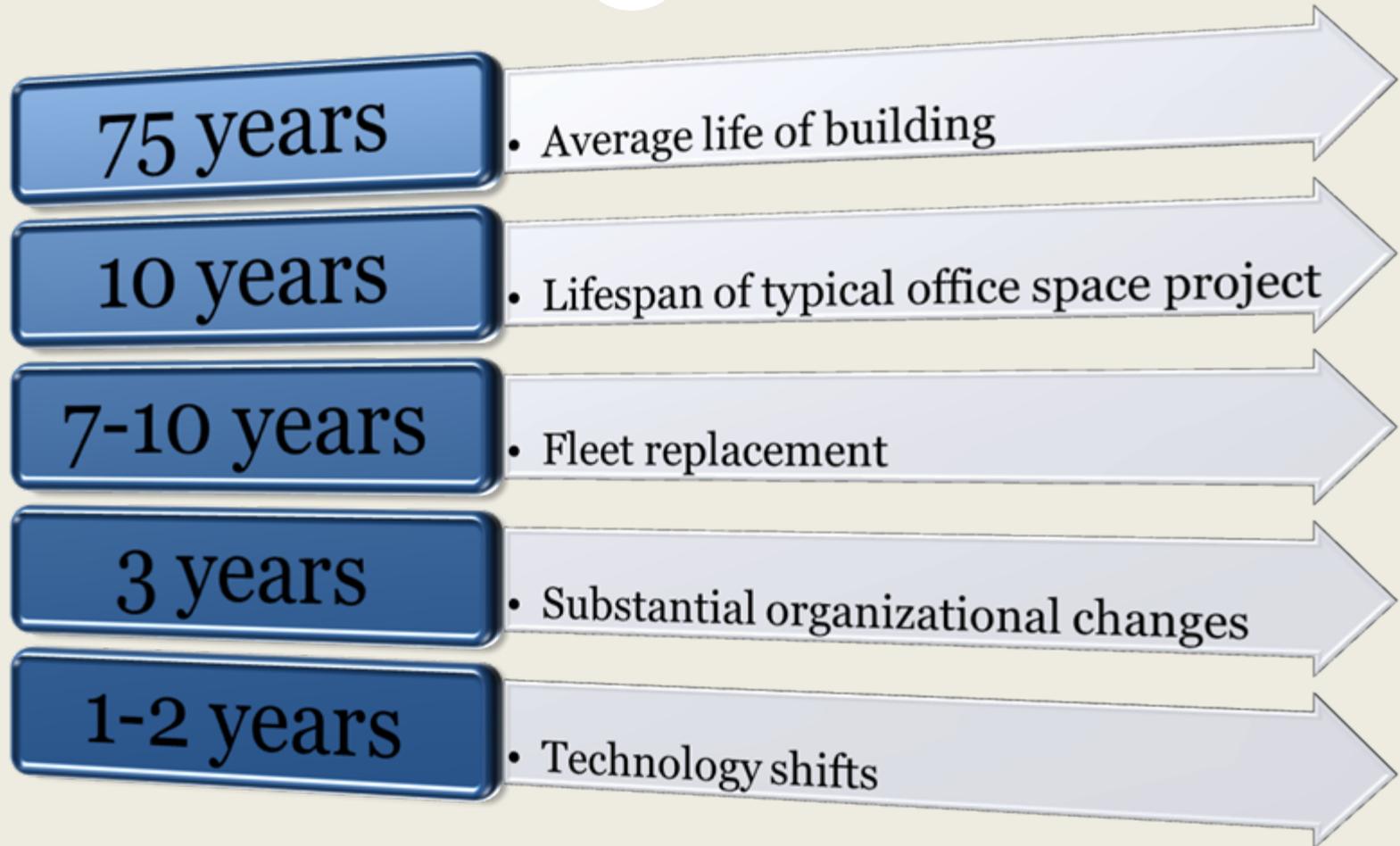


Nov 2012



OPERATING ENVIRONMENT

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MAXIMIZE ASSET VALUE

- Real estate typically largest corporate expense after people
- Natural tendency to reduce office space for cost savings
- Facility executives rethinking how to make buildings work harder
- Critical need to evaluate return on equity opportunities

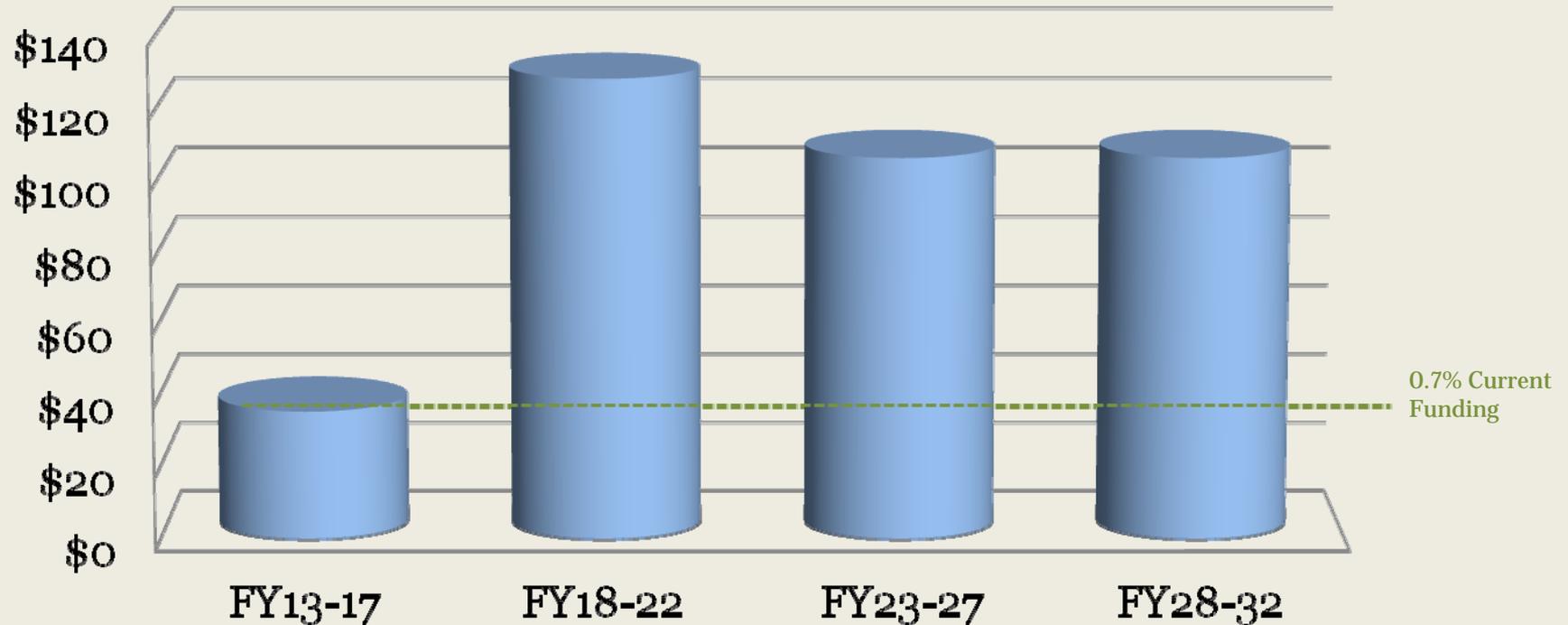
**MINIMIZE
NON-VALUE
ADDED
ACTIVITIES**

- Reduce moves
- Account for systems and building capacity when repurposing
- Ensure exceptions to policy and strategy do not become the norm

PROJECTED CAPITAL REPAIR NEEDS

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REQUIREMENTS BASED ON EXISTING PORTFOLIO (in millions)

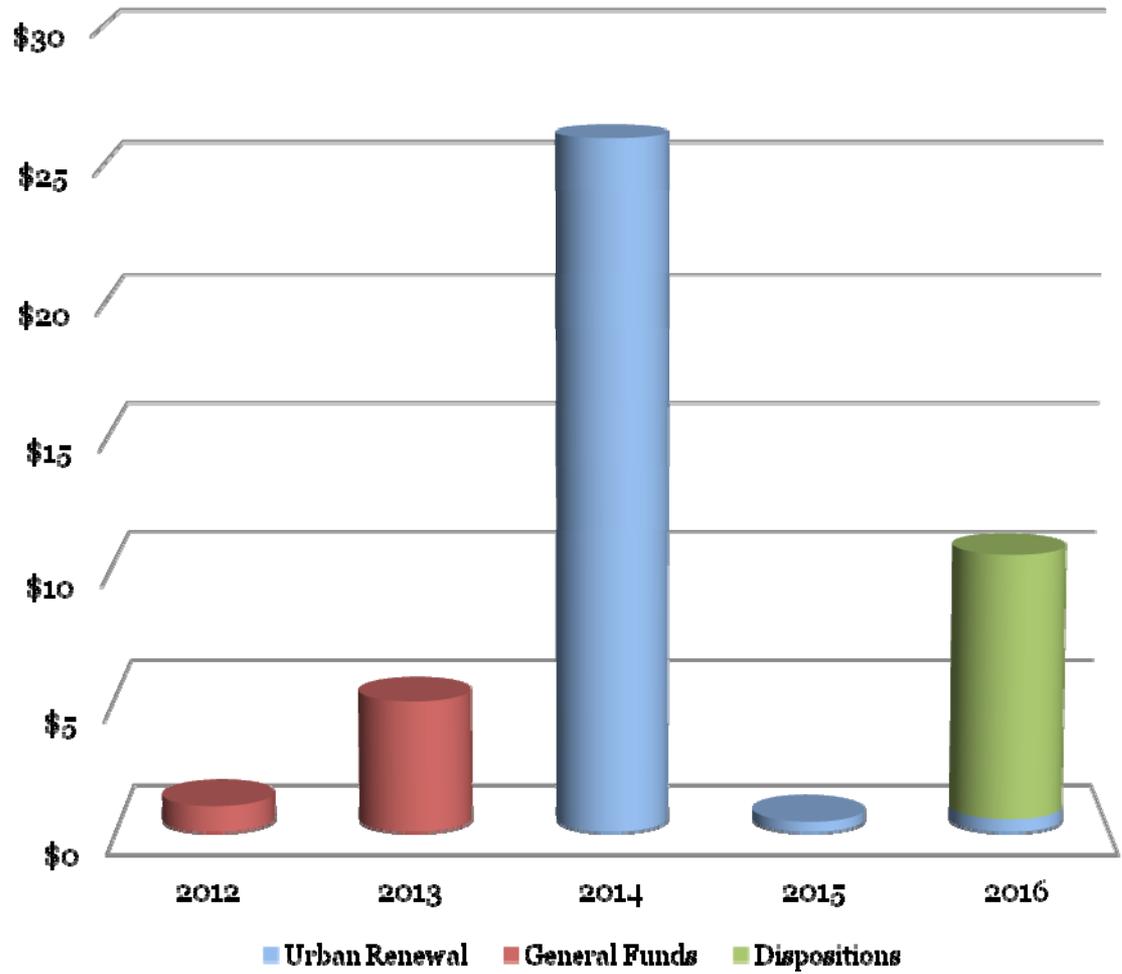


ALTERNATIVE FUNDING MECHANISMS

Capital Program insufficient for building replacement projects

Discrete funding sources provide opportunities for new buildings

Projected Funding Sources
(in millions)



**FACILITY
ASSET
STRATEGIC
PLAN
OBJECTIVES**

1. **Optimize Portfolio**
2. **Strategically Locate Facilities**
3. **Align Work Environment with Program Needs, Evolving Work Styles and Workplace Best Practices**
4. **Develop and Promote Integrated County Facilities Model**
5. **Develop Supporting Policies and Decision Tools**

OPTIMIZE PORTFOLIO

Implement
recapitalization strategy
based on strategic
service needs

Reduce operating
footprint

- **Plan appropriate levels of capital investment**
- **Apply standardized performance measures**
- **Increase efficiencies through consolidation**
- **Collaborate with Department(s) around needs**

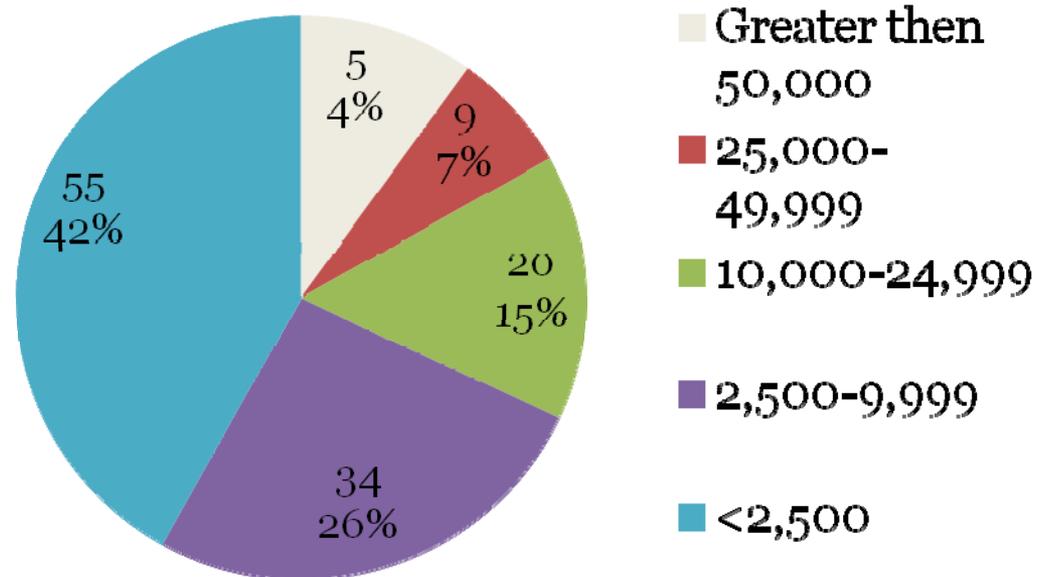
OPTIMIZE PORTFOLIO

Consolidate buildings

55 buildings are less than 2,500 rentable square feet

89 buildings are less than 10,000 rentable square feet

Distribution of Inventory By Building Size (RSF) (Number and Percentage of Buildings)



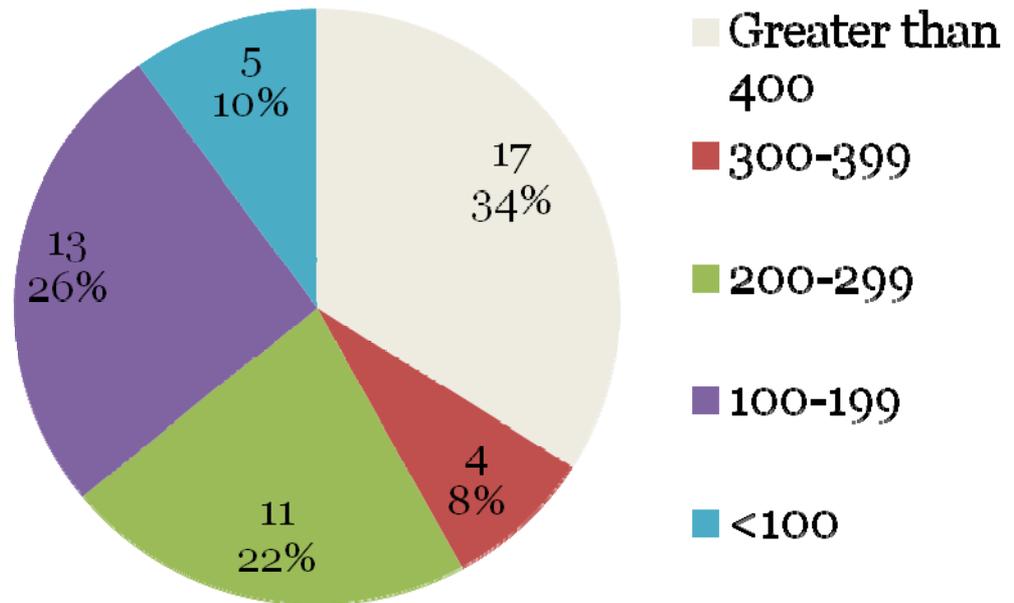
OPTIMIZE PORTFOLIO

Increase use of existing buildings

47 of the County facilities studied do not house staff

42% of staff are housed in 300 or more RSF per FTE

Distribution of Inventory RSF Per Staff Housed (Number and Percentage of Buildings)



STRATEGICALLY LOCATE BUILDINGS

Consistent siting
standards

Public – Private
Partnership
Opportunities

- **Actively monitor department(s) demographics that impact service delivery**
- **Structure development and disposition opportunities which support service delivery**
- **Pursue partnerships compatible with County service delivery locations**
- **Establish consistent siting criteria**

ALIGN WORK PLACES TO WORK STYLES

Provide open and flexible space

Develop facilities that attract and retain highly qualified staff

Offer greater opportunities for collaborative work

- **Align work place environment with work place trends**
- **Incorporate effective building technology for optimum productivity**
- **Establish hoteling, training, collaborative and flexible space that support County-wide needs**
- **Identify policy and incentives to promote effective alternative work space**

PROMOTE INTEGRATED COUNTY FACILITIES MODEL

- Integrate short, intermediate and long term investment strategy focused on strategic goals
- Promote collaborative solutions based on Departments' programmatic needs
- Standardize, simplify, and streamline client experience
- Support progressive change around transparent and industry recognized business measures

CREATE POLICY AND DECISION TOOLS

Establish standards

Develop comprehensive
strategy

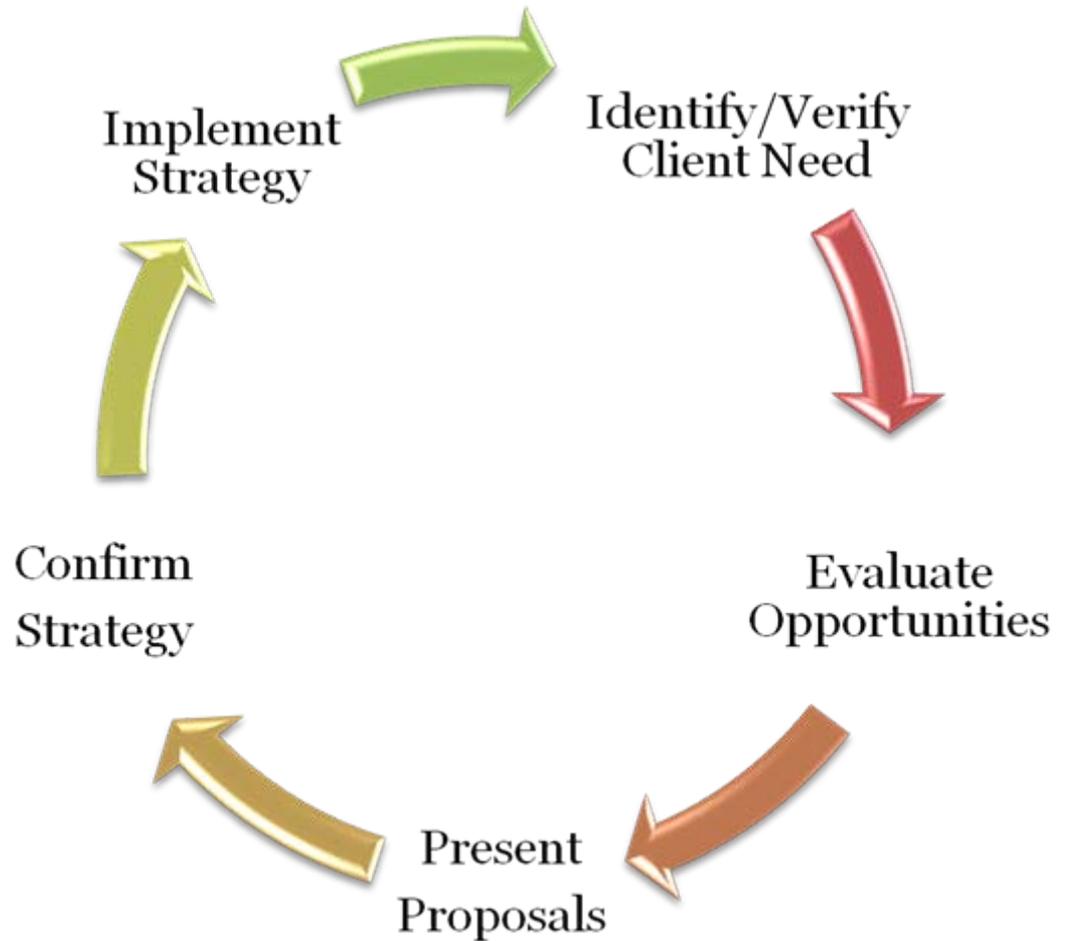
- **Modify Facilities' administrative policies**
- **Establish assessment criteria for evaluating new projects**
- **Establish standards and monitor performance**

PLANNING AND EVALUATION CYCLE

Clarify process for leasing, vacancy and capital investment

Support dynamic changes in operating environment

Assessment Cycle

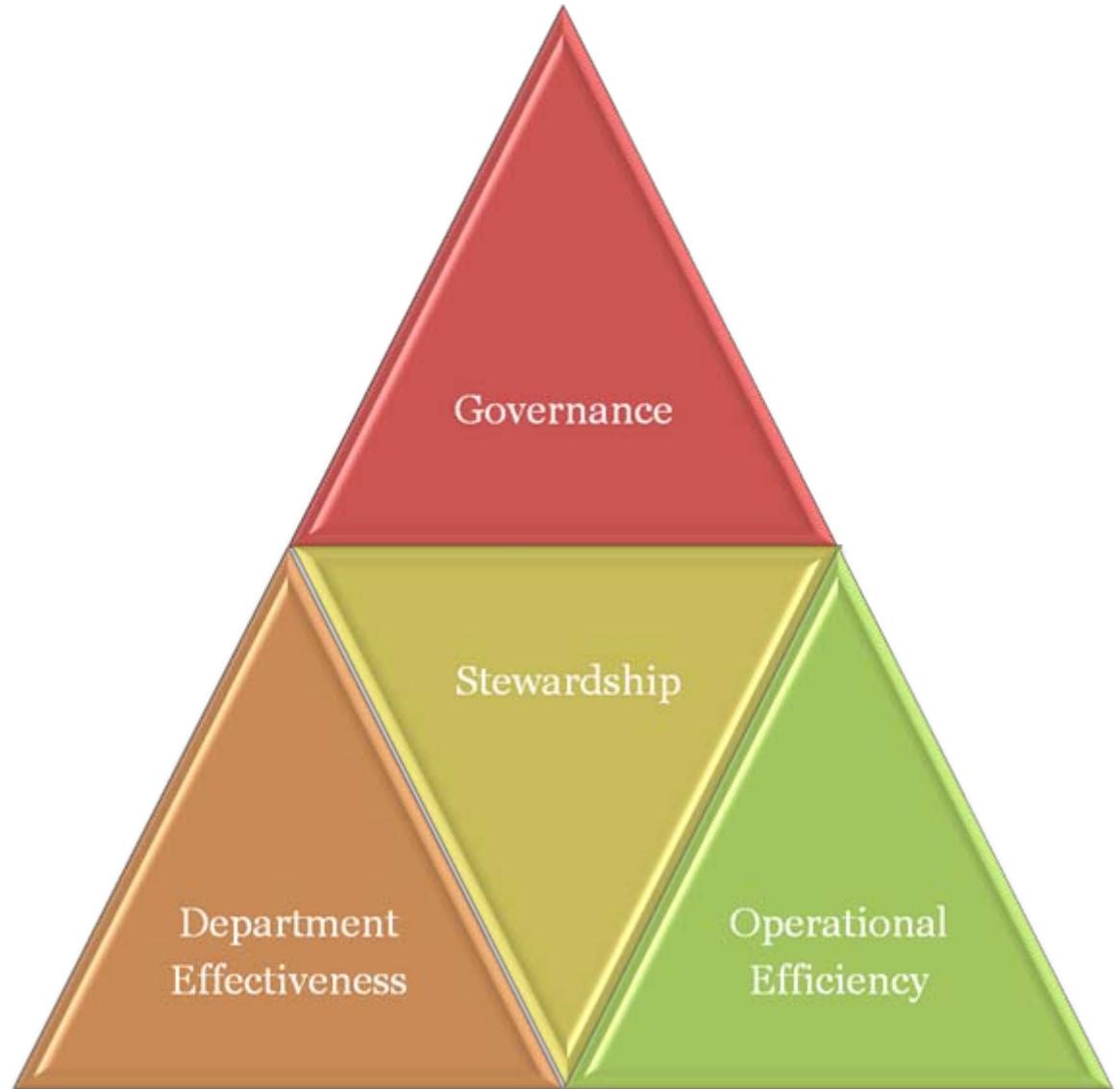


PROJECT EVALUATION MATRIX

- Quantitative project evaluation
- Alignment with Facility Asset Strategic Plan objectives

Weighted Value	n	n	n	n	n	n		
Rating Criteria	Optimize Portfolio	Strategic Location	Align Work & Workplace	Cost Benefit	Facility Condition Index	Policy Alignment	A	B
Projects	Rating Guide: 9 = High 3 = Medium 1 = Little 0 = Neutral	Rating Guide: 9 = High 3 = Medium 1 = Little 0 = Neutral	Rating Guide: 9 = High 3 = Medium 1 = Little 0 = Neutral	Rating Guide: 9 = High 3 = Medium 1 = Little 0 = Neutral	Rating Guide: 9 = High 3 = Medium 1 = Little 0 = Neutral	Rating Guide: 9 = High 3 = Medium 1 = Little 0 = Neutral		
Strategic Project								
Capital Projects								
A=Additional Political Value								
B=Additional Strategic Value								

BALANCING POLICY, NEEDS, PRIORITIES AND RESOURCES



LONG TERM GOALS

- **Advance a 20 year recapitalization strategy that improves the condition and quality of space**
- **Achieve 75% adherence to revised space policy and alternative styles to reduce real estate 20% by 2025**
- **Ensure space provided is flexible for the life of the building.**

LONG TERM RESULT

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Multnomah County is recognized as the most creative, technically innovative, financially resilient, and efficiently operated public facilities organization in the country.

NEXT STEPS

- Implement a standardized cost benefit model to evaluate strategic and capital projects
- Identify space optimization opportunities based on facility size and occupancy
- Recommend alternatives for existing underused property to maximize return on equity
- Evaluate and recommend modifications to Facility standards and policies