

WORKPLACE SERVICES

2014 Integrated Program Review

June 18, 2014

WORKPLACE SERVICES

Description, Purpose, and Responsibilities

Workplace Services is responsible for overall direction, strategic planning, management and governance of BPA's facilities assets, facilities maintenance and operations, space management, printing, mail, and office services.

The Facilities Management Officer (FMO) has the overall responsibility and accountability for BPA's office facilities strategic planning and facilities (nonelectric) asset management programs.

This includes establishing the business strategic objectives, financial targets, and performance standards that align with BPA's strategic direction and Asset Management Council goals. The FMO provides oversight and management of program implementation.

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*Non-Electric Facilities Overview**

Within Workplace Services, the Facilities Asset Management program is responsible for maintaining buildings, sites and associated mechanical and communications systems that support the functionality of BPA's Transmission system.

BPA's non-electric facilities include critical infrastructure such as control centers and substation control houses, maintenance shops, administrative offices, research labs and warehouses.

BPA's Facilities Asset Management (FAM) program within Workplace Services, provides key services including:

- Creation and tracking of maintenance requests
- Generation of construction requirements for new buildings, facility repair and renovation
- Identification of facilities-related risks
- Development and implementation of mitigation activities

*Found in Transmission Maintenance Program in IPR Initial Publication

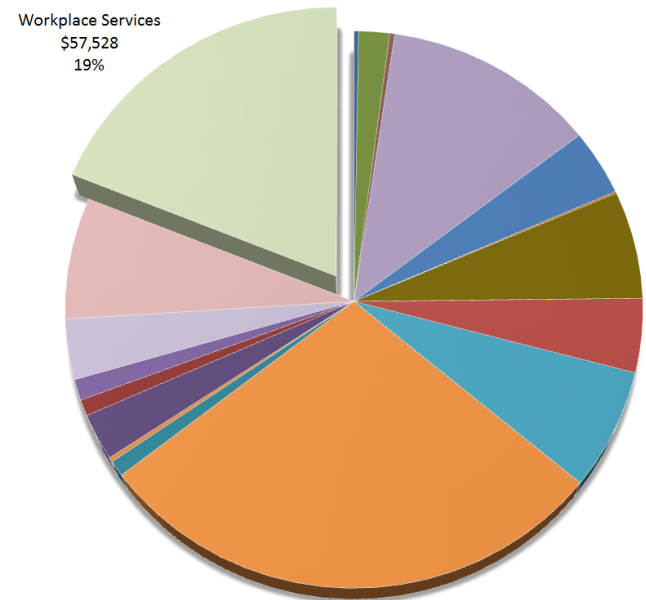
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Financial Overview

(\$ Thousands)	Actuals	Rate Case		Proposed IPR		
	2013	2014	2015	2015	2016	2017
Agency Services G&A Allocations	30,397	31,716	32,352	32,697	33,295	33,872
Transmission Direct Support	18,753	21,882	22,306	23,249	23,660	24,229
Grand Total	49,150	53,598	54,659	55,947	56,955	58,101

Workplace Services represents:

- 19% of the Agency Services Expense Program
- An average proposed IPR budget of \$57.5M per year in 2016-2017.



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Goals and Objectives

- **Develop emergency and alternate facilities:** Enable continuity of critical business functions and systems.
- **Streamline space management program:** Increase flexibility and efficiency, improve response time, reduce impact on employees, increase mobility, and reduce cost of service.
- **Cost-effective Sustainability Program:** Implement business practices and facility improvements to drive down energy and water usage and costs.
- **Cost effective, timely, and sustainable purchases:** Office purchases consist of recycle materials when possible to support Executive Order 13514 (Federal Leadership in Environmental, Energy, and Economic Performance).
- **Promote Sustainable commute options:** Support the environment while complying with Federal, State and municipal mandates.
- **Continuous process improvement methodologies:** Identify and eliminate waste, inefficiency, and non-value-added activities.
- **Support timely and accurate communications:** For BPA stakeholders and customers and also comply with Government Printing Office regulations.

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*Non-Electric Facilities Goals and Long-Term Objectives**

Goals: Develop and implement facilities asset management capabilities and industry best practices to meet the following goals:

- Establish and meet service level standards for critical facilities and assets
- Prioritize investments to meet mission requirements and agency strategy
- Deliver projects with predictable return on investments
- Manage assets to maintain reliability and safety

Long-Term Objectives: Optimize and fully leverage BPA's asset portfolio to:

- Provide reliable, sustainable facilities assets that meet current and known future agency business needs
- Ensure performance and condition standards comply with all applicable regulations
- Minimize the life cycle costs

*Found in Transmission Maintenance Program in IPR Initial Publication

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Changes from the 2012 IPR

- **Improve Mail and Printing Operations:** Facilities and processes in place to ensure compliance with all applicable regulations.
- **Establish Sustainability Program:** Enable BPA to support the environment and meet the intent of Executive Order 13514 (Federal Leadership in Environmental, Energy, and Economic Performance).
- **Consolidate Critical Facilities:** Operate and maintain back-up power and cooling systems to ensure continuity of critical business systems and to comply with BPA data center standards. Shifted funds from Transmission Operations to Transmission Maintenance*.
- **Implement the Work Solutions Program:** Identify work place modifications that will improve BPA work environment and employee productivity.
- **Shift from Capital to Expense:** Funding for work performed by contract electricians in support of critical facilities projects. In the 2012 IPR forecasts included work primarily on capital projects, but are now forecast for work primarily on expense projects due to the new interpretations of capitalization of the critical system replacement projects*.

*Found in Transmission Maintenance Program in IPR Initial Publication

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Risks of Operating below Proposed Spending Levels

To the extent practicable, Workplace Services absorbed programmatic increases within existing budgetary limits. Below are potential risks and impacts to planned programs:

- Reduction in facility preventative maintenance activities that will accelerate asset life-cycle replacement costs.
- Delays in planned projects necessary for priority business requirements.
- Delays in life cycle replacement of furniture systems that have exceeded their design life.
- Limiting business process improvements and/or adoption of best practices to only those programs specifically required to meet regulatory or mandatory compliance standards*.
- Delays in consolidated construction projects at Bell, Alvey, Lane, Maple Valley and Eugene substations*.
- Operational expenses will continue to increase as storm water fees are imposed. These fees will compete for funding with facilities maintenance and repair work, challenging FAM to maintain facilities at acceptable service levels*.

*Found in Transmission Maintenance Program in IPR Initial Publication

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Challenges/Constraints

- **CMMS:** The lack of a comprehensive maintenance management system and system of record to manage and document critical maintenance activities (including inspections) constrains operational effectiveness.
- **Office Space:** Increased requirements to support BPA mission.
- **Emerging Issues:** New storm water fees, cable plant improvements, and critical utilities, such as back-up power and cooling systems.
- **Building lease costs:** Increases from \$10.65 per square foot (FY 2011) to over \$19.93 per square foot in FY 2013 with continued increases in costs for lease space if capital improvement programs are not funded.
- **Expanded IT Operations:** Increased energy costs as a result of demands for continual cooling of IT equipment.
- **Increased Contractor Headcount:** Staffing critical BPA programs will require office space and workplace services support.

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*Non-Electric Facilities Challenges/Constraints**

- The majority of the facilities portfolio (60 percent) is 30+ years old and in need of more intensive repair, maintenance, and/or replacement.
- Backlog of maintenance and repair (BMAR) has increased significantly over the past decade, driving facility reliability downward.
- Another challenge is the large number of asset/system failures prior to the expiration of expected useful life (EUL), driven by a lack of renewal.

*Found in Transmission Maintenance Program in IPR Initial Publication

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Questions ?

FINANCIAL DISCLOSURE

This information has been made publicly available by BPA on June 13, 2014 and contains information not reported in agency financial statements.