

JEFFERSON COUNTY PUD

STRATEGIC FACILITIES PLAN

INTERIM REPORT TO THE BOARD - PRELIMINARY FINDINGS

August 24, 2017

OVERVIEW

Jefferson County PUD, (hereafter “PUD”), retained the services of TCF Architecture (hereafter “TCF”) to work with PUD staff to assess current and future facility needs, explore and evaluate immediate and long term facility options, and present the options for consideration by the Board of Commissioners (hereafter the “Board”), and ultimately the adoption of a Strategic Facilities Plan. This report provides a summary of the preliminary findings which are intended to assist the Board in understanding the short and long term opportunities and implications of current decisions related to PUD facilities.

STRATEGIC FACILITIES PLAN - GOALS FOR PLANNING STUDY

The following list summarizes the intended outcomes to be achieved in this planning study:

- Identify PUD goals and objectives for immediate and long term facilities.
- Determine PUD personnel and equipment growth projections.
- Establish a preliminary Space Needs Program with related general design criteria defining all facilities and functions supporting PUD staff and equipment.
- Confirm and define the criteria for assessing the two primary alternatives: Split vs consolidated facilities.
- Evaluate the potential for the commercial bank property in Port Townsend to accommodate administrative offices and customer service functions.
- Develop a master plan layout for the Operations Facility site at Four Corners Road accommodating all PUD facility needs, with phasing options addressing potential capital funding limitations.
- Develop a budgetary analysis for all envisioned facilities and site improvements at the Operations Facility and at the Port Townsend commercial property for economic comparison.
- Prepare documentation presenting all findings and recommendations for accommodating facility needs, with options for short term and long term implementation.

FACILITIES GOALS

Specific to the future of administrative, customer service, and engineering & operations functions as related to facilities for the PUD, the following is a list of general goals developed with the PUD representatives during the initial project programming workshops. The goals are aligned with PUD’s 2015 Strategic Plan.

Implement facilities decisions that promote and enhance responsive service, reliable service, and affordable service

- Implement facilities that are the most cost-effective within acceptable time frames.
- Promote strong customer service.
- Promote optimum workflow efficiencies.
- Promote professionalism throughout the organization.
- Promote strong workforce morale.
- Protect equipment assets and prolong their longevity.

PUD PARTICIPANTS

The work contained in this report is the product of significant input from PUD managers and other key staff. PUD staff who participated with TCF during the various workshops and meetings is provided below:

- Jim Parker, PUD Manager
- Kevin Strech, PUD Assistant Manager
- Susan Carter, PUD CFO
- Annette Johnson, PUD Records Administrator
- Don McDaniel, PUD Consultant
- Jean Hall, PUD Customer Service Coordinator
- Debbie Lund, PUD HR / Communications Mgr.
- Jimmy Scarborough, PUD Sr. Electrical Engineer
- Kris Lott, PUD IT Manager
- Bo Lee, PUD Line Foreman
- Alyson Dear, PUD Warehouse / Purchasing

EXISTING PUD FACILITIES

Administration Building – Port Hadlock

The PUD owns a former post office building on a small parcel in Port Hadlock (230 Chimacum Road), accommodating customer services, administrative offices, and the Board of Commissioners meeting room. The existing building has been unable to accommodate the recent increase in PUD staff, resulting in the leasing of additional office space across Chimacum Road. (See Table 3 for a summary of projected PUD staff/FTE's).

Assessment of Port Hadlock Facilities

The existing administration building in Port Hadlock is in poor physical condition and substandard in space to accommodate PUD needs. Further, the PUD property is not large enough to accommodate expansion. The scope of this study does not include a detailed assessment of existing site and building conditions at this property, as PUD is committed to vacating Port Hadlock property in favor of other long term facility options.

Operations Facility (Four Corners Road)

Table 1 below summarizes the current square footage accommodated in several structures on the Four Corners Road property. The 23-acre former Puget Sound Energy property is bisected by an easement road running north/south on the site, providing access to private property on the southern edge of the PUD property, with the operations facility buildings and the storage yard located on the Eastern portion of the property. A substation occupies a portion of the western half of the site, where there is additional property for expansion to accommodate yard storage functions.

Table 1: Existing PUD Facilities

Building	Location	Gross Area (SF)
Admin Building	Port Hadlock	3,125 SF (incl. storage)
Leased Office (Annex)	Port Hadlock	1,200 SF
Main Operations Building	Four Corners Road	8,035 SF (incl. truck canopy)
Modular Building	Four Corners Road	1,590 SF
Covered Storage	Four Corners Road	1,500 SF
Covered Fueling/Wash	Four Corners Road	1,100 SF
Total Current SF		16,550 SF (Not incl. several container boxes)

PROGRAMMING

A Preliminary Program was developed during an initial workshop held at the Operations Building in May, 2017 with PUD representatives. The purpose of the programming workshops is to review criteria for facilities supporting PUD functions, and develop a baseline Space Needs program for current and projected facilities, tied to projections for anticipated PUD growth over a selected planning horizon. (See Workforce Projections below). This program information is considered preliminary for the purposes of planning. At such time that PUD moves forward with project funding and design, a detailed “Functional Program” will need to be developed to define specific criteria for each functional space, along with systems requirements and performance standards.

Preliminary Program

The Preliminary Program (or Space Needs Program) and design criteria information developed in Workshop 1 is consolidated into a single document listing all functional spaces, recommended square footage for each functional space or area, general space purpose and design criteria, critical adjacencies. Critical vertical height requirements, and general furnishings and equipment needs. A summary of the recommended program areas is provided in Table 2 below.

Table 2: Summary of Recommended Program Square Footage

Program Type	Gross SF	Summary of Program Items
Administrative / Public	7,300 SF	Lobby, commission room, offices, conf. rooms, workroom, etc.
Crew Facilities	5,900 SF	Crew/Training rooms, locker/toilet rooms, resource room, etc.
Maint. Shops/Enclosed Storage	3,500 SF	Shop facilities, heated warehouse, etc.
Covered Vehicle/Equip Storage	10,800 SF	Covered storage for vehicles and equipment
Covered Materials Storage	11,000 SF	Covered, unheated storage for materials and components
Covered Fueling/Wash	3,300 SF	Fuel and Wash facilities
Total Recommended Program Area	41,800 SF	

PUD Workforce Projections

A key task during the initial programming workshop was to confirm total personnel to be included in the Preliminary Program, along with projections for future growth over a selected planning horizon. The growth projections are based on staff's best estimation for the purpose of informing the overall potential for facility needs. While 20-year growth projections are common in such facilities, projections provided by PUD staff actually only address the next five year period, consistent with PUD's current Strategic Plan, with a general conclusion that PUD will not experience significant growth over time. Site layouts will consider additional area for potential additional growth in later years.

Table 3: Personnel Projections (5 year period: 2017-2022)

Division/Dept	Mgr	Admin	Foreman	Crew
	Office	WS	WS	Locker
Electric	1.25	1.25	2.00	13.00
Water	1.25	0.25	1.00	4.00
Telecom	1.25	0.25	0.00	1.00
Consultants	0.00	3.00	0.00	0.00
Engineering/Ops	0.00	5.00	0.00	0.00
Gen Staff	0.00	12.00	0.00	0.00
Admin Asst	4.25	2.25	0.00	0.00
Total FTE's by Type	8	24	3	18
Total - FTE's		53		

SUMMARY OF ALTERNATIVES

Immediate decisions tied to long term facilities strategies must be considered within the context of two fundamentally different approaches: 1) Split Facilities (separate sites) or 2) Consolidated Facilities (Single site). Below is a brief overview regarding the two approaches, followed by a summary of the proposed Alternatives.

Split Facilities

Public and private organizations that deploy personnel and equipment to maintain and operate infrastructure, employ a variety of administrative and engineering staff, and provide a customer service point of interaction, face the challenges of locating facilities to address optimum internal efficiencies and customer convenience. Presently, PUD operates separately on two main sites, Port Hadlock for administrative and customer services functions, with operations and additional customer services at the Four Corners Road property. In addition, PUD accommodates water operations at a separate water treatment plant facility where 4-5 PUD staff currently report and work. (No changes are currently proposed for the water shop facility).

PUD incurs certain built-in inefficiencies as a result of operating facilities at two separate locations. A number of PUD staff regularly travel between the Port Hadlock and the Four Corners Road facilities for meetings throughout each week, a 7 mile round trip. Estimates provided by PUD staff indicate that there are on average 136 trips per week, with the majority of the trips occurring in staff's personal vehicles. On average, this travel between sites costs PUD more than \$20,000 annually in travel reimbursement and non-productive staff time. While improved communication technology can reduce the number of trips, face to face meetings among staff are generally more productive and preferred, and therefore such travel costs are likely to be inevitable in any split facility arrangement.

Related to the inefficiencies and costs associated with travel between split facilities is on-site productivity. When personnel are physically split on separate sites, day to day interaction across departments and between personnel is not optimum, as informal short meetings and conversations don't occur which reduces important exchanges of information. Such limitations can result in decreased service response and reliability goals. Promoting and enhancing workforce morale can also tend to be more difficult when personnel are physically separated. Further, split facilities requires duplication of spaces such as customer service areas, restroom facilities, conference rooms and other support spaces, as well as duplicative site area for parking and access.

Consolidated Facilities

From the standpoint of internal PUD functions, co-locating all personnel offers both operational and economic benefits. Direct cost savings include the elimination of travel costs between split sites (which will increase if the travel is between Port Townsend and Four Corners Road), and decreased capital and operational costs for non-duplicative facilities. Regarding productivity, enhanced communication, coordination, and cooperation across departments is also possible when personnel are co-located, whereby informal meetings and short conversations throughout each day increases the exchange of real time information and promotes more effective feedback loops. Further strong organizational culture and employee morale tends to be more readily achievable in consolidated facilities.

Customer Service Location

Discussions with PUD staff regarding customer service location considerations revealed that, while a presence in Port Townsend would be welcomed by those who live in town, locating customer service at Four Corners Road will also work well. Presently, the Operations Facility site is the primary interface point for new service and contractors, while Port Hadlock sees customers primarily for bill paying and also hosts the commission meetings. Although many customers still prefer to pay their bill in person, staff believe that in the years to come the primary means of bill payment will be electronic. From the customer's perspective, attending a commission meeting at the Four Corners Road site would be similar to the Port Hadlock facility from the standpoint of travel.

ALTERNATIVE 1: SPLIT FACILITIES:

PURCHASE PORT TOWNSEND COMMERCIAL PROPERTY AND IMPROVE OPERATIONS FACILITY

Overview

Under Alternative 1, PUD would purchase the existing commercial bank property in Port Townsend as a facility for administration, finance, billing, human resources, customer services, and the main commission meeting room, essentially committing to a split facility arrangement for an indefinite period of time. In addition, based on an overall master plan, improvements would be made at the Operations Facility over a series of timed phases tied to capital funding capacity. Each phase would make progress towards a final master plan build-out.

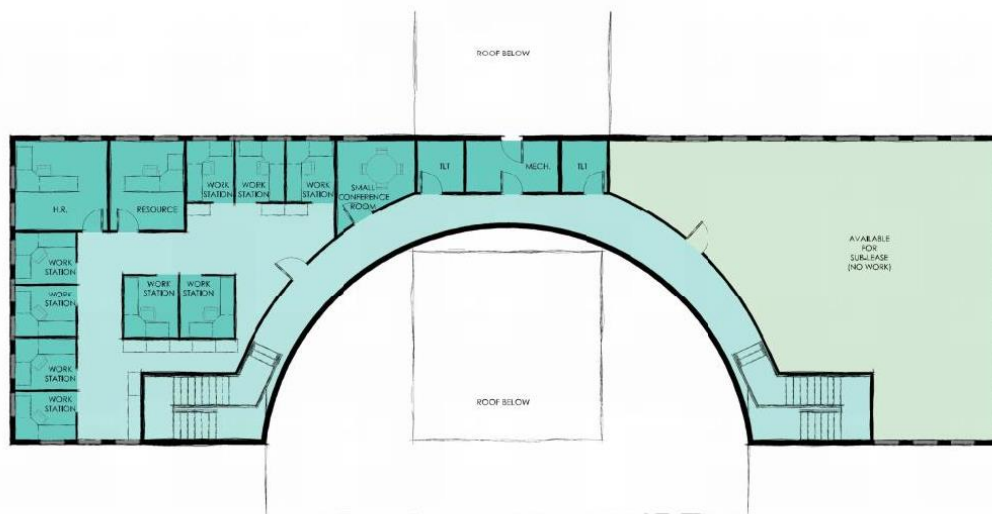
The existing former bank building, a 9,340 SF two story building, is suitable in size and configuration to accommodate the necessary program needs (approximately 7,875 SF), leaving around 1,385 NSF available on the upper floor for potential sub-leasing. The building will require upgrades to mechanical systems, lighting, and finishes in addition to modifications to the layout to accommodate program needs. The site and parking areas are generally serviceable in their present condition, with various improvements needed to walking surfaces, striping, signage, etc.

Alternative 1 allows for the eventual relocation of the administrative and customer services functions at a later time, as the Operations Facility master plan provides expansion area as a final phase of development. (See Phase plans on following page).

Conceptual Floor Plans for PUD offices and support spaces at the Port Townsend Bank Building (Alt 1 / Phase 1)



LOWER LEVEL



UPPER LEVEL

ALTERNATIVE 1: SPLIT FACILITIES:
FOUR CORNERS ROAD PHASED MASTER PLAN



Alternative 1 - Phase 2 - Four Corners



Alternative 1 – Phase 3



Alternative 1 – Full Build-out Master Plan

ALTERNATIVE 2: CONSOLIDATED FACILITIES:

PHASED MASTER PLAN AT FOUR CORNERS ROAD WITH INTERIM ADMINISTRATIVE FACILITIES

Overview

The primary difference between Alternative 1 and 2 is that Alternative 2 allows for all PUD administrative offices, customer services, and a Commissioners meeting room to be relocated from the Port Hadlock site to the Operations Facility site by using a modular building approach. Quality modular facilities are available, offering economy and acceptable office environments. As with Alternative 1, the master plan will provide space for a permanent administration and customer services wing at such time that funding allows. Until that time, PUD will experience the economic and qualitative benefits of co-location.



Alternative 2 - Phase 1 - Four Corners showing modular structure in blue



Alternative 2 – Phase 2 – Four Corners showing covered vehicle and materials storage buildings in gray. A new pole yard is proposed on the western edge property.



Alternative 2 – Full Build-out Master Plan – Four Corners

ECONOMICS

COST ESTIMATING / BUDGETING

The attached cost estimate summaries provide costs for each of the proposed phases under Alternatives 1 and 2. Each estimate sheet is organized using the following categories:

Construction Costs

Cost budgets for initial capital construction of site work and buildings, including general contractor overhead and profit.

Equipment

Cost budgets for fixed equipment for shops, storage racking, and other non-portable equipment.

Escalation

Budgets for estimated cost escalation due to robust construction markets.

Soft Costs

Budgets for sales tax, professional services, permits and fees, and special testing services.

Furnishings, Fixtures & Equipment

Budgets for desks, chairs, tables, and electronic technology system components.

Property Purchase and Sales

Budgets for purchase of property (commercial bank property) and sale of property (Port Hadlock).

Management Reserve

Contingency reserve budget for scope changes and unforeseen conditions.

SUMMARY OF SHORT TERM OPTIONS

While the attached cost budget sheets provide projected costs for all phases over many years, an initial decision for short term solutions is the priority for PUD. The following summarizes the economic comparison between the two primary choices:

Alternative 1 – Spilt Facilities	Alternative 2 – Consolidated Facilities
Summary Purchase Port Townsend Commercial Property and make modest improvements to the site and building at the Operations Facility.	Summary Purchase/construct modular facilities to accommodate all Port Hadlock functions at the Operations Site, along with general improvements to the site.
Timing This initial phase of Alternative 1 can be implemented within 8-12 months.	Timing This initial phase of Alternative 2 can be implemented within 8-12 months.
Total Estimated Budget Range for Implementation \$2.09 – 2.31 Million (Incl. sale of Port Hadlock Facility). (See detailed estimate summary sheets)	Total Estimated Budget Range for Implementation \$1.66 – 1.83 Million (Incl. sale of port Hadlock Facility). Increase to \$2 Million if additional site improvements are made. (See detailed estimate summary sheets).
Considerations Travel costs between Port Townsend, (approximately a 9-mile round trip) are anticipated to exceed \$30,000 annually.	Considerations Additional research is needed to determine the level of quality and configuration of modular office facilities. Further confirmation of County permit requirements is needed. This alternative enables PUD to gain the benefits of consolidation immediately.



Rendering showing Alternative 2 concept with modular office structure in background at Four Corners Road property