

State Facilities Quarterly

"Provide and protect public assets"

Official Newsletter of the National Association of State Facilities Administrators
An organization of planning, development, operations and maintenance officials

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Editor's note: NASFA is advancing the exploration of alternative delivery methods, largely through the work of its Special Projects Committee and the dialog with the Associated General Contractors. The Communications Committee hopes you find the Focus Section devoted to alternative delivery methods informative and helpful. Check out NASFA's Clearinghouse at www.nasfa.net for more information on this subject.

Lisa Collins, Editor

Make Your Plans Now to Go For the Gold!

The NASFA 15th Annual Conference & Tradeshow is only weeks away. This year's event will be in Salt Lake City, Utah, June 15-19.

New to this year's program is the Parade of Exhibits, which will take place on Sunday, June 16th. The Parade will consist of each exhibitor demonstrating its product and services in three-minute multimedia presentations. This tight time limit forces presenters to distill the very essence of their applications and to communicate this accurately and quickly to conference attendees. The Parade of Sponsors will take place on Tuesday, June 18. Both are expected to be very lively events.

Lane Beattie, State of Utah Olympic Officer, will deliver the keynote address on Monday, June 17. Beattie will discuss the exciting challenge of coordinating various efforts and visions to effectively prepare Utah for its role as Olympic and international host.

For those interested in transportation facilities issues, presentations titled *Asset Management: Principles & Tools for Transportation Facilities* and *From Bronze to Gold, Missouri's Department of Transportation Facilities Management's*

FM Improvements, Accomplishments & Goals will be presented. There will also be a Department of Transportation roundtable and other related sessions throughout the conference.

After the events of September 11, building security has proved to be more important than ever. Two sessions will present this timely topic: *Protecting State Resources: An Innovative Approach to Financing Integrated Security in Kansas* and *Is Your Facility Secure? Designing for a Safer World*.

The reception and awards banquet will be held Tuesday evening, June 18. This event is the traditional climax of the conference, highlighted by the awards ceremony in which the Innovations Award winners, NASFA Executive Committee, and other distinguished individuals are formally recognized for their contributions to the association in the past year.

NASFA's annual conference and tradeshow is always very informative and educational, and this year will be no different. Make your plans now to attend. Complete information is on NASFA's Web site at www.nasfa.net. ♦



President's Letter

We've spent the last two years in Georgia just defining the different delivery methods and starting the process of utilizing some of the alternative methods. As a matter of fact, our first project in developing a relationship with the Associated General Contractors dealt with this issue.

After some spirited discussions, we've made major progress. For example, the first step in the discussion has to be an agreement on what the various delivery methods are and what the words really mean. What is a delivery method? What is CM Agency? What is CM at Risk? Are they all the same thing? What are the differences? What impact does the selection process have on the different delivery methods? Do you use a guaranteed maximum price or do you sign a lump sum

contract? Do you realize the difference in the relationship this decision makes? There are a lot of questions, and with AGC's help, answers are being provided.

There, I've done my duty in talking about this newsletter's focus section. Now I'm going to exercise my executive privilege and take this last opportunity to tell all of you, "Thank you." Being NASFA's president has been a highlight of my life. This organization has the potential to be the premier organization involved with facilities construction, operation and maintenance, and all because of you.

I am still impressed when I look at the membership roster and see how many states are NASFA members, and at how much NASFA has grown in the last fifteen years. If you haven't

taken a look at our Web site, www.nasfa.net, do so, and see how much it has improved and how much information is available with just with a click of your mouse. Look at the quality, the variety, and the quantity of our corporate members. Look at the quality of this newsletter and the wide range of information provided in each issue. Each and every one of you contributes to the quality of these products and to the organization.

I'll be retiring next year, but I know that the future of this organization is bright. Thanks to each of you for your support and your friendship.

Lamar Holland (GA)
2001-02 NASFA President

GSFIC Receives National Award

John Butler, director, Georgia State Financing & Investment Commission, was recently in Washington D.C., to receive a National Recognition Award from the American Council of Engineering Companies for the decommissioning of Georgia Tech's Research Reactor.

Georgia Tech had operated the research reactor for years and decided to take it off-line before the 1996 Olympics because it was a possible terrorist target. Following the Olympics, Georgia Tech decided to decommission the reactor instead of bringing it back on-line and approached GSFIC to

administer the decommissioning contract.

ACEC acknowledged the efforts of everyone involved on the completion of the project. Due to the stringent guidelines and procedures followed, it should be a benchmark to the industry.

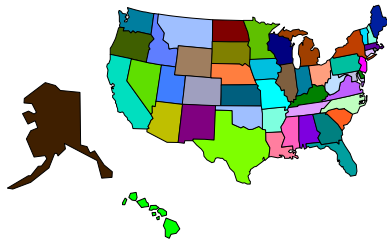
Doug Ivey, project manager, said that it was one of the safest projects he has worked on. In one report, they documented 60,500 man-hours with no lost time due to accidents and 19 consecutive months with no first-aid cases or OSHA recorded injuries.

ACEC is the largest national organization of engineers engaged in the practice of consulting engineering. It has 51 state and regional member organizations,

representing more than 5,800 independent engineering firms throughout the United States. ♦



John Butler, director, GSFIC pictured at ACEC awards in Washington, D.C.



State News

Fire Destroys Delaware's Facilities Management Building

Source: www.newszap.com

Delaware's Division of Facilities Management's administration building was ravaged by fire Saturday, April 27 as dozens of onlookers watched from a highway.

The blaze, which totaled the three-year-old structure, was ruled accidental, Dover Fire Marshal David Truax said. According to Truax, "It originated in an emergency battery outside the building. It was used to run emergency equipment in the event of a power failure."

"It appears to be a total loss," said Robert Furman, director of facilities management. "Our employees are shocked and saddened by this. The question remains about the status of our central files. It's too early to determine that right now."

The estimated loss was more than \$1.2 million. The division handles state construction and maintenance, and the one-story building contained many state contracts and some documents that existed only on paper. ♦

Window Replacement Respects Historic Rhode Island Prison

By *Al Bucci and Jim Ladesich*

The Rhode Island Department of Corrections recently completed a \$1.78-million window replacement project at the state's

historic maximum-security prison in Cranston. The project was a recent component of a \$6.4 million, five-year plan of improvements, including interior renovation, wall repainting, roof retrofits, security, electrical, plumbing and life-safety system upgrades.

The former, single-glazed windows were not energy efficient, and many had inoperable vent segments. The 8' x 16' windows, incorporating an additional 4' radius segment on top, were set into 36" solid granite walls and supply natural light and discretionary air flow into the prison's three-tier cellblock in the building's core. In addition to improving energy efficiency, stainless steel security screens were also installed between the inner and inset from an existing open grid of steel bars across the interior of the window openings. Energy savings from new, insulating windows in a facility of this type typically recover their cost in 10-15 years.

Moduline Windows, of Wausau, Wisconsin, supplied the 61 custom fabricated, aluminum windows that replicate the architectural character of the original hard pine, wood windows. Many of the original double-hung wood units had been replaced with steel windows following a fire 30 years ago.

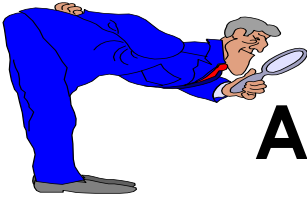
Installing one at a time, the field crew worked off a hydraulic personnel lift to reach the outside face of the wall. After setting the security screens, each window was locked into place using a custom receptor system. The security screens have a sliding wicket that allow access to cam locks on the outward projecting vents.



Pictured is one of the replacement windows at Rhode Island's historic maximum security prison in Cranston.

The 445-bed maximum-security facility is the oldest of Rhode Island's operational prisons. The Gothic-style, state-owned building (circa 1878) is eligible for the Rhode Island Register of Historic Places, which subjected the window replacement program to architectural review by the Rhode Island Historical Preservation & Heritage Commission. Any windows applied to the project also had to meet thermal ratings set by the current energy codes and accepted industry performance standards. ♦

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Focus Section: Alternative Delivery Methods

NASFA, AGC Explore Alternative Delivery Methods

By Don Manes

The method of undertaking public construction projects traditionally has been design/bid/build. The focus of the award element has been on 'low bid', although some states have inserted 'lowest qualified' into the consideration; and others pre-qualify bidders in sensitive projects such as historic preservation and laboratories. But, by and large, the low bidder carries the day; and the public works statutes of most states reflect the bias for this time honored American tradition.

Recently, some states have moved toward a practice that became prevalent in the private sector a decade ago, i.e. some form of a negotiated award. The expanding gallery of delivery methods contains many forms of negotiated awards that encourage the owners' consideration of such vital factors as qualifications, past performance, superintendent identification, financial strength, and commitment. The more prominent alternatives in this broadening landscape are design/build, construction management either agency or at risk, performance or quality based, and sealed proposal. All involve interviews.

NASFA is advancing the exploration of alternative delivery methods. Working largely through its Special Projects Committee, the association has begun a multi-layered dialog with the Associated General Contractors, arguably the

most influential group in the construction industry, a relationship that AGC acknowledges in its 2001 annual report. The two groups have undertaken a joint effort to revise AGC's *Construction Management Guidelines*. The goal is to have a draft available at NASFA's 15th Annual Conference & Tradeshow in Salt Lake City, Utah next month.

NASFA will also share its commissioning definitions and name a point person to comment on AGC's contract documents, which are perceived by many as a viable alternative to the traditional AIA construction documents. NASFA will also include a hyperlink on its Web site to connect to AGC local chapters and its national headquarters. ♦

Don Manes is the deputy director for the Arkansas State Building Services and can be reached at (501) 682-5554 or dmanes@asbs.state.ar.us.

Why is Georgia Utilizing Alternative Project Delivery Methods?

By Gena L. Abraham and
John Butler

Despite numerous construction accomplishments such as San Francisco's Golden Gate Bridge, Chicago's Chrysler Building, and others, the construction industry continues to be plagued with a negative image. The 1999 Jobs Rated Almanac ranks the job of a construction worker as 247 out of 250, followed by a fisherman, lumberjack, and roustabout

If that isn't bad enough, the average construction worker has the probability of being killed at work four times greater than other industries. 6.4 million workers or 77 percent of the construction workforce are blue-collar workers receiving little technical training, resulting in lower quality standards. As exemplified in the latest issue of *Engineering News Record*, owners have begun to believe and pronounce "construction quality stinks."

Despite these problems, the construction industry remains one of the driving forces of the world economy and accounts for \$3.2 trillion in expenditures worldwide and eight percent of the U.S. Gross Domestic Product. This service industry, focused on successful project completion, continues to utilize poor business management practices illustrated by a business failure rate that is 34 percent higher than the national average for all industries. This is the industry that we know, we love, and of which we are members.

Georgia does not profess to have all the answers to these industry problems. However, it is imperative to move in a positive direction, demanding quality, improving the education of our workforce, maintaining contractors' responsibility for their work, while simultaneously looking for ways to get end products in a cost effective manner. A daunting task faces construction owners. How do we balance our needs with the industry problems, keeping in mind that the companies we hire are in business to make a profit? With overhead and profit margins decreasing in the construction industry to a national

average of 2.8 percent, firms and owners must look for innovative methods to decrease costs and increase profits.

One method in which Georgia feels it is getting better services is the use of alternate delivery methods on particularly unique projects. Even though 95 percent of the state's work is delivered by the traditional design/bid/build methodology, construction management-at-risk and design/build projects are becoming more commonplace.

Previously, in order to utilize alternate delivery methods, the director of Georgia's largest construction division had to convene a meeting with the Governor, the Speaker of the House, the Lieutenant Governor, Commission of Agriculture, State Auditor, the Attorney General, and the Director of the Office of Treasury and Fiscal Services to receive approval. However, on May 24, 2001, this approval process was changed, and now the construction division director is permitted to make that determination. Agencies can approach GSFIC director, John Butler, for approval to use alternate delivery methods of procurement. This change opened great opportunities for state agencies to utilize fast-track methods to deliver projects, and the the state's construction division is embarking on its first design/build project. Georgia is truly excited about this one!

Georgia doesn't profess that the use of alternate delivery method solves industry problems, quality issues, or financial concerns. But now it has the opportunity to make decisions on which delivery method it can utilize—a small but significant first step in becoming creative about construction in the state. Is this a step in a positive direction? Georgia

believes it is. Innovative thinking and the opportunity to be creative can make a difference. ♦

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Alternative Delivery Methods for Government Facilities

By Mark A. Pleskow, PE, Ray Klimas, and Roger Gorey

Necessity cultivates invention. This is particularly applicable to government real estate and facilities. When senior leadership and the legislature make facility investments, public service delivery, image, productivity, and other attributes are all expected to improve. Government professionals are simultaneously expected to deliver higher quality facilities more quickly, with lower initial capital and lifecycle costs, fewer operational resources, under constraining procurement regulations, and under public scrutiny. Often, the only means to meet these objectives is through nontraditional approaches. All have been around long enough to have precedents, and each effectively meets certain goals.

Alternative delivery methods are substitutes to the traditional design/bid/build model. These methods include design/build, fast-track/phased packages, and others. For a summary of selected delivery methods, turn to page six.

A rapidly expanding northeast college was adding new on-campus

housing and needed to modernize its residential food service facilities. A traditional approach would have taken three to five years to fund, design, and construct the, \$12-million facility. The college's design/build process compressed the schedule several years and took advantage of existing campus standards and master plan.

Programming focused on management decision making, alternatives analysis, detailed needs assessment, design requirements, and consolidating this information into a single document. The kitchen and food-handling components received highly detailed focus, including concept layout, generic equipment specification, and circulation. The same design/build document guided capital budgeting, procurement, and design/build phases.

New construction and tenant improvements in this \$181 million , project demanded fast track development in response to market forces. The owner/PM team determined that the best approach for delivery was a construction manager/general contractor contracted under a guaranteed maximum price. CMGC selection involved response analysis, personal interviews, site reviews and short-list follow up. RFP responses were evaluated for cost of service, pre-construction and construction services, change control and value engineering approaches.

Construction was sequenced for phased occupancy. This project was completed on time and under budget, including an additional floor that resulted from CMGC input in the design. Noted successes were construction proceeding in sync with corporate growth, minimized changes through participation by the CMGC, flexibility to changing

(continued on Page 6)

Focus Section Continued: Alternative Delivery Methods

Summary of Selected Delivery Methods

APPROACH	EXAMPLE	WHEN INDICATED	ADVANTAGES	DISADVANTAGES
Design/Bid/Build	<ul style="list-style-type: none"> Any facility 	<ul style="list-style-type: none"> Adequate owner/end user resources Speed is not an issue Maximum owner/end user intervention required 	<ul style="list-style-type: none"> Maximum owner/end user control Requirements definition can be delayed 	<ul style="list-style-type: none"> Long delivery cycle time Often based on low bid
Design/Build	<ul style="list-style-type: none"> Maintenance buildings Student residence facilities Fire protection systems Parking structures 	<ul style="list-style-type: none"> Lessened owner/end user intervention Speed is important Well defined requirements 	<ul style="list-style-type: none"> Speed of delivery Leverages third-party design/PM resources Total procurement time shortened Single source responsibility 	<ul style="list-style-type: none"> Key decisions made quickly Lower degree of owner/end user control
Fast Track/CM	<ul style="list-style-type: none"> Any facility 	<ul style="list-style-type: none"> Time is critical Abundant availability of project management resources Well defined requirements 	<ul style="list-style-type: none"> Speed of delivery Reduced short-term capitalization costs Long lead procurement items identified early 	<ul style="list-style-type: none"> Key decisions made quickly Design not complete before construction commences Potential for change orders increases Requires substantial project coordination

Government Facilities

(continued from Page 5)

customer requirements, and savings well above CMGC fees. The greatest challenge was contract document coordination.

These examples highlight lessons applicable to a broader set of projects. Success requires early engagement of management and end user. Making decisions quickly helps maintain schedules and avoid downstream conflict. Management goal setting, building consensus among all stakeholders, and needs analysis must be addressed. Consolidating all goals, requirements, and relevant information into a single document is essential. Resources spent in this

early phase can save significant costs later.

Selecting and managing a competent implementing partner is equally critical. Before going forward with the procurement process, unique roles of the owner/end user and implementing partner need clear definition. Pre-qualifying potential firms is critical in selecting a design builder or a CM. Using commonly available two-step procurement processes that technically qualify a firm before fee submittal can address this concern. Selection criteria must be clearly stated and directly relevant to the project. When kicking off the project, team building is key. Finally, frequent coordination keeps

relationships strong and the project on track. ♦

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Check out the
NASFA Clearinghouse
 at www.nasfa.net for more
 alternative delivery
 methods information.

2002 Innovations Awards Sponsored by VFA

Programs from California, New Mexico, and Texas were selected as winners for the 2002 NASFA Innovations Awards, sponsored by VFA. These programs will be recognized at a banquet during NASFA's 15th Annual Conference & Tradeshow in Salt Lake City, June 15-19. The overall winner will also be announced at that time.

Read below to find out more about this year's winning programs. To view all of the submissions and obtain contact information, log onto www.nasfa.net.

Design/Operations **California**

Prior to California's energy crisis the Department of Transportation's annual non-vehicular energy costs exceeded \$32 million. An Executive Order issued in 1994 set a state government cumulative energy savings goal of \$500 million by 2004. The department's portion of that savings' goal was \$5.1 million annually.

Due to the unprecedented energy shortage that began in 2000, the department implemented a more aggressive and innovative conservation program that resulted in a 33.2 percent reduction in energy consumption. The savings was due to the implementation of multiple innovation energy savings projects and practices including but not limited to:

- Conversion of highway lighting to high-pressure sodium fixtures resulting in improved lighting and reduced electrical usage by 50 percent;
- Improving signal visibility and energy efficiency by 90 percent;
- Management of office lighting, essential to the department's energy conservation program;

- Increasing computer room temperatures by one degree; and
- Implementing a rolling black out plan to deal with short and long-term blackouts. ♦

Design/Operations **New Mexico**

A natural gas marketing contract was implemented in June 2000. This contract allows any state or local government agency to purchase natural gas, on the open market at prices that can be substantially lower than prices provided by the local utility or local distribution company. In FY 2001, the Building Services Division saved \$169,630 or 29 percent under the same usage had the division continued to purchase gas from the local distribution company. Overall the department estimates total FY 2001 savings for all state government agencies using these services at \$340,000.

In order to implement this program a Request for Proposal was issued for natural gas marketing companies. The RFP and the contract allow an agency to purchase gas from marketers, who transport the gas to the local distribution company. Therefore, all billings received from the company arrive with all costs included in one bill. The department is able to aggregate all natural gas purchases into one convenient load, rather than having to purchase gas for each individual building.

The contract is primarily intended for use by the General Services Department, Building Services Division, however it is available for any other state or local government agencies in the form of a statewide price agreement. The

Corrections Department and the Office of Military Affairs have taken advantage of this agreement for facilities in other areas of New Mexico. ♦

Real Estate **Texas**

Faced with a sprawling real estate portfolio, the Texas Department of Mental Health and Mental Retardation needed to implement a strategy to manage and improve its aging infrastructure that would enable it to continue to provide the highest quality of services and care. The agency faced decreased resources combined with very little accurate information on the building conditions across its more than 10 million square feet of space. Without detailed and up-to-date facility condition data, officials were unable to plan and prioritize renovation projects or budget expenditures. Furthermore, funding requests to the state legislature were groundless without the support of impartial data.

In 1996, a computer-aided facility management system was recommended which would permit informational tracking of maintenance costs. The resulting enterprise-level system is now one of the first in the country to successfully integrate technology and facilities management practices.

TDMHMR has been recognized as the standard from which all state agencies should measure themselves and was lauded by the 77th Legislature on their proactive approach to facilities management and cost control. ♦

2001-02 NASFA Executive Committee

President	Lamar Holland (GA)
President Elect	Tom Sandretto (VT)
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Marcia Stone, Association Manager
Lisa Collins, Editor

Your ideas and topic suggestions for *State Facilities Quarterly* are welcome at all times and will be invaluable to other state facilities managers. Please send information about studies, new projects, legislation, etc. to the NASFA staff at the address listed below.



The National Association of State Facilities Administrators is an organization that brings together state officials involved in the planning, development, operations and maintenance of state facilities. The association was formed in 1987 to provide a forum for sharing information on effective facility administration, as well as for the sharing of problems and solutions with peers on a national level.

Any state is eligible for membership in NASFA. Annual dues entitle your state to select the individuals you want to be involved with the association. All facility administration personnel can access the information network, receive the newsletter and other mailings, and attend the association's annual meeting. Many states have elected to divide the membership fee among several departments interested in active membership.

If you are interested in obtaining more information about NASFA, contact the NASFA staff, The Council of State Governments, 2760 Research Park Drive, P.O. Box 11910, Lexington, KY 40578-1910, phone (859) 244-8181 or log onto NASFA's Web site at www.nasfa.net.

Attention States!

Share your ideas with other NASFA members in the summer issue of *State Facilities Quarterly*.

The deadline is July 12, 2002.

Contact Lisa Collins at (859) 244-8179 or e-mail her at lcollins@csg.org for more details.

National Association of State Facilities Administrators

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