

2018-2023 SBP Update
Gap Action Plan Template – REVISED April 3, 2017

Action Plan Title: Facilities Master Plan	Action Plan Owner: Judith Cross
Focus Area: Operational Excellence	Action Plan Sponsor: Sherri Crawford

1. Short summary of the project/program (suitable for using with Customer Review Panel and other members of the public, plus additional specifics required for clarity of action).

This action plan adds \$118M to purchase property, reconstruct existing facilities and construct new operating centers for all of SPU’s Lines of Business. The SPU houses “In-City” and “Regional” Line of Business programs in separate campuses encompassing over 50 buildings. The Facilities Master Plan evaluated 15 campuses (all but Solid Waste Transfer Stations) to establish a 30-year capital reinvestment strategy to address present-day facility conditions and position the Utility for the future.

2. What outcome will this action achieve? What problem does it solve? What are the benefits?

SPU operates and maintains an extensive network of conveyance pipeline and service functions which require facility support. Historically, SPU has minimized investments in on-going maintenance and asset preservation. The 2015-2020 gap action plan led to a Facilities Master Plan – a 30-year capital investment strategy – to guide individual facility decisions toward common objectives (operational efficiency, optimal location, resiliency, forward thinking), an integrated system-wide action plan, and a mechanism to address changing conditions to ensure that SPU moves forward in a deliberate and cost effective manner. This action plan focuses on the design and construction of facilities identified in the Master Plan that are safe and more efficient for the SPU workforce.

This action plan invests in facilities that will provide main benefits:

- Operational benefits: These are projects that will build dewatering facilities for water and drainage crews in the south and north end of the City.
- Staff benefits:
 - *Regional Facilities* - This includes improvements such as second phase of Cedars Falls Facilities to replace deficient shop space, fleet maintenance bays, equipment storage, materials and tool storage buildings.
 - *In City Facilities* - This includes major improvements such as a Drainage and Wastewater South Operations complex and a Water and Drainage and Wastewater North Operations complex. City changes in the existing South Operations Center at Charles Street required SPU to move Drainage and Wastewater crew operations to a new location. The North Operations facility needs were identified in the master planning efforts. The North Operations Complex project entails improvement of existing space conditions and co-locating crews for operational efficiencies. It is important to note that the current conditions for the staff and equipment are deficient such as lack of space to change, inadequate indoor toilets, and inadequate indoor equipment parking and materials storage .
 - *Seattle Municipal Tower Space Configuration* – The City has new interior space requirements in an effort to utilize City-owned space in the most efficient manner as well as effectively manage employee ergonomic needs. This project will consolidate the floors that SPU occupies in the Seattle Municipal Tower by implementing the new space standards and

ergonomic guidelines. This will result in smaller, but more collaborative spaces, ergonomic work stations, co-location of related work groups on the same floor and eventually less O&M lease costs due to occupying fewer floors.

3. Short description of activities already in the baseline, incremental work.

Until the 2015-2020 Strategic Business Plan (SBP) identified comprehensive facility planning as a “gap”, SPU addressed conditions on a case-by-case basis often deferring work. Much of the time since the 2015-2020 SBP, SPU has spent time on the Facilities Master Plan. The facilities listed below are the projects that were included in the baseline for the 2018-2023 SBP due to the fact they were in the 2015-2020 SBP or cyclical in nature (such as roof replacements.)

- Building improvements:
 - Various roof replacements on sites such as the Maintenance Equipment Building and the Operations Control Center Meter Shop
 - Replacement of the South Mead St. Materials Yard

- Staff Benefits:
 - *Regional Facilities* - Cedar Falls Headquarters and small building improvements at the Tolt, Lake Youngs, and Duval facilities.

4. Implementation plan and timeline.

Most of the projects within the first ten year implementation period will be begin in 2018 and will be completed by 2023. SPU is still considering options to stagger certain projects, if needed.

5. Implications for budget and FTE (if any)

The baseline carries sufficient budget projections but until property is secured (which establishes planning timelines), the impact of potential cash flow and timing on the capital budget is not known.

Changes (relative to baseline)

	2018	2019	2020	2021	2022	2023
O&M (Non- Labor) Budget Change	0	0	0	0	0	0
CIP Budget Change	23,182,590	33,845,210	23,828,603	16,361,000	9,360,000	7,887,000
FTE Change	0	0	0	0	0	0

6. Alternatives considered for varying options/levels of effort.

Facilities is evaluating the use of leased property and delaying implementation of the Facilities Master Plan. These actions are tied to known deficiencies which are impacting operational efficiency, so there is an O&M cost associated with delayed capital implementation.

7. Is there lower-priority work underway whose resources could be directed to this effort? Please describe.

None

8. Identify and describe any significant external constraints affecting this action plan.

DWW system cleaning is a critical component of the SPU's larger response to the 2013 Consent Decree with Ecology, EPA and Justice Department to limit system overflows. SPU has elevated cleaning operations, this has exacerbated known inefficiencies associated with disposal, leading DWW to prioritize this Dewatering facility development.

The development of a North Operations Complex is in response to deficient facility conditions (antiquated facilities of substandard size) which prevents SPU from operating efficiently and reappportioning crews to areas of the city they are needed. This is especially critical in a growing city with increased traffic and travel times. The ability to have staff stationed in multiple parts of the City allow for a more efficient and effective operation.

9. Identify possible race and social justice implications for implementation of this plan. How will it impact service equity and how will you resolve this impact?

This action is an effort to “rebalance” and address known Facilities deficiencies which disproportionately affect (environmental conditions, SPU response times, ability to respond in emergencies) employees, neighbors, citizens and our ratepaying customers.

10. Describe your plan for evaluating success or progress of this plan. Include any metrics you have.

The Facilities Master Plan is based on four Guiding Principles. Each has several associated measures of success, many of which will be achieved after 2023:

- Facilities will integrate operational programs which share similar functions, work practices, supplies, and equipment to maximize the efficient use of resources (staff, vehicles, equipment, facilities, O&M).
 - Lifecycle operational costs of meeting existing service levels decreases
 - Space used for multiple services increases; O&M costs decrease
 - Near term capital condition reinvestment decreases
 - Lease/rent costs decrease
 - Square footage increases
- Operational facilities will be optimally located to improve operational efficiency (use of labor time) and balance field crew personnel, equipment, materials and resources where they are needed.
 - Response time decreases
 - Travel time ("windshield time") decreases
 - Fossil fuels usage decreases
 - Facility redundancy decreases, colocation increases
 - Crew staging time decreases
 - # of vehicles properly housed increases
- Facilities will be positioned and strengthened to be resilient so the Utility can appropriately respond to emergencies and environmental conditions.
 - Resiliency increases, ability to support 24 operations after disastrous events
 - # of hardened facilities increase
 - Facilities located in a hazard zones (sea level rise, flooding, liquefaction) decrease
 - Facilities that meet earthquake standards "life safety" or "immediate occupancy" increase
- Facilities will be forward-thinking to reflect “Our Promise” values.
 - Mandatory capital investment due to systemic failure decreases
 - Support of staff activities, development, recruitment increases
 - LEED and sustainable facilities increase
 - Energy use decreases (monitor energy use behavior with smart technology)

11. Alternatives proposed as a result of Customer Review Panel feedback; costs and benefits.

This action plan is composed of several discrete large projects:

- **North Operations Complex “Must Do”** – Construct bathroom, shower, and locker facilities at Haller Lake; replace two office trailers that are in a state of disrepair; repair the pavement and roof at the North Operations Center (NOC); and design and build a dewatering facility.
- **North Operations Complex Phase 1** – Purchase property adjacent to the NOC; permit, design, and construct storage for warehouse items, vehicles, and materials.
- **North Operations Complex Phase 2** – Plan, design, and begin constructing the balance of the campus which includes tearing down the old NOC building and finishing the yard. Most construction costs occur after 2023.
- **Drainage & Wastewater South Operations Complex** – Remediate contaminated soil, remodel the existing building, and relocate the crews.
- **Cedar Falls Phase 2** – Permit, plan, and design replacement of deficient shop space, fleet maintenance bays, equipment storage, materials and tool storage buildings.
- **Seattle Municipal Tower (SMT)** – Consolidate the floors that SPU occupies in the SMT by implementing the new space standards. The result is smaller, but more collaborative spaces, ergonomic work stations, co-location of related work groups, and eventually less O&M lease costs.

The costs of these large projects have been updated and are slightly lower than the costs shown on page 2.

Updated Original Proposal (in millions of \$)

#	Project	2018	2019	2020	2021	2022	2023	Total
10a1	North Operations Complex "Must Do"	\$4.6	\$2.7	\$0.0	\$0.0	\$0.0	\$0.0	\$7.3
10a2	North Operations Complex Phase 1	\$2.0	\$1.4	\$6.5	\$9.3	\$2.3	\$0.0	\$21.5
10a3	North Operations Complex Phase 2	\$0.0	\$0.5	\$1.0	\$1.0	\$1.0	\$1.1	\$4.6
10b	DWW South Operations Complex	\$11.8	\$22.8	\$8.1	\$0.0	\$0.0	\$0.0	\$42.7
10c	Cedar Falls Phase 2	\$0.5	\$2.0	\$4.0	\$1.3	\$0.7	\$2.5	\$11.0
10d	SMT Reconfiguration	\$4.3	\$4.5	\$4.2	\$4.8	\$5.4	\$4.3	\$27.5
	Total	\$23.2	\$33.9	\$23.8	\$16.4	\$9.4	\$7.9	\$114.6

The following changes are an alternative to the above option and would decrease total costs by \$16.8M:

- **North Operations Complex Phase 2** – Defer this project beyond 2023. If North Operations Complex Phase 1 moves forward, the risks with deferring Phase 2 are manageable.
- **Cedar Falls Phase 2** – Defer by one year.
- **SMT Reconfiguration** – Complete one floor in 2017-2018, then pause and resume in 2020. This will push out lowering O&M lease costs by 12-18 months. This could change if the City does not need these moves for the City-wide restacking.

Alternative Proposal (in millions of \$)

#	Project	2018	2019	2020	2021	2022	2023	Total
10a1	North Operations Complex "Must Do"	\$4.6	\$2.7	\$0.0	\$0.0	\$0.0	\$0.0	\$7.3
10a2	North Operations Complex Phase 1	\$2.0	\$1.4	\$6.5	\$9.3	\$2.3	\$0.0	\$21.5
10a3	North Operations Complex Phase 2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
10b	DWW South Operations Complex	\$11.8	\$22.8	\$8.1	\$0.0	\$0.0	\$0.0	\$42.7
10c	Cedar Falls Phase 2	\$0.0	\$0.5	\$2.0	\$4.0	\$1.3	\$0.7	\$8.5
10d1	SMT Reconfiguration Phase 1	\$1.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.3
10d2	SMT Reconfiguration Phase 1	\$0.0	\$0.0	\$3.0	\$4.5	\$4.2	\$4.8	\$16.6
	Total	\$19.7	\$27.4	\$19.6	\$17.8	\$7.8	\$5.5	\$97.8