

**AGENDA**  
**COMMITTEE OF THE WHOLE**

Douglas G. Richardson, Chair  
Rick Talbert, Vice Chair  
Dan Roach, Executive Pro Tem  
Connie Ladenburg, Member  
Jim McCune, Member  
Pam Roach, Member  
Derek Young, Member

**October 26, 2017**

- **1:30 p.m.**
  1. Call to Order
  2. Roll Call
  3. Approval of Agenda
  4. **Facilities Management Department – Bret Carlstad, Director**
    - Integration of Facilities Management Support for Parks
    - Responses to Council's 2018 Budget questions
    - Letter of Understanding
    - Organizational Chart
  - 5 Councilmember discussion, questions, comments, and other items regarding the proposed 2018 Pierce County Budget
  6. Other Business
  7. Adjournment

# FACILITIES MANAGEMENT BUDGET 2018

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PIERCE COUNTY COUNCIL MEETING

OCTOBER 26, 2017

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# Facilities Management Budget 2018

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- Deferred Maintenance Prioritization 2017**
- Facilities Management Integration Project**
- Current Challenges**

# Deferred Maintenance Prioritization 2017

Ordinance No. 2016-64s2 requested that in 2017 the Executive present to the Council, the prioritization of deferred maintenance projects as presented in the Pierce County Deferred Maintenance Report dated September 2016 (the Master Report).

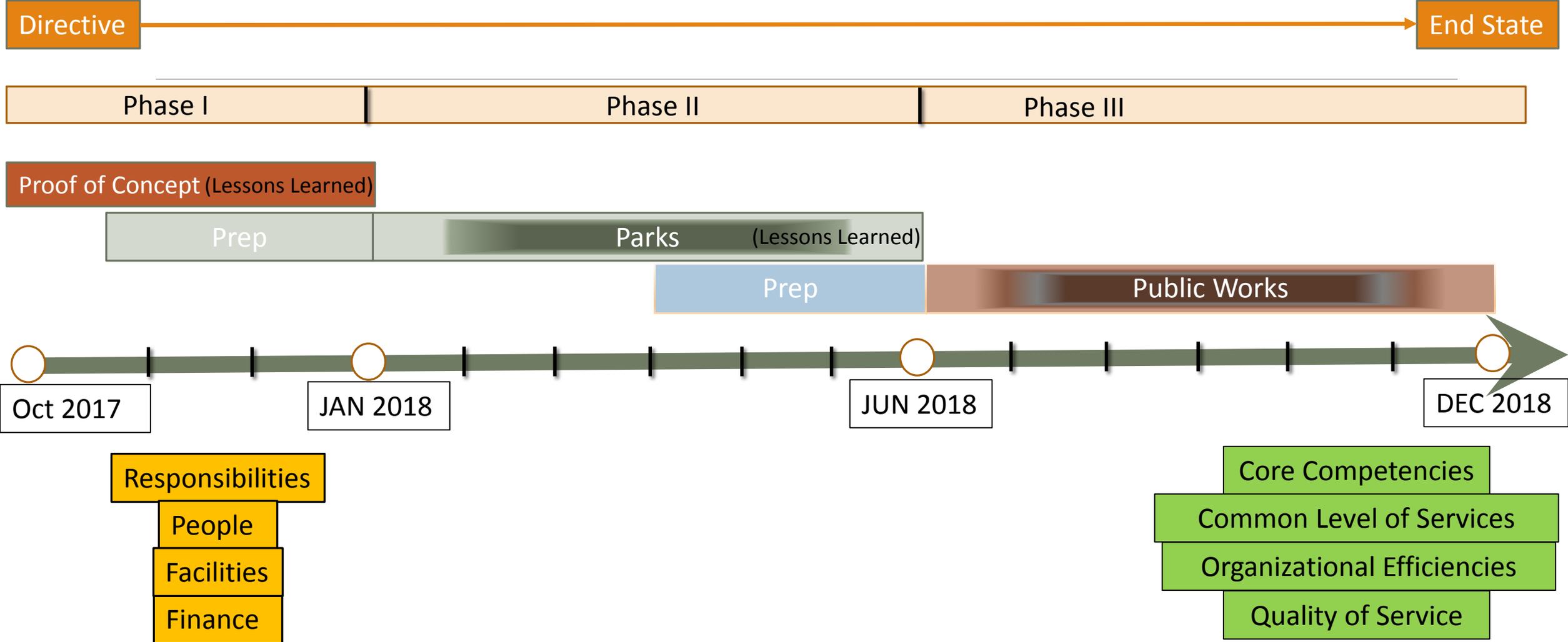
<https://www.co.pierce.wa.us/105/Facilities-Management>

# Integration Goals

- ❑ Use Facilities Management's subject matter expertise to provide industry leading level of support to all County facilities
- ❑ Increase both the efficiency and the quality of service our Departments provide
- ❑ Provide a uniform and high level of service across the County
- ❑ Document the division of responsibilities among Facilities Management, Parks and Recreation, and Planning and Public Works
- ❑ Structure Facilities Management to support the current and future maintenance needs of the County
- ❑ Allow each Department to serve their customers within their core competencies

# TIMELINE

## Integration



Facilities  
Management  
Current  
Challenges

- Construction Market
- Bidding Climate
- Competitive hiring environment



# Pierce County

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October 18, 2017

TO: Bret Carlstad, Director, Facilities Management Department

FROM: Paul Bocchi, Senior Legislative Budget Analyst, County Council  
Michael Transue, Budget Consultant, County Council

SUBJECT: 2018 Budget Questions – Facilities Management Department - Committee of the Whole, October 26, 2017 at 1:30 p.m.

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In addition to a general presentation regarding your 2018 Budget, Council has asked that you provide answers to the following questions. References to page numbers below are to the 2018 Preliminary Budget document.

- 1) Please provide an organizational chart for your department. **Please see organizational chart attached.**
- 2) Describe any new initiatives that are contained in your 2018 budget. **The 2018 budget provides significant resources to Facilities Management including the placement of a construction project manager in FM to work on Parks and Recreation capital projects. The Facilities Management Integration Project that was initiated in 2017 continues in 2018. As this work becomes more detailed and specific, project schedules and funding/staffing strategies will be provided. The integration of PR and PPW facilities will also inform the 2019 budget. The Facilities Management Integration Project is addressed in more detail in the FM 2018 Budget Presentation.**
- 3) Describe any new state or federal rules or regulations that are impacting your department or fund. **None**
- 4) Describe any new grant revenue that your department or fund is anticipating receiving in 2018. Elaborate on the effect it will have. **At this time, no specific grants are identified; however throughout the year FM is continually on the alert for grants and rebates related to Resource Conservation Management. These type of grants typically offset energy-saving project costs and do not create the need for additional program funding.**

## **Facilities Management Fund**

- 1) There was a study done on the County-City Building (CCB) complex in conjunction with considering the new building at the Puget Sound Hospital. Are the improvements

proposed for the CCB are in line with that study? **The Justice Center Planning Committee (JCPC) presented an interim report to the Executive and County Council early in 2015. The work of the JCPC was related in timing to the design work for the general services building, but the impetus was driven by the deficient facility needs of Pierce County justice programs and shortcomings of the 50+ year old County City Building to support County needs. The interim report presented preliminary conclusions, examined more appropriate logical program placements within the existing CCB building, documented building deficiencies and called for more analysis. Funding for this additional analysis came from the 2015 budget. This additional work result included the recommendation to bring the Juvenile program downtown (currently housed at Remann Hall) and sell the Remann Hall property. The additional analysis also included technical analysis of the building's mechanical and electrical systems and recommended upgrades to the vintage systems which would modernize systems, enhance occupant comfort and zone controls and decrease day-to-day operating costs. While all of the JCPC work and analysis remains valid and useful to guide the reinvestments in the physical assets and courthouse and justice buildings of and for Pierce County, the proposed work would address the acute needs that arise from the increased population and technological and justice program needs not served by the current 50+ year old CCB, while recognizing current available resources and the practical need to make improvements to the now unusable and fallow fifth floor space.**

### **Remann Hall**

- 1) Please provide an update on the study of the relocation of Remann Hall. **No new or recent planning work has been done by FM. The most recent work related to the relocation of the juvenile program and consolidation of Superior Court was done by the Justice Center Planning Committee which last met at the end of 2016.**
- 2) Does Facilities Management work on **ALL** of our buildings and departments? If not, please explain which buildings or departments are not maintained by Facilities Management and why. Could those areas be consolidated into the same department? **No, FM does not work on all County buildings. Parks & Recreation buildings and Planning & Public Works buildings are currently handled by each of those departments. Early in 2017, FM began the process to integrate these facilities under FM care. As noted in Question 2 above regarding new initiatives, the Facilities Management Integration Project is addressed in more detail in the FM 2018 Budget Presentation.**
- 3) Why does the Health Department building not fall under Facilities Management, as the building is owned by the County? **At the Tacoma Pierce County Health Department's (TPCHD) request at the end of 1999 when Doug Sutherland was Executive, a Letter of Understanding was entered into with TPCHD that gave full responsibility of maintaining the facility to TPCHD. In 1999, the TPCHD Board felt the County charged too much to maintain the facility. The agreement indicated that TPCHD take sole responsibility to maintain the facility. The agreement was dated October 28, 1999 and is attached.**

### **Deferred Maintenance Update**

- 1) The Parkland-Spanaway building is fairly recent with its retrofit. Please explain the Priority 3 maintenance request. **The retrofit in 2013 for the PSSP focused on meeting the more immediate program needs of the Sheriff at this site. Deliberate choices were made during the extensive remodel to upgrade or repair building systems and surrounding exterior areas to bring functionality, knowing that more extensive work would be needed in the future. Almost five years later, the previously repaired roof is in need of full replacement and the front area parking lot still needs regrading, asphalt and appropriate drainage. Other related exterior landscaping and security projects are recommended. These projects are not of an urgent or critical nature at this time, but do enhance operational efficiency and preserve the asset.**
- 2) Please provide details about how these projects will be financed. Is there a strategy? **The 2018 budget allocates existing funding sources to begin work on some of the higher priority renovation projects. During 2018, FM will team with the Finance Department on a long term funding strategy.**
- 3) Describe the need and function of the new full-time employee (FTE) to support county-wide security functions. What will be the primary duties of this individual? **The Security Program manages all of the physical access control, CCTV, Network-based County Alarm System, Workplace Violence Program, and Critical Incident Training--not only on a day-to-day basis but for all prospective projects, new upgrades and maintenance of the infrastructure. The Security Program provides for the operations of the 24/7 Security Operation Center (SOC) that provides call services, response dispatching and emergency notifications. In addition, the Security Program manages the Security Guard Contract and is responsible for the security program at the CCB, Remann Hall, Annex, and District Court Probation as well as the county-wide mobile patrol. This is currently managed in its entirety by the Security Program Manager who utilizes outside contractors.**

**The new position would be responsible for handling the Lenel Physical Access Program Platform on a day-to-day basis; be available during business hours to immediately address card removal, access authority, and requested schedules for doors to open or lock; and assist in the troubleshooting of Lenel issues. As the program continues to expand from physical access into network panic alarm, this dedicated Pierce County employee would be the primary operational response person for Lenel and the Panic Alarm system. Responsibilities would also include Lenel administration, Panic Alarm administration, work order management and billing review. These duties would be assumed by the new Office Assistant 2 position and it would also enable the Security Program Manager to oversee other staff and contractors.**

- 4) Describe the duties of the FTE to support increased capital projects in Parks and Recreation. What types of projects will this individual be involved in. Hasn't Parks traditionally handled that role? Why has this changed? **In their 2018 budget submittal,**

**Parks & Recreation requested funding through a decision package for several capital projects. It was indicated that if these projects were approved an additional FTE would be required to manage them. Through the 2017/18 integration project, FM will assume the responsibility for managing capital projects related to facilities. The FTE requested by Parks & Recreation will reside with FM and will have the duties of an FM Construction Project Manager 3.**

**5) Charges for Services (p.432) is increasing by 7%. How is this constituted? Is it across the board? Is this in-line with actual cost increases or necessitated by a need for more revenue? This is the FM 503 Operating Fund. As part of the budget preparation process, revenue sources to fund FM program expenses are identified. Historically this has been a combination of revenue from internal General Fund departments, external lease revenue, use of 503 fund balance, miscellaneous revenue sources, and the occasional transfer in of funds for specific projects or program changes.**

**Included specifically in Charges for Services is revenue generated from:**

- **Countywide Security program (Lenel)**
- **Facilities Chargeback Services (detailed in question 6)**
- **Facilities Retention Pond Services**
- **Interfund Space Usage**
- **General Government – Sustainability Reimbursement**

**The Charges for Services, along with other revenue sources are not simply spread across the board. Rather they are allocated to 503 fund individual programs (typically determined by an actual facility site, i.e. Annex program; CCB program) primarily according to that program's total expense projected for the given year.**

**Overall increase to Funding Sources/Expenditure was 10.4%. The 7% increase to Charges for Services is a component of that 10.4% increase. This represents actual increases due to general increased cost of services, and subsequent need for more revenue due to the following:**

- **The addition of Interfund Space Usage at the 112th St Campus in 2018**
- **The elimination of external, non-County, revenue generating lease at the 925 Building and projected full occupancy by County departments**
- **Increased occupant density at the 950 Building**
- **The addition of the Resource Conservation position new to FM in 2017**

**6) Under Program Expenditures (p.433) describe the Charge-Back Program. The Charge-Back Program is essentially a pass through account. The methodology was developed in coordination with Finance staff some years ago when FM staff were increasingly asked to assist other departments with projects that fell outside FM's regular book of business. Examples of this work include FM's assistance with Auditor's Election Ballot Drop Boxes, and PPW's Right of Way property management.**

**Year-to-date charge-back transactions in 2017 total nearly \$66K. Revenue received is an offset to hard cost expenses in the case of payments associated with materials and contractors; or is a decrease to the overhead allocation to the buildings managed by FM in the case of FM staff time billed out to customer departments.**

### **REET Capital Improvement Fund**

- 1) **What is the likelihood that all of the projects listed on page 440 of the preliminary 2018 Budget will be completed in 2018? Please break-out the order of the projects, and indicate which ones will likely be completed in 2018. Also which ones will be started, but not completed, and which ones are likely not going to start in 2018. With approval of the funding for the listed projects, FM will endeavor to complete them contingent upon staffing and contractor responsiveness. Due to the robust construction market in the Puget Sound basin this past year (2017), FM has been challenged to attract and retain qualified personnel. Additionally, FM has found that consultants and contractors are very busy. In some cases, no bidders have bid even when the construction project managers and consulting architects and engineers solicit interest in our projects. In a few cases, contractors joined the pre-bid project walk throughs, pulled plan sets, yet did not elect to bid. Please note too that major construction or renovation projects require design time in addition to bidding permits and construction. A brief detail of the listed projects are below.**

**The Annex remodeling project for PPW (Phase 1) is nearing the end of design development. If funded, Phase 2 design will begin straightaway with bidding occurring in the first part of 2018. Construction on Phase 2 will begin upon completion of Phase 1 due to maintaining operations in the Annex, an occupied building.**

**Before the 901 (Hess Building) could be demolished, remodeling of the 925 Building and 6<sup>th</sup> floor CCB need to be completed. Preliminary designs were developed with District Court in order to develop a reasonable rough order budget estimate. This work will be refined and developed into construction documents and placed out to bid with permits pulled.**

**Work at the 112<sup>th</sup> Street Facility falls into the major maintenance category. Scoping the work and securing a competent contractor is straightforward. This is true for the exterior painting of the Main Jail as well as the cleaning and sealing of the exterior masonry walls at the 2002 Jail.**

**The mechanical work at the 950 Building would be packaged to attract one prime general contractor. The fire sprinkler system was designed in 2009 and installed in 2010, but to meet budget constraints, all but the second floor were upgraded. Upgrades to the HVAC system will require hiring a mechanical engineering consultant. Design would be completed in the first half of 2018 with bidding and work following.**

**The restroom upgrades at the 950 Building will be completed in 2018. A similar upgrade project was completed at central Annex restrooms this year and the**

construction duration was for only one month. Design, permits and bidding will be accomplished in the first half of 2018.

Security projects (CCB employee entrances, Sheriff Property Room, East Precinct, Security Screening Equipment, and Corrections ATS Controller) will be accomplished using the County's approved Lenel authorized VAR and low voltage vendor. While the design concept for the RH Court Security Unit was completed a few years ago, revisiting and re-verifying the design will be necessary before moving it into construction, permitting and bidding.

Two studies – update of earlier ADA Assessment work and HVAC analysis for Building B at Remann Hall – will be completed in 2018 with budget authority.

Projects that will require significant client department interaction include the CCB Sheriff Reception Lobby, CCB Superior Court and Office space moves and first floor lobby reconfigurations in both the 2002 and Main Jails. The replacement of the sewer pipe serving the Medical Examiner will require close coordination with the program.

The funding for the CCB fifth floor will bring this current unusable 9,200 square foot area back into active use. Eight years ago funding allowed for this area to only be prepared for major tenant improvement and build out. The former Superior Court, Criminal Division area was abated and left as building shell and core in preparation for the third phase of then Executive Ladenburg four phase remodel of the CCB. This area was to become courtroom space for District Court. Designs were completed and the project was being prepared for bidding. The great recession and loss of funding stopped the work. In the ensuing years Executive McCarthy, convened a committee of 29 called the Justice Center Planning Committee. The JCPC presented its interim report to the Executive and the County Council in early 2015 which, among its preliminary conclusions examined more appropriate logical program placements within the existing CCB building. Additionally, the Committee recommended further study and analysis of the CCB, justice programs and downtown land holdings. Funding for this additional analysis was provided in the 2015 budget. Results of this work was presented back to the Committee and the Executive. The recommendation included bringing the Juvenile program downtown (currently housed at Remann Hall) and selling the Remann Hall property. The JCPC work also highlighted the poor use of the B tower for courtrooms. While this work and analysis remains valid and useful to guide the reinvestments in the physical assets and courthouse and justice buildings of and for Pierce County, and would address the acute needs that arise from the increased population and technological and justice program needs not served by the current 50+ year old CCB, there is a practical need to make improvements to the now unusable and fallow fifth floor space. The 2018 budget allocates funding for additional Superior Court courtrooms. It is expected that renovation of this area would carry over into 2019.

The East precinct impound lot is necessary work to correct storm-water water quality issues. Designs to examine the most cost effective solutions include building a sprung fabric building to cover the impounded lot and often damaged

**vehicles, and both pervious and impervious payment with oil-water separators and storm detention vaulting. Working with the regulatory agencies to secure the most cost effective and permissible solution continues. With funding, and approvals granted, this project will proceed and can be accomplished fairly quickly. The area needing storm-water water quality protection is not large in area. An added design element will be to make security improvements that will decrease the ability for unauthorized access to the impound yard and vehicles in custody.**

- 2) Give a detailed breakdown of the CCB deferred maintenance expenses that are planned in 2018. The breakdown should include the nature and location of the work. **Please refer to answer above that addresses the CCB fifth floor work.**
  
- 3) Give a detailed breakdown of the \$2.5 million being appropriated to the Annex. **In 2017, \$1,500,000 was appropriated through supplemental budget for Annex Tenant Improvement modifications to the Annex Planning and Public Works Department east portions of the building (Project 17-00044). Facilities has been working with the tenant department on the scoping and development of the design to move the project into permitting, bidding and construction. FM has engaged an architect along with a consultant team to design and investigate project requirements in comparison to existing building capacity. The plan is being finalized and moving into permitting and bid documents, with a plan for an early January bid opening for the Phase 1 improvements. Upon execution of the contract, it is expected that the Phase 1 project will be constructed in a North and South two-step process and is expected to be completed by the end of the second quarter 2018. This may extend if unforeseen circumstances arise.**

**With the approval of the Annex Remodel and Rehab Phase 2 in the 2018 project budget for \$1,000,000, scoping for this phase will begin immediately (Project #18-00007). Facilities has previously conducted studies at the Annex about current space utilization including the 2016 Deferred Maintenance report. These reports along with stakeholder input and other factors are taken into consideration for the development of the Phase 2 scoping. It is anticipated that development, permitting and bidding of Phase 2 will occur such that construction will begin upon completion of Phase 1.**

- 4) Explain how the \$7.4 million in Administration Oversight, Support and Carryover was calculated. How do these expenses accrue to individual projects, on a percentage or some other basis? **Approximately \$1.2M is the 2018 Administration Overhead budget. This covers payroll and pre-calculated expenses. These expenses are allocated to projects on an annual basis based on a sliding scale determined by the project budget (from 20% of a project budget for small projects to 8% for projects over \$2.5M).**

**The remainder is the estimated value of previously appropriated projects that require re-appropriation of funds to continue the project and complete in 2018.**

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cc: Councilmembers  
Bruce Dammeier, County Executive  
Dan Grimm, Chief Operating Officer, Executive's Office  
Gary Robinson, Director, Finance Department  
Jim Dickman, Budget Manager, Finance Department  
Susan Long, Administrator, Research and Policy  
Hugh Taylor, Senior Legislative Analyst  
Mike Kruger, Senior Legislative Analyst

LETTER OF UNDERSTANDING BETWEEN PIERCE COUNTY AND  
TACOMA-PIERCE COUNTY HEALTH DEPARTMENT

At the request of the Tacoma-Pierce County Health Department ("Health Department"), Pierce County will revise operating procedures regarding maintenance, operation, and insurance of the Health Department Building and grounds located at 3629 So. "D" Street, Tacoma, Washington, as follows:

1. For 1999 the Health Department will reimburse the County for expenses incurred directly by the County allocable to the building operation and maintenance to June 30, 1999.
2. After July 1, 1999 the Health Department will annually pay Pierce County on or before the 10th day of July, the sum of \$38,450 which Pierce County is obligated to pay to Honeywell Inc for energy improvements made to the building as a part of contract 95-6505, as amended, until the contract obligation is satisfied. Pierce County has canceled ongoing technical service provisions of that contract as to the property upon which the Health Building is situated, at the Health Department's request, and the Health Department will obtain any desired energy saving services from pooled funds.
3. After July 1, 1999 Pierce County will no longer expend County funds directly for maintenance, operation, including utilities, or for repair or reconstruction of the property or defense of claims arising therefrom. The Health Department will be responsible to pay for all expenses including, but not limited to building maintenance, custodial, utilities, repairs, remodeling, construction of any and all authorized building and building site components, and all liabilities arising from the use of the property and expenses necessary for its maintenance as an asset, including attorneys fees. Pierce County will provide a schedule of preventative maintenance work relative to building systems and equipment, and will make available copies of previous maintenance records in its possession, and the Health Department will hereafter maintain the building and grounds in good repair suitable. The Health Department will provide the County with yearly documentation of preventative maintenance accomplished. The Health Department shall not make alterations or additions to the premises without prior written consent of the County, which will not be unreasonably withheld.
4. Pierce County retains the rights at all reasonable times to enter the premises for inspection, and shall be provided keys by the Health Department to unlock all doors in and about the premises, excluding vaults, safes, files containing matters kept confidential in accordance with law.
5. Pierce County will continue to obtain Landlord's Manuscript Property Coverage insurance coverage for the Health Department Building subject to a \$100,000 per occurrence deductible, and the Health Department will pay all premiums for that coverage and all deductible amounts under those policies. The Health Department shall directly bear all risk and expense, including insurance for all personal property on the premises, regardless of the risk.
6. The Health Department will insure and defend Pierce County, its agents and employees from all claims, costs or expenses arising from the Health Department's use of the premises or the conduct of Health Department business or operation, under a Commercial General Liability policy with minimum limits of \$3,000,000 Combined Single Limit Liability to include: Bodily injury, property damage, personal injury, contractual liability, products and completed operation, and any injury, death, damage, and/or loss of any sort sustained by any person, organization, or corporation (including the Health Department's and any of its employees and/or agents), naming

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the County as an additional named insured, and providing that coverage provided by the policy to the County shall not be terminated, reduced or otherwise changed in any respect without providing at least sixty (60) days written notice to the County. Said liability insurance shall be evidenced by a Certificate of Insurance approved by the Pierce County Risk Management Director as to form and coverage, and is to be renewed annually to determine adequacy of liability limits which may be increased upon demand by the County. If the Health Department shall fail to maintain such continuous coverage, Pierce County may so insure directly and pay such premiums, deductibles and other expenses from pooled funds of the Health Department.

Dated this 28<sup>th</sup> day of ~~September~~ October, 1999.

PIERCE COUNTY

By [Signature]  
Pierce County Executive

TACOMA-PIERCE COUNTY HEALTH  
DEPARTMENT

By [Signature]  
Director

# Facilities Management Organization Chart

