

## Administrative Policy No. 14.21

<b>Subject:</b>	Building and Land Management of State Owned Facilities
<b>Information Contact:</b>	Office of Capital Program MS: 45848 Phone: (360) 791-6862
<b>Authorizing Source:</b>	<a href="#">RCW 72.01.050</a> , Secretary's Powers and Duties – Management of Public Institutions and Correctional Facilities
<b>Effective Date:</b>	November 17, 2009
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<b>Approved By:</b>	<b><u>Original signed by Lori Melchiori</u></b> Senior Director, Office of Policy and Rules

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### Purpose

This policy creates consistent management and oversight of state owned lands, buildings, and infrastructure managed by the Department of Social and Health Services (DSHS). This policy addresses:

- A. Maintaining an accurate and comprehensive inventory and assessment of capital assets.
- B. Identifying excess capital assets and managing them to promote efficient and appropriate use.
- C. Preserving capital assets to promote efficient use of state resources.
- D. Centralizing contract management related to state owned land, buildings, and infrastructure to promote consistency, efficiency, and legal compliance.

### Scope

This policy applies to the Office of Capital Programs (OCP) and all DSHS administrations and divisions that operate state-owned facility campuses and community facilities.

This policy does not apply to:

1. Equipment. For information regarding control of equipment, see [Administrative Policy 14.07](#).
2. Land and buildings leased for nonresidential use or office space unless the building is on a state-owned facility campus. For information regarding building management of DSHS leased facilities see [Administrative Policy No. 14.15](#).

## Definitions

**Asset preservation:** Proactive management of capital assets to preserve them for their intended use.

**Capital asset:** Lands, buildings, and infrastructure managed by DSHS including the institutional campuses and state-owned community facilities. Infrastructure includes water, sewer, and natural gas lines; electrical and steam distribution systems, wells, and reservoirs; storm water facilities and roads, parking lots, sidewalks, site lighting, and security fencing.

**Capital asset manager:** Staff appointed by the chief of the office of capital programs (OCP) to provide consultation, guidance, and oversight to DSHS programs related to the administration of this policy.

**Capital project manager:** OCP staff identified in the Facilities, Finance, and Analytics Administration (FFAA), who manage all design and construction activities for funded capital projects, assess and monitor the condition of capital assets, and make recommendations for required maintenance, preservation, replacement, or demolition.

**DSHS programs that operate capital assets:** DSHS programs that operate our hospitals, residential habilitation centers, and community facilities. Specifically, the Developmental Disabilities Administration and Behavior Health Administration including, the Special Commitment Center.

**Excess property:** A building or land that is not necessary for facility operations and can be used for another purpose without negative impacts on facility operations. The property will be identified as Temporary Excess Property, Property Excess to the Facility, or Property Excess to the Agency.

**Facility assessment:** Annual assessment of the condition of buildings and infrastructure, prioritization of critical preservation needs, and a planned preservation program of replacement, maintenance, and repair.

**Facility campus:** Lands, buildings, and infrastructure at and of the state-owned facilities

managed by DSHS. DSHS facility campuses include: Fircrest School, Rainier School, Lakeland Village, Yakima Valley School, Eastern State Hospital, the Child Study and Treatment Center, Western State Hospital, the Special Commitment Center Total Confinement Facility, the Pierce County Regional Secure Community Transition Facility, the King County Regional Secure Community Transition Facility, the Transitional Care Center of Seattle, Pine Lodge, and community-based Residential Treatment Facilities for civil commitment patients.

**Maintenance and operations division (MOD) facility manager:** Staff appointed by the MOD director responsible for facility maintenance on their assigned campus (es).

**Mothballing:** Managing the temporary or permanent closure of a capital asset to prevent financial loss from deterioration and to assure it does not pose a safety hazard to staff, clients, and the public.

**Property excess to agency:** A capital asset that is not necessary for current or foreseeable future agency operations. It may be sold, transferred, or otherwise disposed of without negative impacts upon current or future agency operations.

**Property excess to facility:** A capital asset that is not necessary for current or foreseeable future facility operations by the managing program and that may be utilized for other agency operations without negative impacts upon current or future facility operations.

**Replacement value:** The cost to replace an existing capital asset with a similar asset in today's dollars. The replacement value is established and maintained in the facility assessment database.

**Temporary excess property:** A capital asset that is currently not utilized or underutilized, but is anticipated to be needed for future facility operations.

### **Policy Requirements**

- A. **Centralized coordination.** The Office of Capital Programs (OCP) must provide centralized coordination and oversight for DSHS managed lands, buildings, and infrastructure.
- B. **Inventory of capital assets.** OCP must establish and maintain a current capital asset inventory including title history, boundaries and surveys, water rights, easements, leases, and other encumbrances.
- C. **Facility assessment database.** OCP must establish and maintain a current facility assessment database that is consistent with the Office of Financial Management.

1. The capital project manager assigned to a facility campus or state –owned community facility must oversee and coordinate the survey of all capital assets and complete a biennial facility assessment. The capital project manager is responsible for quality control and timely completion of the facility assessment.
2. CEOs and facility superintendents, or their designees, and the MOD facility manager must participate in the biennial facility assessment and identify program concerns regarding the condition of capital assets.

**D. Excess capital assets.**

1. OCP must establish, publish, and maintain procedures and criteria to identify and manage excess property. OCP will comply with state laws directing disposal of property that is excess to the agency’s needs.
  - a. The capital asset manager must review the procedures and criteria and provide change recommendations to OCP chief and the chief financial officer.
  - b. The chief financial officer will provide the final approval for the procedures and criteria.
  - c. Procedures must include, but are not limited to:
    - i. Identification of excess property.
    - ii. Excess property review to determine appropriate use.
2. OCP staff and facility staff must implement the procedures.
3. The capital projects manager must include an inventory of all excess property in the annual facility assessment.

**E. Space Use.**

1. OCP must establish, publish, and maintain procedures to promote the efficient and appropriate use of capital assets.
  - a. The capital asset manager must review the space use procedures and provide change recommendations to OCP chief and the chief financial officer.
  - b. The chief financial officer will provide the final approval for the space use procedures.
  - c. Procedures must include, but are not limited to:
    - i. Space availability;
    - ii. Program compatibility;
    - iii. Financial impacts; and

- iv. Community considerations.
2. OCP staff must implement the space use procedures in coordination with the facility CEO or superintendent and MOD facilities manager.
  3. Space use procedures will be applied to the following proposed uses of space on facility campuses and at state-owned community facilities:
    - a. All requests to use space from a DSHS program that is not the primary program assigned to the facility and where the requested use does not directly support the functions of the facility campus or community facility. Exemptions from this requirement include a Human Resources Division (HRD), Regional Business Services (RBS) or an OCP satellite office located on a facility campus where the sole purpose of the satellite office is to support the campus.
    - b. All requests where a DSHS program assigned to the facility campus wants to reoccupy vacant building space or occupy new land or building space on the site. In these cases, the program facility CEO or superintendent must inform the OCP capital projects manager assigned to the facility campus. In addition, the program facility CEO or superintendent must initiate the space use procedures in all situations when the space request:
      - i. Is a new use or structure that may impact infrastructure needs, including utilities, parking, and roads and the project is **not** contained in the Ten-Year DSHS Capital Plan;
      - ii. Includes a remodel for a change of use and the project is **not** contained in the Ten-Year DSHS Capital Plan;
      - iii. Is a change in the occupancy type under the building code and the project is **not** contained in the Ten-Year DSHS Capital Plan; or
      - iv. Is in a building previously designated as property excess to Facility.
    - c. The program facility CEO or superintendent must inform the facility campus or community facility assigned OCP capital projects manager of the following situations, but is not required to initiate the space use procedures:
      - i. Facility designation of space for emergency housing in the facility's emergency management plan.
      - ii. A nonpermanent use of space where the space is occupied due to an emergency and the space use will terminate within thirty (30)

days. If the use will continue longer than thirty days, the CEO or superintendent must initiate a space use request no later than thirty days from the date the space is occupied.

- iii. Building reoccupation when a building is temporarily vacant due to repairs, renovations, or fluctuations in the resident population, as long as reoccupation of the building is the same use and is in the facility's campus master plan.
  
  - d. All requests to use space where the request is from an organization, agency, or individual external to DSHS except for temporary space use agreements for the short-term use of pools, gyms, fields, or meeting rooms. Requests from an external organization, agency, or individual to renew the lease for space are subject to the space use procedures, except that the lease may be renewed once for a term not to exceed one year if these factors apply:
    - i. The requested lease renewal is not a change or expansion of the existing use.
    - ii. The facility CEO or superintendent, or their designee, approves the one-year lease extension.
  
  - e. Requests by a regional support network to use space at the Western State Hospital or Eastern State Hospital facility campuses, where the campus is located within the boundaries of the regional support network making the request, are given first priority under [RCW 71.24.300\(7\)](#) if there are competing requests for the same space.
- F. **Asset preservation.** Responsible management of state-owned capital assets must include appropriate funding for asset preservation.
- 1. OCP must provide centralized coordination with the facility campuses on oversight of facility maintenance.
  - 2. OCP must develop standards to support asset preservation in coordination with the DSHS programs that operate capital assets, the facility CEO or superintendent or their designee, the MOD facility managers, the capital assets manager, and the DSHS chief financial officer or designee.
    - a. The capital asset manager will review the standards and provide recommendations to OCP chief, chief financial officer, and the assistant secretaries for DSHS programs that operate capital assets.

- b. The secretary will approve the standards.
- c. The standards must include, but are not limited to:
  - i. Facility resources designated for asset preservation.
  - ii. A tracking system for resources designated for asset preservation.
  - iii. Communication between the facility CEO or superintendent, the assigned capital projects manager, the capital assets manager, the MOD facility managers, and appropriate program staff.
  - iv. Consistent data systems for management of asset preservation.

**G. Capital asset contract management.**

- 1. The OCP assets manager or designee is responsible for contracts related to rights to, or the use of, state-owned capital assets at facility campuses or community facilities, except for the following:
  - a. The facility CEO or superintendent, or designee, is responsible for temporary space use agreements for the short-term use of pools, gyms, fields, or meeting rooms.
  - b. The Department of Enterprise Services (DES)) is responsible for the acquisition, sale, transfer, or disposal of capital assets, see [RCW 43.82.010](#). OCP must coordinate with DES to represent DSHS' interests in these transactions.
- 2. OCP chief or designee must review and coordinate pending contracts with the appropriate division director or designee and the facility CEO or superintendent, or their designee prior to execution.

**H. Developmental Disabilities Community Trust Account.** OCP must manage the capital assets subject to the Developmental Disabilities Community Trust Account, established under [RCW 71A.20.170](#), in coordination with the Developmental Disabilities Administration.