

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

Ready to Be in the Winner's Circle?

The National Association of State Facilities Administrators (NASFA) 14th Annual Conference and Tradeshow is almost here. This year's meeting, "Being in the Winner's Circle," will be held in the heart of the Bluegrass in Lexington, Kentucky, June 9-13 at the Hyatt Regency Hotel.

Dr. Carl Hurley, America's Funniest Professor, will provide the keynote address, *Customer Service with a Smile*. Dr. Hurley was a professor of education at Eastern Kentucky University for eight years and also coordinated the university's secondary education program before deciding to speak and entertain full-time. He is a natural-born storyteller and has the expressiveness of a great comic actor. Hurley spreads an infectious form of fun that is often outrageous yet always good-natured and clean.

This year's conference offers something for nearly everyone. Exciting tracks will be offered for those involved in transportation, architectural & engineering, natural resources, real estate, and operations & maintenance. Some of the topics to be presented include: Roof Asset Management, Funding Barrier-Removal in Natural Resource Agencies, Managing EPA's Strategy for Class V Wells, Grounds Maintenance & Landscaping, Design of Maintenance Shops, Consistently Delivering Better Public Buildings in the 21st Century, Design Standards for Lease/Purchase and State Buildings, Computer Aided Facilities Management, and Lease Agreements for Cellular & Microwave Towers.

The NASFA Reception and Awards Banquet, the traditional climax of the conference, will be held at Spindletop Hall. The 40-room mansion was built in 1935 and was deemed to be a showplace of Kentucky, a modern mansion of classical architecture. It was sold to the University of Kentucky in 1959 and now serves as the school's Faculty, Staff and Alumni Club. The banquet is 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.

Registration fees for this year's conference are \$450 for NASFA members (government & corporate affiliate), \$750 for non-members, and \$125 for spouses/guests (children age 18 & under may register for half price). Information is available on NASFA's Web site at www.nasfa.net.

Questions may be directed to Marcia Stone, NASFA association manager, at (859) 244-8181 or mstone@csg.org or Lisa Collins, NASFA program associate, at (859) 244-8179 or lcollins@csg.org.

Who are the 2001 NASFA Innovations Award Winners? Turn to the Focus Section to find out!

Spring Highlights

President's Letter

Page 2

State News

Page 3

**Focus Section -- 2001 Innovations
Award Winners**

NASFA Notebook

Page 7



President's Letter

“Being in the winner's circle!” Hopeful thoughts for horse racing participants, appropriate words for NASFA conference attendees. This is the theme for the NASFA 14th Annual Conference & Tradeshow in Lexington, Kentucky, June 9-13. This is the time we renew old friendships, make new friends and continue the networking that makes our organization so strong. For those first time attendees, you are in for a treat. Now is your chance to see firsthand what NASFA is all about. This year's conference promises to be every bit as exciting as any in the past and with more information for all walks of state government service.

Last year's conference was the first to offer additional tracks enabling attendees to follow specific areas of interest. The track on transportation issues was very successful and promises to be of interest for future conferences. The conference committee has listened to you and has added tracks for natural resources and real estate. These two new tracks will generate additional interest and most likely additional attendees to our conference. The remainder of the sessions will focus on seminars and discussions concerning operations and maintenance and architecture and engineering.

For all those brave folks who volunteered to serve and work on committees this past year, particularly those

that chaired a committee, you have my hearty thank you. Without the work of the committees, NASFA could not function as it does. Much work is done behind the scenes by people teleconferencing, meeting in person and just plain putting the nose to the grindstone. Right along with those volunteers is our NASFA staff, Lisa Collins, Jack Gallt, and Marcia Stone. Thanks guys! Your help makes serving as an officer easy.

A quick side note before wishing all of you a safe trip to Lexington. Bruce Taber, a past-president from Minnesota, recently had quadruple by-pass heart surgery April 11. We wish Bruce all the best and for a speedy recovery. I know his wife Julia will make sure of that.

The conference in Lexington will be here before you know it. If you haven't made arrangements to be there, please do so. I wouldn't want you to miss it. Come join us in the winner's circle!

Gary Grimes (KS)
2000-01 NASFA President

Adams Consulting Group Joins NASFA

The Adams Consulting Group (ACG) is a leader in educational facilities management and engineering. The company brings clients an in-depth understanding of higher education, attained from more than a decade of exclusively working with colleges, universities, and other educational facilities.

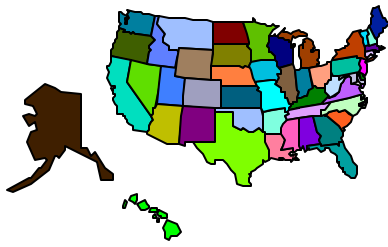
The company helps customers solve problems and achieve operational efficiency by evaluating and reengineering operations and maintenance programs; planning for meeting capital renewal/deferred maintenance needs; conducting facility renewal audits; and assessing the appropriate staffing levels and types for supporting operations, among others. It also offers a select group of additional services,



including but not limited to: in-house training in facilities audit inspections, benchmark analysis and reporting, long-term strategic planning and program implementation; and customized management seminars.

Matt Adams, company president, is a registered professional engineer, and holds an industrial engineering degree from the Georgia Institute of Technology. He is a member of Georgia Tech's College of Engineering Advisory Board and has been named to The Academy of Outstanding Engineers in Georgia. He has more than 12 years experience as a professional consultant in facilities engineering and management and has helped more than 150 schools and non-profit organizations gain more than \$600 million for facility renewal.

Check out The Adams Consulting Group on the Web at www.adams-grp.com.



State News

Arizona Improves Evaluation System

By Kate DeWayne

The Arizona Facilities Operation and Maintenance was experiencing performance and morale problems and was referred to the Utah Facilities Management Unit for their "Best Practices." Arizona made modifications to the Utah documents and also made unique use of the database to develop an interactive performance/evaluation system. The turn-around in productivity and morale has been remarkable.

One objective is to increase customer satisfaction through improved communications. The employee now consistently and immediately contacts the customer whenever the customer initiates a work order. He will let the customer know the work order has been received, and when the work is to be done. Subsequently, he will keep the customer in the loop concerning progress on completing the work order.

The performance plans also re-enforce the commitment to using the computerized maintenance management system (CMMS) to identify trends in equipment failures. Employees now generate solutions as opposed to handing off problems.

Arizona plans to modify Utah's *Building Maintenance Manual* to fit the performance standards and then utilize the Capital Planning Management Solutions (CPMS) database to baseline and monitor results. The employee evaluation document was redone to reflect the expectations of the performance plans. The employee's annual merit salary increase (if any) is tied to his/her annual evaluation.

CMMS and CPMS are important management and feedback tools for facilities operation and management. Employees now know exactly what is expected of them, yet are given the freedom to decide how to get it done. They are learning how to use CMMS and CPMS to track and provide immediate feedback about their success. Since success is tied to their salary and other rewards, they have the tools and the motivation to excel.●

For more information, contact Faye Myles, general manager, Arizona Division of Tenant Services, at (602) 542-1524 or Kate DeWayne, administrative services officer, Arizona General Services Division, at (602) 364-0605.

Historic Building Proves Value After Washington Earthquake

By Bob MacKenzie

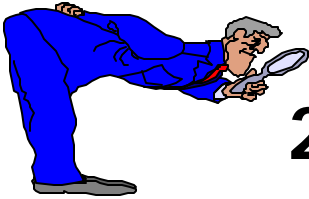
The Dolliver Building in downtown Olympia, constructed in 1914, was acquired in 1998 by the Washington Department of General Administration (GA) from the federal government after it was deemed too deteriorated for use.

Remodeling began in April 1999, and the \$3 million project was completed in the summer of 2000 with a complete mechanical, electrical and interior upgrade. One of the important aspects of the renovation was installation of seismic shear walls from the basement to the top of the second floor, with three-fourth inch steel rebar on 12 inch centers encased in eight inches of shotcrete to stiffen the concrete and brick frame of the building between ten feet high windows and along the north wall of the structure. A shotcrete wall was added to the exterior of the elevator shaft to dissipate shear forces from earthquakes down to the building's foundation. On the third floor, a web system of steel was fastened to the exterior wall from floor to roof to reduce flex and to provide additional stiffening.

The building underwent a true seismic test at 10:54 a.m., February 28, 2001, when Olympia experienced a 6.8 earthquake. The building suffered less than \$50,000 in damage compared to the nearly \$20 million in damage suffered by the 1927 vintage legislative building.

"We're absolutely delighted at the way the Dolliver Building reacted to a major seismic event...it weathered the shaker very well," said Nick Cockrell, facilities asset manager for the General Administration's Division of Real Estate Services. "Its performance validates new codes, as well as our attention to detail and engineering efforts focused on the project from start to finish. It clearly demonstrates that a historic building can be rebuilt to retain an important link to the community's past and still safely reflect the needs of housing government services in the future."●

Bob MacKenzie, plant operations manager, Washington Division of Engineering & Architectural Services, can be reached at (360) 902-7257 or bmacken@ga.wa.gov.



Focus Section: 2001 Innovations Awards

Washington is a Winner

The winner of the 2001 NASFA Innovations Award is Washington's Lexan Restoration Project. The program was submitted by the Washington Department of General Administration and will be formally recognized during NASFA's Annual Conference and Tradeshow in Lexington, Kentucky, June 9-13, 2001.

The Lexan Restoration Project has all the components of a start-up enterprise and promises to save NASFA members and other public organizations millions in avoided costs. Lexan is a registered trademark for a type of polycarbonate used instead of glass. Many public agencies have long used products such as Lexan and Plexiglas because of the obvious advantages over glass: lighter weight, better abilities to absorb impacts, custom alternatives and ease of installation. Lexan and Plexiglas are most commonly used as

windows and security screens. A major limitation of using Lexan is the inability to repair sheets damaged by normal use and/or vandalism. New sheets are expensive with one 4-foot by 3-foot sheet that is 1.5 inches thick costing \$1,478.

The corrections center in Shelton, Washington partnered with the state's Department of General Administration and the 3M Corporation to develop a method to restore visual clarity to a damaged sheet of the same dimensions for just \$178. Inmates provide labor in the project and use film and abrasive products that 3M provides exclusively. In its first seven months of operation, the innovative project has saved more than \$125,000 and promises to surpass \$500,000 by July 2001. The potential for national application of this process is unlimited, and Washington estimates that the savings could easily surpass \$25 million.●

For more information, contact Bob MacKenzie, plant operations manager, Washington Division of Engineering & Architectural Services, at (360) 902-7257 or bmacken@ga.wa.gov.

Arizona's Leasing Program Recognized

Arizona's Privatize Lease to Own Program (PLTO) was developed because the state needed an additional one million square feet of office space on the Capitol Mall. During the last four years, 22 agencies moved from the mall into 190,000 square feet of private leased space. This relocation divided administrative functions, fragmented agency operations and delivery of services to the public at increased costs.

The program was implemented in June 1999 with the issuance of an RFP for two office buildings totaling 485,000 square feet to house the Departments of Administration and Environmental Quality. A lease has been executed with a major developer, which meets the desired project objectives. A second RFP has been issued for a third building to house the Department of Health

Services. The projected savings over the lease period for the two buildings approved by the legislature is about \$10 million over what it would cost to continue to lease private space. In addition, the state acquires a \$100 million capital asset at the end of the lease term.

The program helps to consolidate telephone and computer systems, administrative support as well as reducing travel. This will reduce wear on vehicles, reduce pollution, and provide more productivity time instead of travel time for personnel. No longer will the public be required to travel in order to do business with the state.

The program is very cost effective. Seven of the eleven buildings planned for the Capitol Mall over the next ten years can be obtained through PLTO. The developer constructs, operates and maintains the facility for the period of the lease. The program uses current and projected appropriations already in agency budgets with no increase to the state budget.●

For more information, contact Ellis Jones, Arizona Department of Administration, at (602) 364-0403 or ellis.jones@ad.state.az.us.

The 2001 NASFA Innovations Award Winner is Washington's Lexan Restoration Project.

Receiving Honors for Creative Excellence are Arizona, Michigan, and Missouri.

Michigan Awarded for Maintenance Excellence

The Office of Property Services (OPS), Michigan Department of Management and Budget (DMB), embarked on a maintenance excellence initiative in early January 2000. The charge, to build an operations and maintenance organization that would not only achieve their mission to "support the business operations of state government by providing an environment that enhances productivity and prolongs infrastructure life at a competitive cost," but would also provide streamlined processes that would delight their customers, 13,000 state employees in 36 facilities.

Ten cross-functional teams were created from all working levels within the office. Each team developed their respective charter and set forth to tackle their piece of the initiative. This was a great opportunity for employees to not only address their customer needs, but to benefit from learning new skills as well. Skills such as process mapping and redesign, cost benefit analysis, and team facilitation.

Maintenance Excellence is a fully integrated change management approach resulting in cost and timesavings. Benefiting foremost is the customer, who now receives rapid, accurate response, for the entire scope of infrastructure needs. OPS benefits as well due to a just-in-time delivery on furniture, and replacement parts and supplies. Work orders are coordinated with materials needed, resulting in less down time, rework, and duplicative efforts.

The total operating cost is expected to have an expected annual savings of \$2.5 million due to the improved labor utilization and effectiveness through planning and scheduling, personnel development and job plan execution along with the reduced material and tool costs. The preventative maintenance is also extending the life of equipment and other assets.

OPS would like to share their experience with other state agencies and welcomes the opportunity to learn from others who have undertaken similar initiatives. •

For more information, contact Keith M. Paasch, director, Office of Property Services, Michigan Department of Management and Budget (DMB), at (517) 373-0987 or e-mail paaschk@state.mi.us.

Missouri's Database Acknowledged

Missouri's Design Firm Qualification Database procedures addressed the need for a complete, reliable and updated database to be utilized for the selection of design firms for capital improvement project designs. The ACE (Architect, Contractor, Engineer) database records the size of firm, location, expertise, past project history as well as other key firm parameters. The database has been in use for several years, however the *Architect Engineer and Related Questionnaire* from which the data is generated was simplified considerably in 1999.

Expedient selection of design firms that are matched to the projects at hand, allows the project designs to be started promptly, which in turn allows the construction of the new facility or facility repair/improvement to be completed at an earlier date. The correct matching of the design firms to the needs of the project results in lower fees and higher quality design.

The funding in the past two fiscal years for the capital improvement program where design firms were selected by direct selection that is not by interview has averaged approximately \$50 million. With the new procedure, essentially all the direct designer selection projects are selected in one day whereas the previous process resulted in agency selections occurring over a six-month period. The additional construction realized is computed in half of the six month selection period, times three percent (assume annual inflation), times \$50 million (dollar amount of the capital improvements being delayed) = \$375,000 direct additional construction that was constructed due to prompt designer selection based on a \$50 million capital improvement program.

There is also the continuing deterioration of the facilities. Facility needs for repairs, that have been funded, continue to deteriorate during the designer selection and design process. The delay results in the need for the repairs accelerating at the same time the appropriated funds are decreasing in value.

The cost to implement the new ACE database was insignificant, and the same procedure could easily be duplicated with the same success experienced in Missouri. •

For more information, contact Edwin Bybee, P.E., chief engineer, Division of Design & Construction, Office of Administration, at (573)751-2015 or e-mail bybee@mail.ia.state.mo.us.

Innovation is about trying something new, something that isn't "what we've always done." It's a risk you take, win or lose, that teaches you about which direction is forward.

"At Risk"... Yeah Right

By Mike Kenig

CM At-Risk (or CM/GC) is the project delivery method where the contractor gets brought on board, typically during the design process, based on any number of different criteria, with the promise of going "at risk" later. "At risk?" Yeah, right.

Unfortunately, CM At-Risk is one of the most misunderstood delivery methods, and it seems everyone has formed their own definitions. CM At-Risk just did not make sense. That is until I found someone who could explain it to me.

The gentleman explaining this said that most people look at the term "at risk" in one of two ways:

1. The contractor taking the risk for the cost of construction and/or the schedule (usually at the time they are hired), or
2. The contractor taking the performance risk or delivery risk (the risk of delivering the scope of the project).

Many who have spent most of their career in the industry using a traditional "low bid" perspective, likely fall into the first category. They most likely associate the words "at-risk" with the contractor taking the "cost and/or schedule risk" at the time the contractor was hired. Thus, they might find themselves asking the question, "What risk? What risk is the contractor taking when he's brought on board early in the process when he is not really guaranteeing anything? The contractor does not really guarantee the cost or schedule for a design that is not complete." (*Wow, he really seemed to understand.*)

There is, however, another perspective. In the second definition, the term "at-risk" is referring to the fact that the contractor will hold the trade contracts and will eventually assume the risk for successfully delivering the project. Consider the difference of CM At-Risk to CM Agency (CM Not At-Risk). The CM At-Risk will hold the contracts with the trade contractors while the agency CM will not. It is this definition of "at risk" that allows the term CM "At-Risk" to work in most contexts.

Based on this, CM At-Risk in its simplest form, is defined by two separate contracts (vs. Design/Build which has one) and the CM holding the trade contracts (vs. CM Agency). The existence of a cost and schedule guarantee is typical with CM At-Risk, but is not a requirement.

I must admit he made sense. If you too cannot get past the "What risk?" question, then consider the two perspectives. The CM At-Risk still will not be taking the risk you think he should, but perhaps it won't bother you as much. •

Mike Kenig, vice chairman, Holder Construction Company, can be contacted at (770) 988-3260 or mkenig@holder.com.

Construction Management Gone Wrong

By Don Manes

Arkansas is by tradition a low-bid state with respect to publicly financed construction projects. The first experience in Central Arkansas with construction management on a public project was not a pleasant one. Indeed, it was regrettable.

A county level commission built the Alltel Arena almost four years ago utilizing the construction management delivery system (CM). Technically, it was CM Agency, as the construction manager was not at risk and there was no guaranteed maximum price. Almost all informed observers and all participants, except the CM, felt later that these were two huge faults that led to numerous still unresolved problems and a cost overrun.

Because the CM's role was that of a paid advisor instead of a general contractor, the burden of supervising the project fell to the five-person commission that had more than 60 contracts with specialty contractors. Disputes among contractors were difficult to resolve, and the project fell behind schedule. The bonding company was called in to finish the steel work that was a considerable part of the project. Later, an engineer retained by the commission determined that the steel for the piers was mislocated in 14 places and there were flaws in tying and bending the steel. When several ryker beams supporting upper seat rows began to crack, the fire marshal, upon the advice of the special engineer, closed the arena just six hours before the tip-off of an inaugural NBA game. Damages were paid to the two teams who had already gotten off their busses.

There are various ongoing lawsuits among the architect/engineer, the steel contractor, the bonding company, other subcontractors, and the commission. But the one person who was arguably most skilled and experienced, the CM, was playing the role of advisor from a distance. Had the CM been at risk against a guaranteed maximum price and supervised the subs as a general contractor would, many feel that the problems would have been avoided or, at least, corrected early and at lower cost. But no one was in charge, except the citizen commission. •

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

NASFA Notebook



NASFA Offers New Listservs

Members now have six new listservs to help them exchange information. Two of the listservs are for members involved with real estate and natural resources. Listservs for corrections and transportation were already in use.

Each region has its own listserv as well. Each regional listserv includes members in the areas of architectural & engineering, corrections, real estate, natural resources, operations & maintenance, and transportation. These listservs were set up so members can e-mail only those members in their respective region rather than the entire membership. They will be very useful in planning for and distributing information about the regional meetings.

"You've performed a great service for the Southeast," Cliff Steger, president, NASFA Southeast Region, said, regarding the region's new listserv.

The new listservs are as follows:

state_east@nasfa.net
state_greatplains@nasfa.net
state_southeast@nasfa.net
state_west@nasfa.net
state_realestate@nasfa.net
state_resources@nasfa.net

Only dues paying members may subscribe and use the listservs. Members may subscribe or unsubscribe by going to NASFA's Web site and then clicking on Listserv. •

Member Participates in Owner Association Summit

Source: FMI Corporation Press Release, March 13, 2001

Lamar Holland, assistant director, special projects, Georgia State Financing & Investment Commission, and NASFA President-Elect, represented NASFA at a meeting of representatives from the leading associations for owners, buyers of design and constructions services. The meeting was held in Atlanta, Georgia on February 21, 2001 to discuss global owner issues.

The group's focus is on learning the key areas of concern for member organizations and providing a forum to work collaboratively to address common issues. Topics that have been proposed for future discussions include contract documents, craft training, and apparent industry shifts to facilities outsourcing.

Other groups participating in the meeting were The Associated General Contractors/Private Industry Advisory Council (AGC/PIAC), Building Owners and Managers Association International (BOMA), Construction Owners Association of America (COAA), International Facility Management Association (IFMA), and several others.

The group plans to meet again on June 27, 2001 in Washington, D.C. to continue discussions. •

2000-01 NASFA Executive Committee

President	Gary Grimes (KS)
President Elect	Lamar Holland (GA)
Secretary/Treasurer	Tom Sandretto (VT)
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State Facilities Quarterly

Don Manes (AR), Newsletter Chair
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:

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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 13, 2001.

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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