



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: CEO
Department No.: 012
For Agenda Of: 5/20/2014
Placement: Departmental
Estimated Tme:
Continued Item: 60 minutes
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Mona Miyasato, County Executive Officer, 568-3400
Director(s):
Contact Info: Dennis Bozanich, Assistant to the CEO, 568-3400

SUBJECT: **Asset Management Plan Development Project: Facility Condition Assessment Report (Phase I)**

County Counsel Concurrence

As to form: Yes

Other Concurrence: NA

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Receive and file the final draft 2013-14 Facility Condition Assessment Report (Phase I) prepared by Roy Jorgensen Associates, Inc.;
- B. Anticipate receiving the Maintenance Management Plan (Phase II) prepared by Roy Jorgensen Associates, Inc. at the end of August 2014;
- C. Direct staff to return with a report that outlines options and recommendations for responding to the Facility Condition Assessment and implementing the Maintenance Management Plan within 60 days after receiving the Maintenance Management Plan (Phase II); and
- D. Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(5) of the CEQA Guidelines because they consist of an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment

Summary Text:

Today's report provides the Board and public with the site by site condition assessment of County owned buildings and parks collected, analyzed and reported by Roy Jorgensen Associates, Inc. This

report details the summary information that was previously presented to your Board on April 9th, as part of the Budget Workshops, which was preliminary based on the consultant's progress at the time.

Notable changes since April 9th are as follows:

- Deferred maintenance for parks, buildings and park amenities is calculated to be \$83.6 million, which is less than previously estimated \$93.9 million.
- The Facility Condition Index overall rating is 8.7% ("Fair") which is an improvement from the previously estimated 9.8% (a rating over 10% is considered "Poor"). Facilities managed by General Services had an FCI of 5.5% ("Good"); Park infrastructure, features and amenities had an FCI rating of 17.5% ("Poor").
- The preponderance (68%) of observed deferred maintenance *projects* for buildings and parks (excluding park amenities/features) are minor in cost (less than \$5,000).
- A few, large deferred maintenance projects account for a large proportion of the total cost calculated by the consultant. Nine projects are over \$1 million and total to an estimated \$36.5 million or 47.8% of observed deferred maintenance *costs* (see table on page 4).

The County of Santa Barbara contracted with Roy Jorgensen Associates, Inc. (consultant) to conduct a Facility Condition Assessment of county owned and operated buildings and parks, as well as, provide a site-by-site report of the identified deficiencies including the assignment of a condition code to each building element. Additionally, the findings were to include an examination of the current annual maintenance spending, identify the cost and priority of projects designed to address facility deficiencies. Due to the extremely large size of the report, a link to this report can be found at Attachment A.

The extensive Facility Condition Assessment (Phase I) data set includes system descriptions, system condition codes, current replacement value, accumulated deferred maintenance, priority code and cost estimate details on observed deferred maintenance projects, along with a facility condition index for 560 facilities (buildings and park infrastructure) organized into forty-seven geographically-oriented reporting groups. One exception to the geographic organization is a function-oriented grouping of County fire stations. This core data has been rolled up and summarized in previous presentations to the Board in January and April as preliminary estimates on the current replacement value (CRV) of the County's facility portfolio, total accumulated deferred maintenance (ADM) and an estimated facility condition index (FCI).

The consultant has additionally pulled forward from the Maintenance Management Plan (Phase II), the econometric analysis of current County maintenance funding and anticipated renewal maintenance costs to provide the Board with annual maintenance renewal funding requirements over a twenty year period.

Background: Today's Report

The Board of Supervisors today will receive an overview of the Facility Condition Assessment Report (Phase I) completed by Roy Jorgensen Associates, Inc.

The Executive Summary of the Facility Condition Assessment Report does note some overall impressions of the conditions of County of Santa Barbara buildings and parks. Jorgensen's report observes that:

- Buildings are being maintained at a minimum level of service (e.g. mostly reactive maintenance), some equipment is not adequate for their operating environment and more pest control is required to minimize damage and
- Parks are being maintained at or below their minimum level of service, play areas need ongoing maintenance programs and park buildings are at a minimum level of service.

Consultant evaluated over 8.5 million square feet of County-owned/operated buildings and an estimated 310 acres of parks and park amenities. The total current replacement value of the evaluated portfolio of buildings and parks is approximately \$964.9 million. Approximately 73% of the square footage or 87.7% of the estimated County \$1.1 billion portfolio was assessed by the consultant. Some facilities were excluded because of their unique functions (e.g. radio repeater stations, County Bowl) and others did not appear in the facility inventory provided in the bid process. These may be similarly assessed in the near future. The calculated backlog of deferred maintenance projects is \$83.6 million and the observed deferred maintenance projects total an estimated \$76.4 million. As pointed out in the Executive Summary, calculated deferred maintenance is usually higher than observed deferred maintenance projects because of the non-destructive nature of the facility condition assessment process.

The forty-seven **Facility Condition Assessment Reports** contain over five hundred facility by facility assessments of the following essential building systems:

- Site (landscape, etc.)
- Structure
- Exterior
- Roof
- Heating/AC
- Electrical
- Plumbing
- Conveyance
- Interior

Each building system has a narrative section noting any significant deficiencies and a condition code between 1 (bad) and 5 (excellent). Additionally, the current replacement value, cost of accumulated deferred maintenance and facility condition index are presented for each facility.

The consultant is also providing cost estimate details and their recommended priority for observed deferred maintenance projects identified in the Facility Condition Assessment Reports. This list is a distinct sub-set of all deferred maintenance needed because it was directly observed by the consultant's team. Priority codes were assigned based on the following definitions:

- Priority 1 – Currently Critical - Deficiencies require immediate attention to return a facility to normal operation or stop accelerated deterioration;
- Priority 2 – Potentially Critical - Deficiencies in this category will likely become critical within one to two years if not corrected expeditiously and include the risk for rapid deterioration, intermittent interruptions, potential safety hazards or systems that have reached end of life and observed to be malfunctioning;
- Priority 3 – Necessary, but not Critical – Require appropriate attention to preclude potential downtime and associated damage or additional costs or systems that have reached the end of their service life; and

- Priority 4 – Recommended – Deficiencies that may represent a sensible improvement to existing conditions, but not required and will either reduce long term maintenance costs or improve overall usability.

The number and estimated project cost of observed deferred maintenance projects are as follow:

Priority	# of observed deferred maintenance projects	Estimated Project Cost
1	223	\$8,258,921
2	834	\$55,027,294
3	82	\$2,032,223
4	32	\$1,109,520
Park Amenities	447	\$9,953,100
Total	1,618	\$76,381,058

The unequal distribution of projects (and costs) is attributable to the County’s current practice of resolving the highest priority deferred maintenance projects as resources are made available. Lower priority deferred maintenance projects tend to linger longer until they move up over time to become a higher priority.

Previous Board Actions

On April 2, 2013, the Board discussed the deferred maintenance backlog affecting roads, buildings and parks. The County Executive Office was directed to return with options for addressing the cause of the backlog.

On June 4, 2013, staff returned to the Board with a series of options that would lead to an Asset Management Plan for the County of Santa Barbara. The Board directed staff to seek a consultant to assess the current condition of County-owned buildings and parks and determine the financial requirements to maintain the County’s asset portfolio. County roads are already assessed through a separate consulting contract. Following a bid process, the Board approved a contract with Roy Jorgensen Associates, Inc. on October 15, 2013.

The objective of the Asset Management Plan Development Project is to provide the County with an objective assessment and long-term plan that identifies the:

- Current condition of its portfolio of buildings and parks (facilities),
- Maintenance financing currently provided and needed based on facility conditions, and

- Maintenance management processes, structure and systems necessary to maintain the County's facility portfolio.

The Consultant has two phased deliverables. The first deliverable, a Facility Condition Assessment Report, identifies the current condition of nine different building elements (plus three additional for parks), probable costs relative to current spending associated with ongoing maintenance of those nine elements (plus three for parks) and the cost relative to current spending on maintenance projects. This deliverable can be found at Attachment A. The second deliverable, the Maintenance Management Plan, will include the recommended list of priority maintenance and repair projects, and suggested timeline, for eventual inclusion in a Maintenance and Repair (M&R) Workplan. The second deliverable will include a series of recommended actions to improve the effectiveness of our facility maintenance activities in the County of Santa Barbara. This report is due in later this summer.

On October 16, 2013, Roy Jorgensen Associates, Inc. (Consultant) began conducting the Facility Condition Assessment. Jorgensen placed a team of building system, park amenities and site improvement experts in the field starting in Santa Maria. Working closely with County maintenance and parks staff, between October and early January, the consultant's team moved south and east across the County.

On February 4, 2014, the Board received the *Impact Report on County Maintenance Ordinance Petition* which included very preliminary Condition Index and very preliminary estimates of needed additional maintenance financing resulting from possible passage of Measure M. The preliminary building and parks estimates included in the report were based on the assessments completed by Jorgensen to that point in time.

Those estimates of accumulated deferred maintenance, Facility Condition Index and needed renewal spending were revised, updated and presented on April 6, 2014 as a part of the County's Budget Workshop. The final draft Facility Condition Assessment Report being delivered today from Jorgensen largely confirms the previously provided numbers.

Future Options for Board Actions

The data in this final draft report is subject to updating and improvement as it is reviewed and considered for use in day-to-day operational decision-making by county staff. It will be made final later this summer.

The contractor has already begun work on the second phase Maintenance Management Report which will identify needed maintenance process improvements for buildings and parks, prioritize projects over time and make additional recommendations for system improvements. It is estimated that this Phase II report will be available later this summer.

The General Service Department and Community Services Department – Parks Division are now able to use the data provided by the contractor to update their records, prioritize maintenance projects and to plan for future maintenance activities. After the publication of the Maintenance Management Plan this summer, the Board may direct General Services and Community Services Departments to return with any needed recommendations for policy changes and an implementation plan that identifies specific and measurable one, three and five year goals for improving facility maintenance operations. The Board may recall that following the Fire Deployment Report by Citygate, the Board asked the Fire Chief to return in

six weeks with an implementation plan. The Board may also choose to request status reports on the Departments' progress on achieving the goals every six months (or other interval) to stay current on the implementation efforts.

The Board may also choose to direct County Executive with support from other departments to provide options for finance and budget plans in support of implementation efforts and return those at the time the two departments return with their implementation plans.

Performance Measure: NA

Fiscal and Facilities Impacts:

Budgeted: NA

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund		\$0.00	\$0.00
State			
Federal			
Fees			
Other:			
Total	\$ -	\$ -	\$ -

Narrative: The Board action today does not request or require the commitment of County financial resources. It does contain financial information that the Board may choose to use in future funding decisions.

Key Contract Risks (if applicable):

NA

Staffing Impacts: None

Legal Positions: 0

FTEs: 0

Special Instructions:

Attachments:

Attachment Link A – Facility Condition Assessment Report from Roy Jorgensen Associates, Inc.

Authored by:

Dennis Bozanich, Assistant to the County Executive Officer, 805-568-3400

cc: