



FY 2010 Performance Review

Department of Central Services
Office of Facilities Management

Mike Enneking, Director

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http://www.ok.gov/DCS/Facilities_Services/OFM_Sustainability/index.html

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Contents

- Background 4
 - What we do: 4
- Executive Summary..... 6
 - Purposes of the Plan: 6
 - FIVE MAJOR GOALS OF THE PLAN:..... 6
- Goal 1: Sustainable Building Practices 8
 - Goal 1 Objectives and Tasks..... 8
 - Progress to Date: 8
- GOAL 2: Vehicle Related Pollution 9
 - Goal 2 Objectives and Tasks..... 9
 - Progress to Date: 9
- GOAL 3: Recycling & Waste..... 10
 - Goal 3 Objectives AND Tasks 10
 - Progress to Date: 10
- GOAL 4: Facility Energy & Water Use..... 11
 - Goal 4 Objectives and Tasks..... 11
 - Progress to Date: 13
- GOAL 5: Toxic Products & Chemicals 19
 - Goal 5 Objectives and tasks 19
 - Progress to Date: 19
- GOAL 6: Sustainability in State Leasing 20
 - Goal 6 Objectives and tasks 20
 - Progress to Date: 20
- Education & Outreach..... 21

Roadblocks.....	22
Unfunded Priority Project Request	23
Challenges.....	24
Future Goals.....	26
State Leasing	28
Mission.....	28
Services	28
Accomplishments/Initiatives	28
Key Performance Indicators.....	29
Challenges/Roadblocks.....	31

Background

The Office of Facilities Management (OFM) is committed to sustainable practices and the stewardship of resources to make state government and its public sector partners an example of sustainable stewardship for the citizens of the state. OFM's unique role of assisting customers in procurement of goods and services, remodeling and renovations, and operation of state facilities affords exceptional opportunities to pursue sustainability, as reflected in its' strategic plan.

OFM consists of 72 employees in four divisions:

- ▶ *Executive Management Division*
- ▶ *Energy Management Division*
- ▶ *Facilities Services Division*
- ▶ *State Leasing Division*

WHAT WE DO:

- ▶ *Mission: Provide a safe, comfortable workspace for our tenants and guests through quality facilities and responsive service.*
- ▶ *Oversee annual renewal of contracts for a multitude of services and commodities.*
- ▶ *Manage the design and construction of public buildings; OFM has taken a lead role in promoting and developing sustainable building practices.*
- ▶ *Continue to promote sustainability in the design, construction, & operation standards for state-owned facilities through the objectives in the OFM Sustainability Plan.*
- ▶ *Provide maintenance & grounds operations on the Capitol Campus, customer/tenant improvement services, fire & security systems maintenance, heating ventilation & air conditioning (HVAC) operations, environmental & life safety, & card access for public facilities.*

- ▶ *Pursue the on-going conservation of energy/resources and reduction of utility costs for state facilities.*
- ▶ *Authorizing, negotiating, managing, contracting, and reporting space in both state buildings and space leased from the private sector throughout Oklahoma.*
- ▶ *Offer solutions in managing supplies, logistics and warehousing services.*
- ▶ *Welcome hundreds of thousands of visitors each year to the historic buildings and grounds of the Capitol Complex in Oklahoma City.*
- ▶ *Manages division energy projects: monitors & benchmarks Energy Star requirements, energy conservation measures for division facilities & operations support services for Facilities Services.*
- ▶ *OFM is working with its partners to ensure a sustainable future for all Oklahoma residents.*

Executive Summary

OFM established a goal-oriented sustainability plan for fiscal year 2009 to reduce energy use and associated costs of state building operations. In reducing consumption and excess spending, OFM minimized the environmental impact of its facilities and maximize the efficiency of building equipment.

PURPOSES OF THE PLAN:

- ▶ *To assess OFM's environmental impacts.*
- ▶ *To create a long-term vision for reducing the division's environmental impacts with interim organizational goals.*
- ▶ *To provide a structure and mechanism with accountability for OFM to reduce negative environmental impacts from its operations.*
- ▶ *To address issues to make OFM's programs and activities more sustainable.*
- ▶ *To document OFM's leadership and commitment to improving the environment by more sustainable practices.*
- ▶ *To help our customers continue with their own sustainability efforts through OFM's example, leadership and technical assistance.*

FIVE MAJOR GOALS OF THE PLAN:

- ▶ *Implement sustainable building practices.*
- ▶ *Reduce transportation related pollution.*
- ▶ *Maximize recycling, minimize waste, and minimize products with 100% virgin materials.*
- ▶ *Minimize facility related consumption of energy and water.*
- ▶ *Reduce use of toxic products and toxic chemicals.*

These goals demonstrate OFM's commitment to sustainable practices. As a fundamental service provider to state and other public agencies, OFM has the opportunity to be a leader in sustainable stewardship in these key areas:

- ▶ *Design and construction management of public works projects*
- ▶ *Operation of state facilities*
- ▶ *Procurement of goods and services*

OFM is on track to meet or exceed this years' established sustainability goals and will continue to improve in the years to come. This report presents the goals, objectives, measurements and related comments for FY 2010. The base year, where applicable, is fiscal year 2008.

Goal 1: Sustainable Building Practices

GOAL 1 OBJECTIVES AND TASKS

Division Objectives	Measurable Tasks
1.1 Establish OFM sustainable building standards.	<i>Develop OFM sustainable building standards. Develop Indoor Air Quality Program.</i>
1.2 50% of OFM remodel and renovation projects will exceed minimum code standards	<i>Develop OFM standards.</i>
1.3 100% of OFM repair and replacement projects will be best available for the application.	<i>Distribute OFM standards to design teams.</i>

PROGRESS TO DATE:

Indoor air quality program is through initial research phase; concept is developed and awaiting users. OFM’s new refrigerator and microwave are not compliant with energy standards thus presenting a challenge to establishing OFM sustainable building standards.

GOAL 2: Vehicle Related Pollution

GOAL 2 OBJECTIVES AND TASKS

Division Objectives	Measurable Tasks
2.1 35% reduction of OFM vehicles compared to FY08 baseline.	<i>Purchase 4 electric service vehicles. Turn in 6 under-utilized gasoline vehicles.</i>
2.2 Reduce petroleum use by Facilities' grounds equipment.	<i>Establish FY09 baseline. Purchase electric and/or convert to CNG grounds equipment. Replace 25% of 2 stroke equipment with 4 stroke equipment.</i>

PROGRESS TO DATE:

Facilities Services added six (6) new electric carts for Central Maintenance & building manager use on the Capitol Complex and Governor’s mansion grounds. The additional electric carts reduced demand for gasoline-powered trucks, allowing the return of four (4) gasoline powered vehicles to Fleet Management (total of 6 vehicles returned in FY09 & FY10). Facilities Services eliminated one (1) gas-powered mower and purchased one (1) CNG riding mower and one (1) electric-powered riding mower. One (1) 4-stroke edger/weed eater was acquired to replace a 2-stroke high emission unit.

GOAL 3: Recycling & Waste

GOAL 3 OBJECTIVES AND TASKS

Division Objectives	Measurable Tasks
3.1 25% reduction of office paper use.	<i>Expand digital filing system.</i>
3.2 100% of (8.5 X 11) copy paper purchased for OFM used will be 100% recycled content	<i>Purchase 100% recycled content paper.</i>
3.3 75% of OFM office paper will be recycled	<i>Monitor quarterly to estimate the amount of office paper thrown away.</i>
3.4 100% of janitorial paper products will be of 30% recycled content and processed chlorine free	<i>Custodial staff to purchase product to meet the criteria.</i>
3.5 100% of all fluorescent bulbs, compact fluorescent bulbs, batteries, and ballast will be recycled	<i>Publish recycle standard operating procedure. Implement established procedure.</i>

PROGRESS TO DATE:

To add visibility to the paper use in OFM, the OFM Purchasing Unit tracked procurement of paper and a baseline of 55 reams was established in FY10. Desk-side bins were distributed to increase internal paper recycling. The janitorial paper contract for FY11 was written to include paper products with 30% recycled content.

GOAL 4: Facility Energy & Water Use

GOAL 4 OBJECTIVES AND TASKS

Division Objectives	Measurable Tasks
<p>4.1 20% reduction of electric use on a square footage basis in DCS owned and operated facilities</p>	<p><i>Evaluate and install occupancy sensors and timers in 100% of buildings.</i></p> <p><i>Complete six (6) LED lighting projects.</i></p> <p><i>Energy efficient motors in all Capitol Campus buildings by 2012.</i></p> <p><i>De-lamp common areas (lobbies, restrooms, hallways, tunnels) in 100% of buildings.</i></p> <p><i>Inventory all buildings non-task lighting systems and create baseline of installed devices.</i></p> <p><i>DCS personnel are to complete an audit of all HVAC and Electrical systems in 50% of all DCS operated facilities listing system and equipment types.</i></p> <p><i>Create a document detailing the different systems to be commissioned/re-commissioned.</i></p> <p><i>Complete 20 upgrade projects to building automation.</i></p> <p><i>HVAC system sequences of operation were standardized for all DCS operated facilities utilizing common system types with improved operational efficiency and tenant comfort as the primary goals.</i></p> <p><i>Complete three (3) HVAC projects.</i></p> <p><i>All non-critical division computer monitors automatically go into 'Standby' mode after 30 minutes of inactivity; all computers go into Standby after 45 minutes of not being used.</i></p> <p><i>Add real-time electrical monitoring to (3) additional DCS operated facilities.</i></p> <p><i>Evaluate the real-time data of the</i></p>

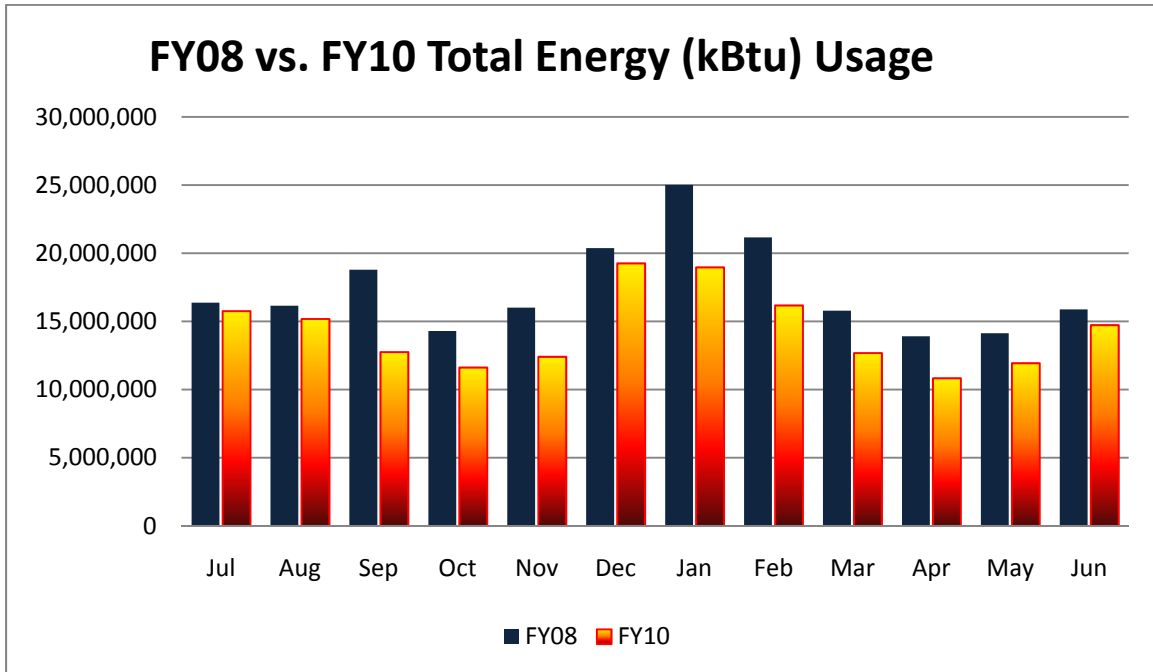
Division Objectives	Measurable Tasks
	<p><i>building's electrical usage and modify building operations to reduce the peak load.</i></p> <p><i>Train operations personnel to ensure a good understanding of how the electrical demand is set for a facility and how to maintain the proper demand for a facility.</i></p> <p><i>Develop plans for an Energy Management web site.</i></p>
<p>4.2 35% reduction of natural gas use on a square footage basis in DCS owned and operated buildings</p>	<p><i>Establish strategies to reduce natural gas usage.</i></p> <p><i>Install BMS controls of domestic hot water systems to schedule usage in 100% of buildings.</i></p> <p><i>100% of buildings will complete boiler efficiency tests.</i></p>
<p>4.3 10% reduction of potable water use for OFM managed grounds</p>	<p><i>Audit existing landscapes for irrigation efficiency.</i></p> <p><i>Establish plan for irrigation controls for automated scheduling and usage monitoring.</i></p> <p><i>Propose operation and maintenance changes that will optimize performance of irrigation systems.</i></p>
<p>4.4 35% reduction of interior potable water use per square foot</p>	<p><i>Replace all toilets above 1.6 gpf with 1.6 gpf.</i></p> <p><i>Install 3 waterless urinals in DHS/CAP Building.</i></p> <p><i>Install .5 gpm touchless faucets in DHS/CAP Building.</i></p> <p><i>Install 5 (1.0 or 1.6 gpf) water closets.</i></p> <p><i>Install low flow aerators on all faucets.</i></p> <p><i>Solidify plan to replace 1.6gpf toilets with dual button flush valves.</i></p>
<p>4.5 Install two (2) renewable energy projects.</p>	<p><i>Install 10kWh PV solar/thermal panels.</i></p> <p><i>Install 10 kWh wind turbines.</i></p> <p><i>Develop plan for solar water heating in Hodge or Connors Building.</i></p>

Division Objectives	Measurable Tasks
4.6 Purchase 2% Green power for OFM owned and managed projects.	<i>Purchase wind power.</i>
4.7 Energy Star rating (75) for seven buildings on the Capitol Campus.	<i>Run reports from the Energy Star Portfolio Manager.</i>
4.8 Achieve Energy Star Portfolio average rating of >80.	<i>Run reports from the Energy Star Portfolio Manager.</i>
4.9 Achieve Power Factor of 85 in all buildings.	<i>Assess existing ballasts.</i>

PROGRESS TO DATE:

Energy efficiency upgrades, sustainability projects, and innovative programming strategies by OFM have resulted in a total energy reduction of 35,608,404 kilo-British thermal units (kBtu) (17%) from FY08 usage to FY10 usage (See chart 1).

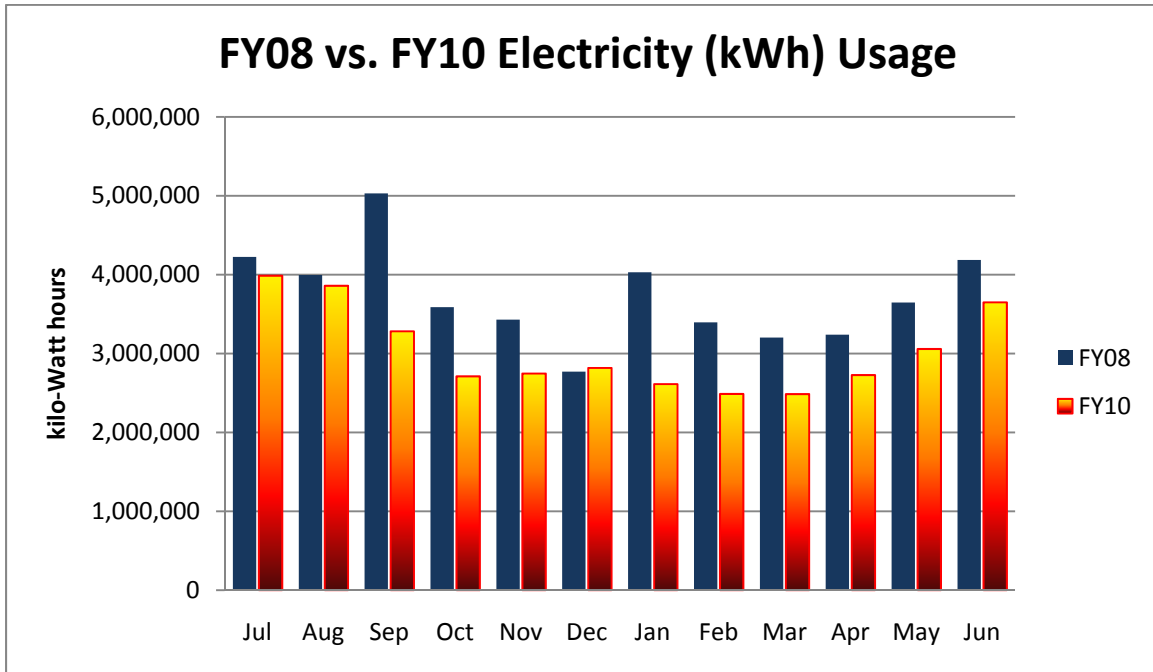
Chart 1



[4.1] - The following lighting projects contributed to electricity savings in FY10: More than 885 24-hour emergency lights in the 13 buildings are now equipped with LED tube lights. The parking lots surrounding the Capitol building were retrofitted with LED light fixtures, extending the useful life, reducing maintenance and minimizing energy consumption. OFM partnered with the Oklahoma Arts Council to install more than 150 LED bulbs (10 watts each) in the place of 50 watt halogen bulbs. Metal Halide bulbs were replaced with compact fluorescent bulbs in many outdoor applications, often reducing wattage by 75% or better.

Real-time electrical monitoring was completed in six (6) DCS operated facilities and the collected data was used to evaluate electrical usage and modify building operations to reduce the peak load. These retrofits & upgrades, the installation of lighting controls, as well as adding new sensors and scheduling strategies to the building automation system produced savings of 8,313,376 kilo-watt-hours (kWh) (18%) (See chart 2).

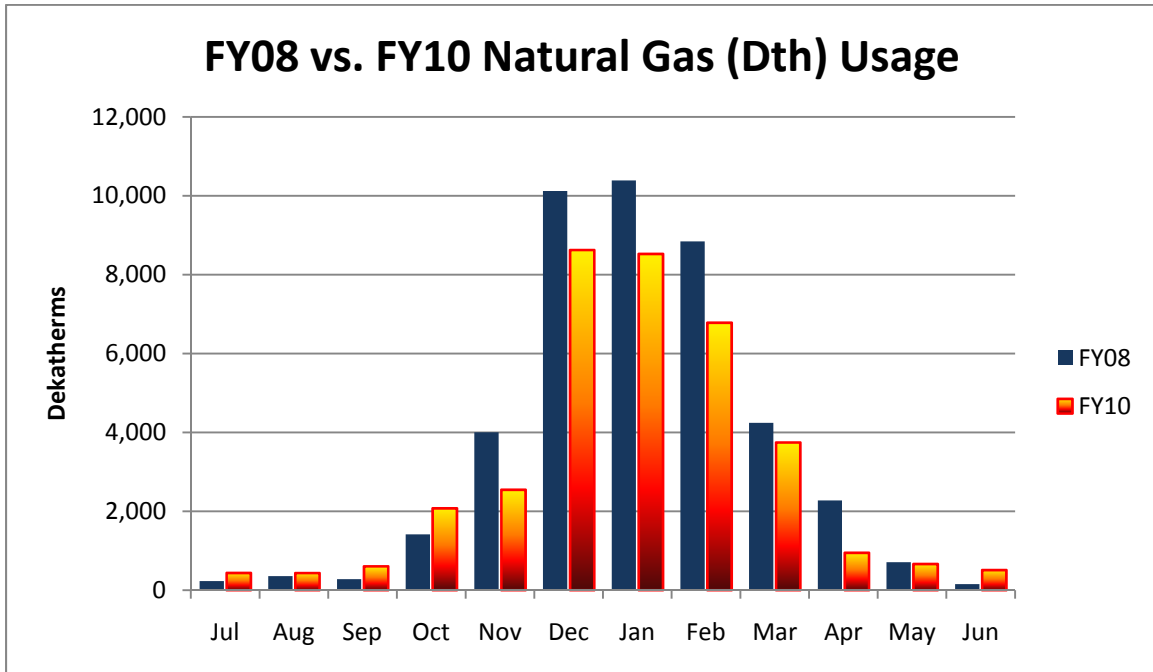
Chart 2



[4.2] - Two high-efficiency boiler projects were completed at the Will Rogers and Sequoyah buildings. Heating Ventilation and Air Conditioning (HVAC) operations schedules were standardized to meet all lease and/or operating agreements.

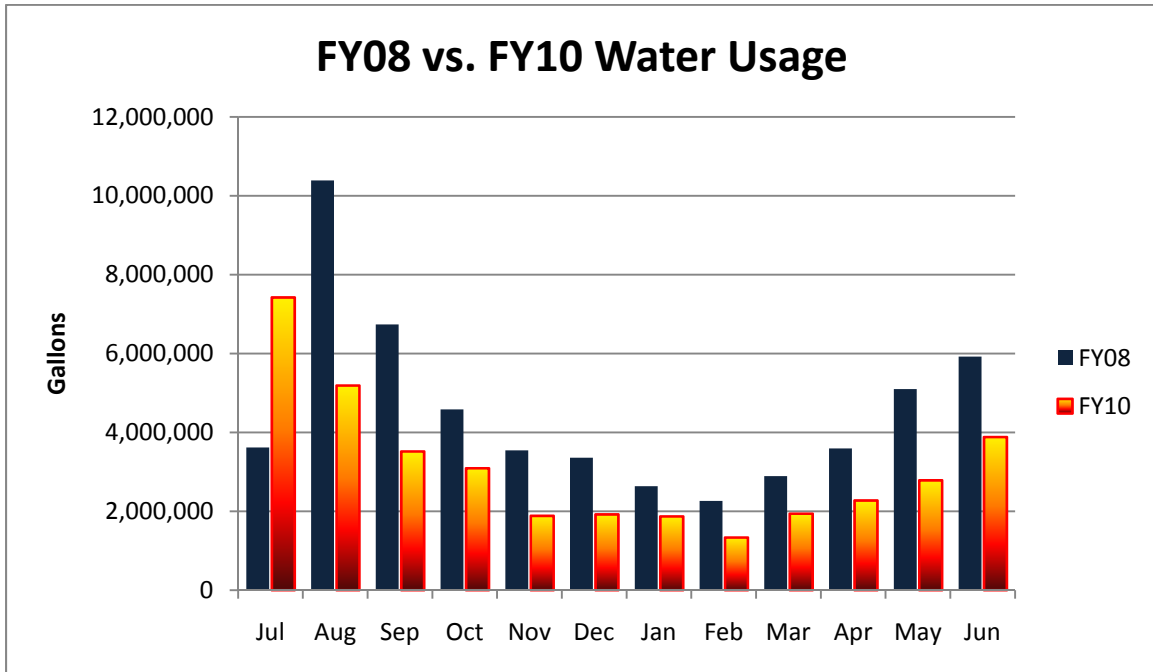
BMS controls are 50% complete campus-wide due to on-going projects; however, OFM expects to complete this task in FY11. Net savings from FY08 through FY10 total 7,120 Dekatherms (Dth) (16.5%) (See chart 3). The 16.5% reduction in natural gas use per sq foot is the result of a 19.4% increase in usage in FY10, roughly 14% of which was contributed by the Agriculture Laboratory.

Chart 3



[4.3] & [4.4] - Water conservation measures included the installation of low-flow urinals and toilets, faucet aerators, and many touch-free restroom fixtures. More than 400 faucet aerators improved water-efficiency of restroom faucets by 87%, 500 new low-flow toilets with sensor-operated flush valves were purchased and installed. From FY08 to FY10, water consumption in DCS-managed facilities was reduced by 17,524,000 gallons (32%) (See chart 4).

Chart 4



[4.5] – Two 10 kW wind turbines were installed in FY10 as scheduled; one at the DHS/CAP building and another on the Governor’s mansion grounds. 60 kW of Photovoltaic (PV) solar panels were also added to a covered parking structure at the DHS/CAP building. Tracking of on-site, clean energy generation began in August 2010.

[4.6] - A total of 437,720 kW of wind-generated power was purchased for Mansion Residence, Pavilion, and DHS/CAP building.

[4.7] - The following buildings were all rated above a 75 in Energy Star’s Portfolio Manager: Agriculture, Attorney General, Kerr/Edmondson, DHS/CAP, Library, Capitol, and Jim Thorpe. DCS-managed buildings to receive the prestigious Energy Star label include the State Capitol, marking the first state capitol building in the nation, Jim Thorpe Building, Attorney General building, and the Kerr-Edmondson building located in Tulsa, Oklahoma.

[4.8] - With an average portfolio rating of 80, OFM was named one of the EPA’s Energy Star Leaders in April 2010 for reduction in green house gas emissions and

improving the energy performance of buildings on the Energy Star Portfolio by 10% or more.

GOAL 5: Toxic Products & Chemicals

GOAL 5 OBJECTIVES AND TASKS

Division Objectives	Measurable Tasks
5.1 OFM (Purchasing) will establish procedures and guidelines for the procurement of Environmentally Preferred Products/Services (EPP) contracts/products.	<i>Implement 3 additional new product lines for environmentally preferred products/services.</i>
5.2 50% of OFM janitorial products used will be Green Seal approved or equivalent.	<i>Baseline current janitorial product inventory.</i>
5.3 Eliminate all persistent toxins in OFM managed landscaping.	<i>Baseline current persistent toxins inventory. Negotiate with landscaping company to eliminate use.</i>

PROGRESS TO DATE:

[5.1] - A checklist of "sustainable purchasing guidelines" has been identified.

[5.2] – Requirement was exceeded leaving floor wax and bleach the only unapproved items. A new janitorial contract went into effect August 2010 (FY11).

GOAL 6: Sustainability in State Leasing

GOAL 6 OBJECTIVES AND TASKS

Division Objectives	Measurable Tasks
6.1 Research standards, practices and guidelines used by other states when procuring leased space.	<i>Reduce use of file cabinet space by 25%.</i>
6.2 Add information on evaluation of sustainable practices to annual State Leasing class.	<i>Establish paperless filing system for lease documents and correspondence according to statutes, rules and record retention schedule.</i>

PROGRESS TO DATE:

State Leasing established a paperless filing system; one aspect of the system eliminated printed emails for documentation purposes. Information on sustainable practices evaluation was added to educational Leasing class.

Education & Outreach

The Green Fingerprint energy awareness program was established in February 2009 to minimize the environmental impact of state-operated buildings and to encourage building tenants to further reduce energy consumption. Following the signing of Senate Bill 833 of the 52nd Legislature, first Regular Session by Governor Brad Henry which required all state agencies to develop an energy-efficiency and conservation plan, the Sustainability E-Newsletter, the program's quarterly publication the Green Fingerprint program expanded the newsletter contributor-list. The newsletter, now known as State of Efficiency, is a DCS publication and each division has the ability to submit a story highlighting internal process-adjustments resulting in the conservation of resources. Also featured in the quarterly publication are valuable training opportunities, energy consumption and renewable energy generation numbers. These numbers are also made available on the DCS website through the energy management webpage which is designed to provide updated information regarding OFM's sustainability efforts, resources for state employees and yet another way for tenants to connect to OFM. In the future, OFM plans to explore social networking sites to increase newsletter readership and effectiveness of communication.

Facilities Management personnel assisted in promoting the DCS recycling program in DCS-managed facilities. Signage was designed, printed, and posted around recycling stations. Information regarding acceptable materials and station locations was transmitted to building tenants via email. Online maps for program end-users to identify stations are in development stages and will be posted to the website upon completion.

Roadblocks

In April 2008, VFA, Inc. (VFA) conducted a Detailed Facilities Condition Assessment for 14 facilities operated by the Department of Central Services (DCS). The VFA assessment team developed a systems-based replacement value for each building along with system renewals, and identified and estimated costs for deferred maintenance and code compliancy with the development of requirements.

System renewals were generated based on the number of years remaining for each of the building systems. The renewal dates are based on Building Owners and Managers Association (BOMA) industry standard expected life-spans for each system, plus visual evaluation by the VFA team.

The assessment team identified and estimated current requirements with actions and system renewals totaling \$85,133,830 for DCS. Summarizing VFA condition findings, the present condition (excluding improvements and grand fathered code compliance issues) of the buildings is 'Fair Condition' as evidenced by a Facility Condition Index (FCI) of 0.23.

Projects planned to improve buildings conditions are listed in the Facilities' Unfunded Priority Project List on next page.

Unfunded Priority Project Request

Projects	Cost
<i>Replace Capitol chilled water line for well & cooling tower</i>	<i>\$ 1,300,000</i>
<i>Replace Capitol cooling tower</i>	<i>\$ 471,000</i>
<i>Replace main storm sewer @ 21st St.</i>	<i>\$ 1,700,000</i>
<i>Capitol south plaza re-grouting and repair</i>	<i>\$ 300,000</i>
<i>Library lighting and lighting control upgrade</i>	<i>\$ 100,000</i>
<i>Update controls in Denver Davison</i>	<i>\$ 350,000</i>
<i>Replace Denver Davison cooling tower</i>	<i>\$ 210,000</i>
<i>Tuckpoint Mansion</i>	<i>\$ 65,000</i>
<i>Replace Library boiler and humidity control</i>	<i>\$ 250,000</i>
<i>Library roof replacement</i>	<i>\$ 225,000</i>
Total	\$4,971,000

Challenges

OFM faced a wide range of challenges in the past year which led to creative solutions and much improved understanding of goal intentions. This knowledge gained through challenging experiences fostered specificity when finalizing FY11 objectives and tasks.

When attempting to decrease petroleum use of grounds equipment, a common problem is finding equipment that performs efficiently, dependably, and meets environmental standards. The general paradigm about environmentally-friendlier grounds equipment is that reducing emissions means reducing quality of performance. This was true in finding suitable 4-stroke equipment to replace 2-stroke equipment.

A challenge for the next fiscal year will be to determine a method to purchase 100% recycled-content paper. There are no provisions for 100% recycled paper in the Central Purchasing mandatory state-wide contract (SW017).

Accounting for the recycling of ballasts is neither environmentally, nor economically feasible. A baseline for CFL and fluorescent tube recycling is not yet established; CFL replacement and bulb crushing are sporadic events and difficult to track.

The Agriculture Laboratory represents approximately 2% of OFM-managed square footage, yet is responsible for nearly 16% of campus natural gas usage. Adding a new building coupled with a shrinking state budget did not exactly “set the ground work for success” when it comes to natural gas usage. Much of the building’s key components are still under warranty, making an efficiency upgrade in the last year impossible. Lack of funding for improvement/modernization projects may be a major issue in achieving this goal in the future.

A lack of automatic controls for grounds irrigation systems causes inefficient & inconsistent watering patterns; the ‘human factor’ is still present. A lack of sub-metering is a formidable challenge in measuring water use and, more importantly,

identifying over-use. The ability to determine whether water was used for Capitol Complex grounds and parks or interior, potable purposes will be imperative for measuring the effectiveness of future conservation efforts. At this time, however, the separation of these meters is not economically feasible. Utilizing automatic, “smart” irrigation controllers which can account for weather conditions will be necessary to ensure future outdoor water use efficiency.

Generating wide-spread tenant buy-in through the Green Fingerprint campaign proved difficult because there is little incentive for individuals who do not directly pay costs associated with usage to save energy.

Inconsistencies in facility classification makes accurately rating the Governor’s mansion, Library, and DCS warehouse in Energy Star’s Portfolio Manager very difficult. Energy Star does not currently allow rating of buildings that are not designated to be over 50% office space. A lack of sub-metering between Will Rogers, Sequoyah, Connors, and Hodge buildings and the inter-connecting tunnel system prevents rating each of these buildings individually further complicating the performance tracking process.

A key to eliminating use of the most dangerous toxins currently in use is to understand what is classified as a ‘persistent toxin,’ what is not, and how these toxins can cause severe damage to nearby ecosystems and watersheds. A challenge to achieving 100% Green Seal or equivalent janitorial products is finding a viable alternative to floor wax and bleach.

Future Goals

Goals	Objectives - FY 11
1.) Implement Sustainable Building Practices	<p>1.1 - Establish OFM sustainability building standards.</p> <p>1.2 - 50% of OFM's remodel and renovation projects will exceed minimum code standards.</p> <p>1.3 - 100% of OFMs repair and replacements will be best available for the application.</p>
2.) Reduce Vehicle Associated Pollution	<p>2.1 - 10% reduction of gasoline use by Mansion grounds equipment compared to the FY 08 baseline.</p>
3.) Maximize Recycling, Minimize Waste and use of Products with 100% Virgin Materials	<p>3.1 - 10% reduction in office paper use based on FY10 baseline.</p> <p>3.2 - Maintain 100% of copy paper purchased for OFM use is 100% recycled content (white 8 ½ 11).</p> <p>3.3 - 87% of OFM waste office paper will be recycled.</p> <p>3.4 - 100% of janitorial paper products will be of 30% recycled content and chlorine free if available in the market.</p> <p>3.5 - 100% of all fluorescent bulbs and rechargeable batteries will be recycled.</p> <p>3.6 - 100% compact fluorescent bulbs will be disposed of through an environmental management program.</p>
4.) Minimize Facility Related Energy and Water Use	<p>4.1 - 22% reduction in greenhouse gas emission/energy use</p> <p>4.2 - 30% reduction of water use per square foot</p> <p>4.3 - Increase renewable energy production by 10% based on FY10 baseline</p> <p>4.4 - Energy Star rating of 75 for ten (10) buildings on the Capitol Campus based on FY 08 baseline</p> <p>4.5 - Achieve Energy Star Portfolio average rating of >85</p> <p>4.6 - Achieve Power Factor of 90 in all buildings</p> <p>4.7 - Six (6) Energy Star certified buildings</p> <p>4.8 - Two certified energy managers</p> <p>4.9 - Two LEED Green Associates</p>
5.) Reduce use of Toxic Products and Use of Toxic Chemicals	<p>5.1 - OFM (Purchasing) will establish procedures and guidelines (checklist) for the procurement of Environmentally Preferred Products/Services (EPP)</p>

	<p><i>contracts/products.</i></p> <p><i>5.2 - 100% of OFM janitorial products used will be Green Seal approved or equivalent.</i></p> <p><i>5.3 - Eliminate all persistent toxins in OFM managed landscaping.</i></p>
<p>6.)Sustainable Practices in State Leasing</p>	<p><i>6.1 - Establish “best practice” sustainability standards and guidelines for procurement of leased space.</i></p> <p><i>6.2 - Establish cost tier to enable consideration of sustainable practices when calculating the total cost per square foot of leased space.</i></p> <p><i>6.3 – Earn LEED Green Associate Certification 66% of State Leasing division.</i></p>

State Leasing

MISSION

Assists state agencies in accomplishing their missions by providing essential real estate services through uniform leasing and space standards, detailed space evaluations, uniformity in contractual terms, favorable and economical rental rates, and agency staff training.

SERVICES

The State Leasing Office seeks to assist our client agencies in the performance of their mission by:

- ▶ *Assigning space in state-owned buildings or leasing space from the private sector.*
- ▶ *Authorizing the amount of space to be acquired by state agencies and executing leasing contracts on behalf of state agencies.*
- ▶ *Assisting the client agencies in completing the required forms.*
- ▶ *Serving the unique real estate needs of state government leasing by providing expertise in various types of space including industrial, storage, parking, hangar, boat slips, etc.*
- ▶ *Providing expertise in property management, lease terms and conditions, and market rate information to the agencies we serve.*
- ▶ *Providing information and encouraging the real estate community to do business with the State of Oklahoma.*
- ▶ *Maintaining a computerized database of leased and owned real property for the approximately 4.4 million square feet occupied by state agencies.*
- ▶ *Providing a single communication point for all state agencies and the real estate community regarding: leased space; state owned space; space standards; lease terms and conditions; rental rates; and contract expectations.*

ACCOMPLISHMENTS/INITIATIVES

- ▶ *Successfully maintained below market rental rates for leased space.*
- ▶ *Maintained a strong reputation of credibility with the real estate community.*
- ▶ *Developed the Active Space Request listing on the DCS website to be used by state agencies, Oklahoma State Finance (OSF) for possible data line relocations, and the private sector real estate brokers to inform them of current state space needs.*
- ▶ *Decreased the processing time for purchase order approval.*
- ▶ *Each year State Leasing approves approximately 31.5 million dollars in funding lease agreements.*
- ▶ *Approved 67 new lease agreements and successfully negotiated \$230,000.00 in savings on new lease rental rates and tenant allowances.*
- ▶ *Trained five state agencies in State Leasing Procedures.*
- ▶ *Reduced the amount of file storage space by scanning contracts, purchase orders, closed files, and correspondence for one pilot agency instead of keeping paper copies.*
- ▶ *Implemented paperless filing system for all electronic correspondence.*

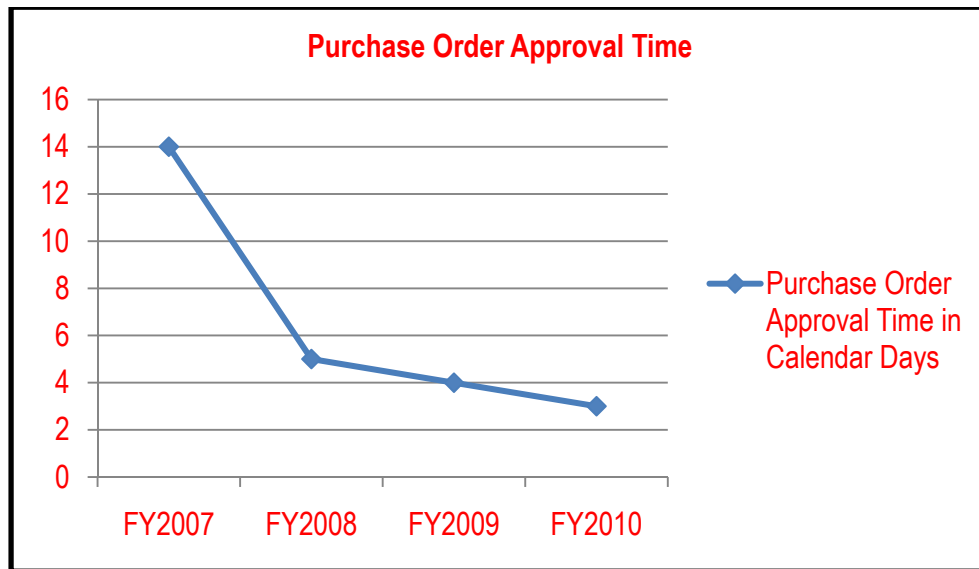
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KEY PERFORMANCE INDICATORS

- ▶ *Negotiated and maintained office rental rates at or below current private market asking rates (see chart on next page).*

Measure	FY08 Result	FY09 Result	FY10 Result	Market Rate
Maintain leased rental rate below market	OKC: \$10.29 ¹	OKC: \$10.54 ¹	OKC: \$11.13 ¹	OKC Class A: \$20.07 ²
				OKC Class B: \$14.31 ²
				OKC Class C: \$12.30 ²
	Tulsa: \$12.31 ¹	Tulsa: \$11.75 ¹	Tulsa: \$11.75 ¹	Tulsa Class A: \$17.36 ³
				Tulsa Class B: \$13.87 ³

- ▶ *Decreased Lease Contract Purchase Order Approval Time*



¹ Majority of leased space is Class B office (Averaged priced, functional, adequate space, good location, etc.)

² 2010, Price Edwards & Company *Oklahoma City 2010 Mid-Year Office Market Summary*.

³ 2010, Wiggin Properties, LLC *Tulsa Office Market Spring 2010*.

CHALLENGES/ROADBLOCKS

- ▶ *Ability to locate office space around the State Capitol.*
- ▶ *Instability of leased space.*
- ▶ *Insufficient office space inventory.*
 - ▽ **Objective: State to build more buildings in Lincoln Renaissance development area.**