



# STATE OF NEW MEXICO

## Strategic Facility Planning Process

### CAPITOL BUILDINGS PLANNING COMMISSION



## Next Steps

May 8, 2012



Architectural Research Consultants, Incorporated

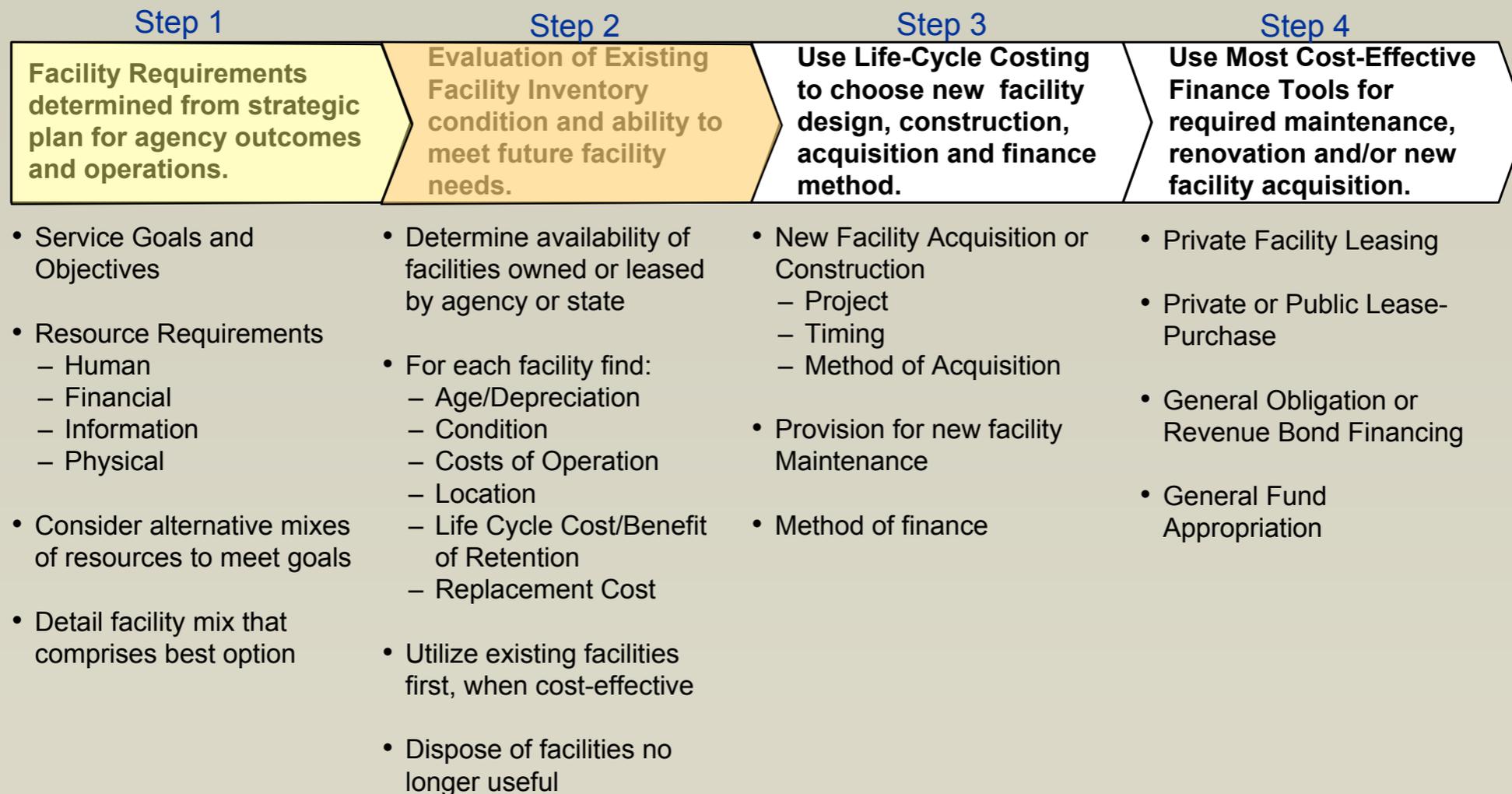


# IMPLEMENT A STRATEGIC FACILITY PLANNING PROCESS

Best practice is to strategically manage the site and facility assets of the state

- ▶ Dr. Pollard proposed the following model on 12.17.08 and in subsequent presentations to the CBPC

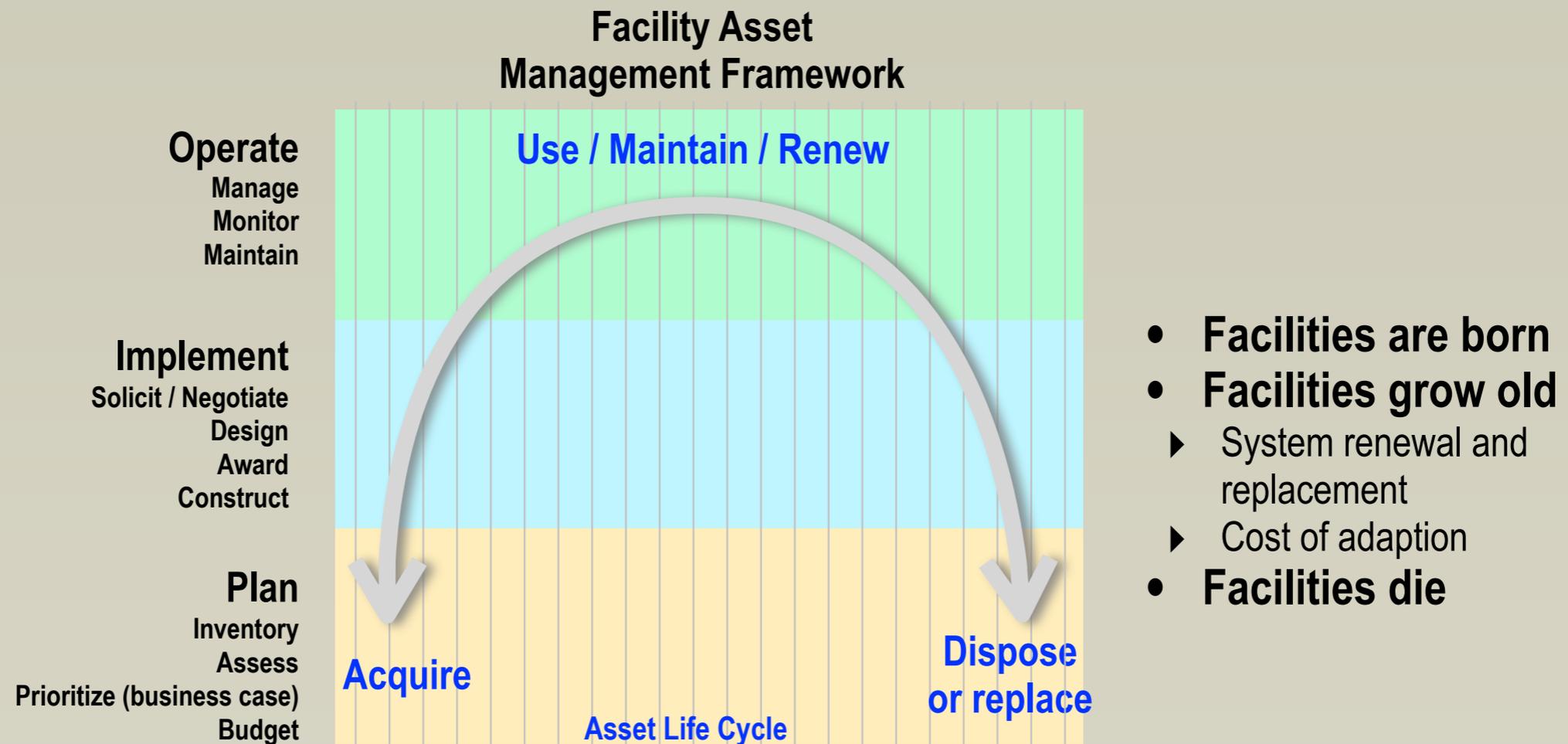
## Strategic Facility Planning Process





# IMPLEMENT A STRATEGIC FACILITY PLANNING PROCESS

Facility asset management is an on-going process



*“...a methodology needed by those who are responsible for efficiently allocating generally insufficient funds amongst valid and competing needs.”*

— The American Public Works Association Asset Management Task Force



# EXISTING NEW MEXICO ISSUES

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No unified facility inventory

No comprehensive assessment of facilities that provides reliable, comparable results (except for public schools) - do not know the extent of needs

No unified process for strategic facility planning and budgeting

No linking of strategic planning and facility planning

No reliable source of funding for building renewal

Fragmented ownership, responsibilities, and procedures for managing facilities

No consistent processes for acquisition or disposing assets

Many statutes, rules affecting many agencies in different ways



# DO NOT KNOW EXTENT OF NEED

Studies that have been done show that the facility renewal needs are substantial (reported to CBPC 11.11)

- ▶ Estimated\* capital facility renewal needs in current dollars are ~\$1.4 billion
- ▶ Likely 10-20% of these needs are high priority\*\* \$144 - 288 million

Estimated State Facility Capital Renewal Needs (\$millions)\*



\*Assumes:

- Weighted averages of PCD studies (2010 study covering ~25% of state-owned buildings, 2006 study covering about 50% of state facilities)
- Costs inflated to current dollars using consumer price index
- PCD weighted averages applied to non-PCD facilities without data

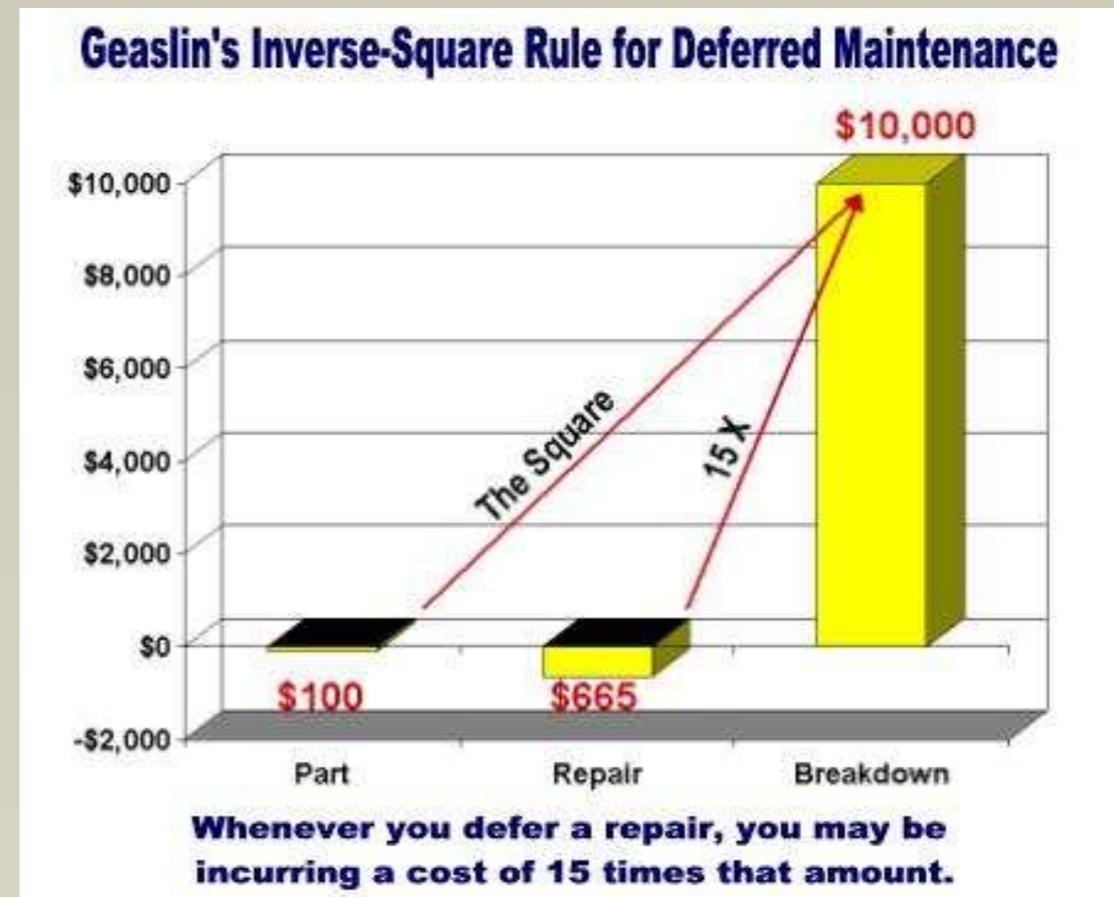
Based on averages where information is available



# IMPACT OF NOT IMPLEMENTING

## Pay now or pay more later!

- ▶ One expert predicts that if you defer maintenance, you can expect future expenses to be equal to, or greater than, the cost of the part squared or 15 times the total repair cost



<http://www.buildings.com/ArticleDetails/tabid/3321/ArticleID/3161/Default.aspx>



## **Adopt a strategic facility asset management model**

- ▶ Complete inventory / database of state facilities and sites
- ▶ Conduct comprehensive and consistent assessment of state facilities
- ▶ Prepare departmental / agency master plans linked to strategic plans

## **Prepare statewide facility plan that encompasses owned and leased facilities**

**Identify a dedicated source of revenue for capital facilities renewal**

## **Centralize ownership and management of state facilities**

- ▶ Consider Facilities Commission or Board with technical, specialized staff with authority and budget to implement program (see Utah and Texas as models)
- ▶ Responsibilities for acquisition, use, maintenance, disposal
- ▶ Adopt prioritization criteria



# SENATE BILL 83

(2012 Regular Session,  
sponsored by  
Senators Ingle and Jennings)

Currently	Senate Bill 83
<p>No comprehensive process in statute for strategic <u>facility</u> planning and budgeting</p>	<ul style="list-style-type: none"> <li>• A 5-year statewide program including the planning, prioritizing and financing of all state capital improvement projects, jointly prepared by PCD and DFA, shall be submitted to the governor and legislature by November 1 of each year.</li> <li>• Projects are classified as plan and design or as ready for construction.</li> <li>• New requirement for most state agencies to prepare and update a 5-year facilities master plan in compliance with guidelines developed by the PCD and submitted to the DFA by July 1 of each year.</li> <li>• Plans must be consistent with the CBPC master plans and planning principles. (Public and charter schools, higher education institutions, political subdivisions of the state and independent authorities already have statutory or other master planning processes.)</li> </ul>
<p>*No guidelines and technical assistance required statutorily for the preparation of state agency facility master plans; no linkage to strategic plans.</p>	<p>The PCD shall provide technical assistance to state agencies in the development of their facilities master plans. An appropriation of \$1 million was included in the bill for implementation.</p>

\*DFA has statutory authority for conferring with the state budget division in developing comprehensive plans...and to “maintain long-range estimates and plans for capital projects and develop standards for measuring the need for and utility of proposed projects.” (Section 9-6-5.1 NMSA 1978)



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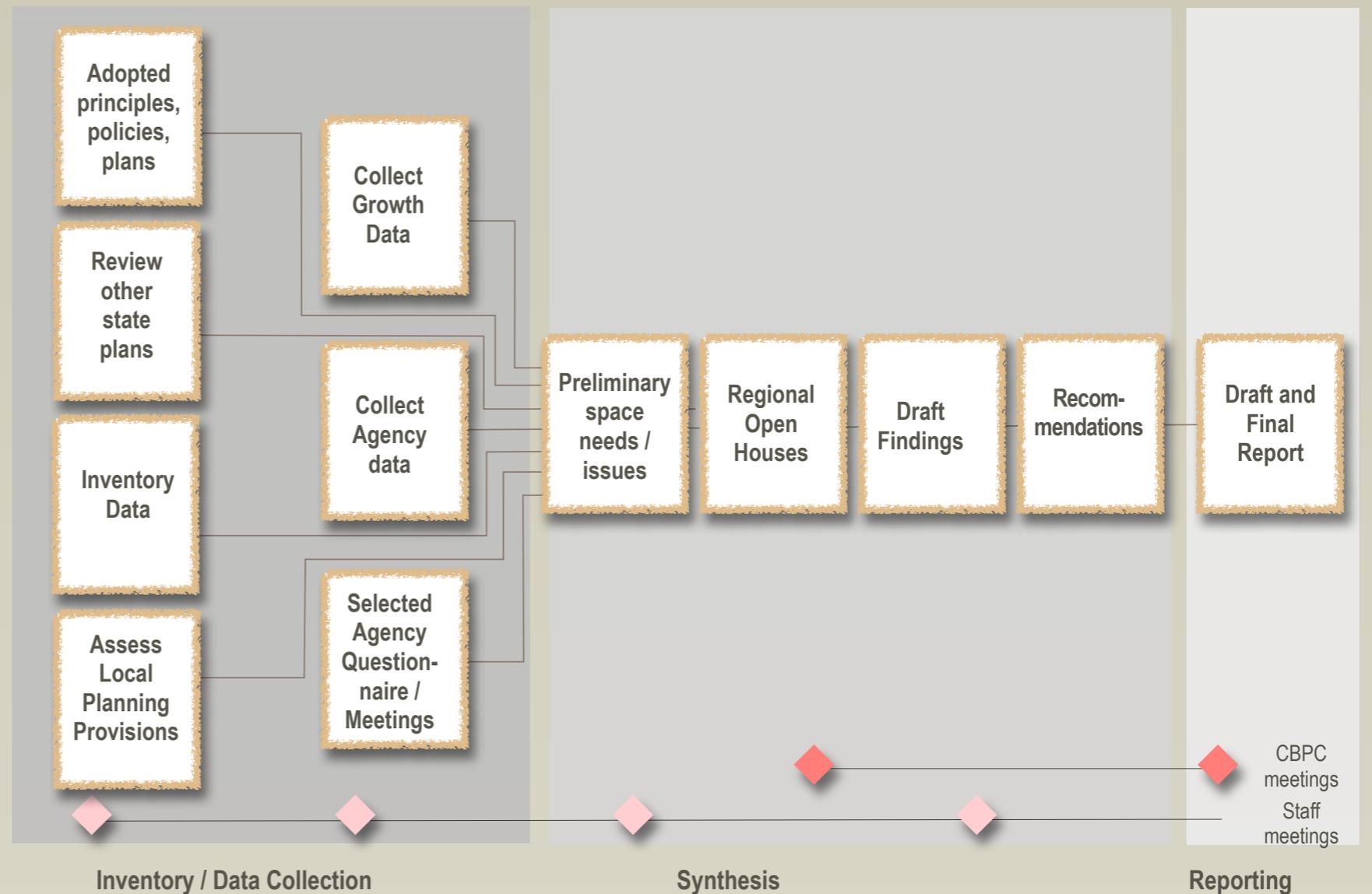
Currently	Senate Bill 83
<p>No ranking criteria for prioritizing capital projects for state facilities across state agencies.</p>	<p>The PCD shall develop the ranking system to determine the priority of projects across all state agencies in the 5-year plans.</p>
<p>No specific provisions for planning and addressing:</p> <ul style="list-style-type: none"><li>• preventive and deferred maintenance needs;</li><li>• space and energy efficiency standards; and</li><li>• life-cycle costing of state facilities.</li></ul>	<ul style="list-style-type: none"><li>• Facility master plans shall include deferred maintenance plans, including standards for facility maintenance, space and energy efficiency standards and requirements for life-cycle costing of new facilities or improvements to existing facilities.</li><li>• An appropriation of \$2.3 million was included in the bill "... for conducting a condition assessment of state facilities to determine initial deferred maintenance corrections and annual appropriation needs" for prioritized projects.</li></ul>



# STATEWIDE MASTER PLAN

Proceeding on developing a statewide facilities master plan based on best information we can obtain

- ▶ Will use available condition assessment information
- ▶ Will use agency strategic master plans, ICIP requests, and limited available facility plans





# ACTION / DIRECTION ON NEXT STEPS

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**Require site / facility information and needs to be integrated into agency strategic and facility master plans**

**Form a subcommittee to explore and to report back where we go from here**

- ▶ Continue to pursue legislation similar to SB 83?
- ▶ Continue on a different path?



CAPITOL BUILDINGS PLANNING COMMISSION