AGENCY STRATEGIC PLAN
FISCAL YEARS 2013-2017

BY

THE TEXAS FACILITIES COMMISSION

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Commissioner	Dates of Term	Hometown
Betty Reinbeck, Chair	02/01/2011–01/31/2017	Sealy
Virginia I. Hermosa, Vice Chair	03/27/2009–01/31/2015	Austin
William D. Darby	03/27/2009–01/31/2015	Austin
Douglas M. Hartman	05/11/2009–01/31/2013	Austin
Brant C. Ince	03/27/2009–01/31/2015	Dallas
Mike Novak	12/23/2011–01/31/2013	San Antonio
Alvin Shaw	08/01/2011–01/31/2017	Round Rock

SUBMITTED JULY 6, 2012

SIGNED: ____
Terry Keel, Executive Director

APPROVED: ____
Betty Reinbeck, Chair

TABLE OF CONTENTS

MISSION, PHILOSOPHY AND BENCHMARKS

THE MISSION OF TEXAS STATE GOVERNMENT

Texas state government must be limited, efficient, and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities, and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just, and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner.

Aim high . . . we are not here to achieve inconsequential things!

THE PHILOSOPHY OF TEXAS STATE GOVERNMENT

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise, we will promote the following core principles:

First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics, or individual recognition.

Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.

Decisions affecting individual Texans, in most instances, are best made by those individuals, their families, and the local government closest to their communities.

Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. Just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future and the future of those they love.

Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.

State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse and providing efficient and honest government.

Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

Relevant Statewide Goals and Benchmarks

The Texas Facilities Commission's responsibilities relate to the following goals that have been established for Texas State Government:

General Government

To provide citizens with greater access to government services while reducing service delivery costs and protecting the fiscal resources for current and future taxpayers by:

- Supporting effective, efficient, and accountable state government operations;
- Ensuring the state's bonds attain the highest possible bond rating; and
- Conservatively managing the state's debt.

Benchmarks	
• Total state taxes per capita • Total state spending per capita • Percentage change in state spending, adjusted for population and inflation • State and local taxes per capita • Ratio of federal dollars received to federal tax dollars paid • Number of state employees per 10,000 population • Number of state services accessible by Internet	• Total savings realized in state spending by making reports/documents/processes available on the Internet and accepting information in electronic format • Funded ratio of statewide pension funds • Texas general obligation bond ratings • Issuance cost per $1,000 in general obligation debt • Affordability of homes as measured by the Texas Housing Affordability Index

THE MISSION OF THE TEXAS FACILITIES COMMISSION

The mission of the Texas Facilities Commission (the "Commission") is to support state government through strategic planning, asset management, design, construction, maintenance, and leasing of state facilities and the reallocation and/or disposal of state and federal surplus. The Commission currently manages a design and construction portfolio of 83 projects worth $439 million. The agency also maintains a portfolio of approximately 1,000 leases comprising 10.7 million square feet on behalf of state agencies across Texas. The Commission's state-owned property inventory consists of approximately 14.5 million square feet of office space, warehouse and service facilities, and parking garages and surface lots located throughout the state. In addition, the Commission provides property management, repair, renovation, routine and deferred maintenance services, and utility services for this inventory. Finally, the Commission operates the state surplus and federal surplus property programs and coordinates the state's recycling and waste management programs.

THE PHILOSOPHY OF THE TEXAS FACILITIES COMMISSION

The Texas Facilities Commission (the "Commission") manages its state resources with the highest standards of integrity, accountability, efficiency continually striving to deliver agency services with a commitment to excellence and innovation. With these ideals at the heart of every agency decision, the Commission's actions are intended to:

- *maximize the strategic and efficient use of state-owned facilities and reduce long-term dependence on leased space;*
- *effectively assess the best allocation of state resources for building, buying, or leasing space to house state agencies; provide a secure work environment for state employees, visitors, and contractors through effective risk management and access control services;*
- *reduce energy consumption and achieve increased energy efficiency;*
- *provide a clean, safe, and functional work environment for state agencies through implementation of best-practices in building operations; and*
- *implement timely and cost-effective preventative and remedial maintenance programs to safeguard public investment in constructed assets.*


MISSISSIPPI
FLORIDA
ALABAMA
GEORGIA

EXTERNAL/INTERNAL ASSESSMENT

PART 1

OVERVIEW OF AGENCY SCOPE AND FUNCTIONS

The Texas Facilities Commission (the "Commission") consists of seven board members. Three members are appointed by the Governor, two additional members appointed by the Governor from a list of nominees submitted by the Speaker of the House of Representatives, and two members appointed by the Lieutenant Governor. The executive director manages the day-to-day business of the agency, employs staff, and fulfills duties and responsibilities assigned by law or delegated by the Commission. The current organizational chart for the Commission may be found in Appendix B. The Commission is responsible for setting policy and for determining the direction of the agency. The Commission is authorized to adopt rules to administer the laws under its jurisdiction.

STATUTORY BASIS

Texas Government Code Chapter 2152 is the Commission's enabling statute providing procedures for the appointment and eligibility of the Commission's members, executive director, and conflict of interest provisions. The Commission's duties and statutory authority include:

- the child care services for state employees under Texas Government Code Chapter 663;
- the charge and control of state buildings, grounds, or property, Texas Government Code Chapter 2165;
- the maintenance or repair of state buildings, grounds, or property, Texas Government Code Chapter 2165;
- the construction of state buildings, Texas Government Code Chapter 2166;
- the purchase or lease of state buildings, grounds, or property by or for the state, Texas Government Code Chapters 2165, 2166, and 2167;
- the state surplus and salvage property program, Texas Government Code Chapter 2175;
- the federal surplus property program, Texas Government Code Chapter 2175, Subchapter G; and
- the mandatory paper recycling program, Texas Government Code Chapter 2175, Subchapter Z.

HISTORICAL PERSPECTIVE

The Texas Facilities Commission (the "Commission") was originally established by the 36th Legislature in 1919 as the State Board of Control, which mandated a centralized approach for the state's purchasing, printing, and property management functions. The State Purchasing and

General Services Commission replaced the State Board of Control in September 1979. The agency's name was changed again in 1991 to the General Services Commission. The General Services Commission was abolished in 2001 by the 77th Legislature and was replaced by the Texas Building and Procurement Commission. In 2007, with the removal of the statewide procurement function, the agency was renamed the Texas Facilities Commission. Over the years, specific duties of the agency have evolved, expanded, and been transferred from or to other agencies.

Currently, the Commission is responsible for planning, providing, and managing facilities for more than 100 state agencies in 290 cities throughout Texas. The Commission's current inventory totals 28.4 million square feet of leased and state-owned facilities supporting the needs of approximately 60,000 state employees. Operations and maintenance expenses for the Commission's inventory of owned and leased facilities approach $230 million a year.

Oversight of the agency is vested in a board composed of three members appointed by the Governor, two members appointed by the Governor from a list of nominees submitted by the Speaker of the House of Representatives, and two members appointed by the Lieutenant Governor. This methodology for selecting members provides checks and balances against vesting too much decision-making authority in any one individual. The agency is managed by an executive director who employs staff and discharges duties and responsibilities assigned by statute or delegated by the board.

AFFECTED POPULATIONS

The Commission interacts with and serves 88 other state agencies, legislative members/staff, and members of the general public that utilize the state facilities that are owned and managed by the Commission as well as the state agencies and their employees for whom construction and renovation projects are managed, such as the Department of Public Safety, the Texas School for the Blind and Visually Impaired, the Department of State Health Services, the Texas Commission on Environmental Quality, the Health and Human Services Commission, the Teacher Retirement System, and the Railroad Commission of Texas.

Through its leasing services, the Commission serves and interacts with state agencies and their employees in 290 Texas cities. The Commission's leasing services directly affect these agencies and the people served by them as well as the property owners and leasing companies or agents who provide or seek to provide lease space to the state.

The Commission's parking, tailgating, and events services are utilized by a wide variety of individuals and groups including, film, media, and production companies; Austin-area residents and visitors to Austin; city, county, state, and federal employees; elected officials; businesses; musicians and music fans; nonprofit and community organizations; and sports fans.

The Commission's state surplus property services are utilized by 172 state agencies; 254 counties; 1,031 independent school districts and 207 charter schools; 1,209 cities; 879 volunteer fire departments; other political subdivisions including junior/community colleges; and 478 approved assistance organizations in acquiring surplus property for use in their programs. All state surplus property obtained by an assistance organization is intended for use within the state for the benefit of Texas residents. The Commission's federal surplus property services are available for use by political subdivisions such as state agencies, counties, municipalities, public schools and certain nonprofit organizations.

MAIN FUNCTIONS

FACILITIES DESIGN AND CONSTRUCTION PROGRAM

The Facilities Design and Construction (FDC) Program is responsible for the management of building construction projects authorized and funded to the Commission as well as projects authorized and funded to certain other state agencies.

The program provides project services through all phases, from feasibility and planning through construction and warranty management. These services include project analysis, budgeting, scheduling, procurement of design and construction services, contract development and management, measurement and payment, and quality control and inspection. The FDC Program is a full cost-recovery program and collects project management fees based on a percentage of the total project budget for project services provided to other state agencies.

Quality for the state's capital improvement projects is ensured by the program through the development and maintenance of architectural and engineering design standards, rigorous review of the private design professionals' work product, construction observation/inspection, and constant evaluation of fulfillment of all contractual obligations. The program employs in-house construction inspectors and also manages the construction observation activities of the private design professionals to ensure that construction is performed in accordance with the plans and specifications, is of sufficient quality to meet the standards for state-owned facilities, and meets all regulatory requirements. As required by statute, the specifications of all construction documents used by the Commission incorporate the State of Texas Uniform General Conditions for Construction Contracts to ensure fair and adequate protection of the state during the construction process.

The program is also responsible for ensuring that the requirements for energy and water conservation established by the State Energy Conservation Office are met on all Commission-managed projects. Additionally, during the project planning phase, the program ensures that alternate energy and water conservation measures are evaluated for use on each project.

DEFERRED MAINTENANCE PROGRAM

The Deferred Maintenance Program was established to efficiently and effectively manage and address the backlog of deferred maintenance items at state-owned facilities on the Commission's statewide inventory. Items in this extensive backlog that remain unaddressed result in an exponential escalation in the cost of maintenance and repairs over time.

Through creation and effective management of a facilities condition index (FCI), current conditions and future needs are continually defined, monitored, and addressed by the program, with the highest priorities identified and presented to the legislature for funding. Upon legislative approval of funding, usually in the form of general obligation bonds, the program manages the execution of approved projects. In the process, great care is taken to minimize the amount of ongoing operational maintenance that will be required in the future and also to ensure the greatest amount of energy efficiency is incorporated into the solution. When projects are completed, the Commission updates the facilities condition index information and makes adjustments needed to continuously implement the most effective strategy for reducing the backlog of deferred maintenance projects.

The Deferred Maintenance Program is discussed in greater detail in both the Capital Assets Strengths and Weaknesses and the Self-Evaluation and Opportunities for Improvement sections of this plan.

Operations and Maintenance Program

The Operations and Maintenance Program provides maintenance, repair, and building automation controls services to buildings, building systems, parking garages, and ancillary facilities owned and/or managed by the Commission. This program minimizes equipment and system outages thereby maintaining a comfortable and safe building environment for tenant agencies and their visitors. Additionally, preventative maintenance activities contribute to lower energy costs.

Major areas of maintenance and repair service include heating, ventilation, and air conditioning, elevators, plumbing, mechanical systems, building and energy management automation systems, fire controls and suppression, central plant operations, electrical, security, painting, carpentry, locksmith, and general maintenance. The program is staffed on a 24-hour 7-day work schedule to monitor central plants that provide chilled water and steam to various buildings and is also responsible for 21 stand-alone systems in buildings that do not receive chilled water or steam from the central power plants.

The program also administers preventative maintenance service that is intended to prolong the life cycle of various systems and equipment through regularly scheduled, proactive maintenance measures. Periodic inspections of equipment and various building systems are conducted to uncover conditions leading to equipment breakdown or harmful depreciation and to identify the necessary corrective action to prevent such conditions leading to loss. Preventative maintenance activities performed on a scheduled basis include changing of filters; examination, lubrication and replacement of parts; minor adjustments; and repairs of equipment and systems. Scheduled frequency may be weekly, monthly, or quarterly, based on best management practices.

Minor Construction Program

The Minor Construction Program provides a full range of construction services to state agencies in state-owned and state-managed buildings on the Commission's inventory or, upon request, to other state agencies. The program is intended to address smaller projects that are impractical to outsource through the state's solicitation process and must be performed on tight schedules. The program provides professional quality construction services at competitive costs and all work by this program is performed on a full cost-recovery basis. Construction services include architectural, mechanical, plumbing, electrical, and fire protection services and projects consist primarily of minor renovation, remodeling, and repair. The program works with private contractors when specialized trades are required or when work load demands are too great. It also partners with the FDC Program when architectural and engineering documents are required.

ENERGY MANAGEMENT PROGRAM

The objective of the Energy Management Program is to identify areas within the Commission's building inventory where energy and utility savings can be realized while still maintaining a comfortable working environment. These areas include negotiation of lower cost energy contracts with utility providers; assessment and installation of lower cost energy equipment; modification of existing building mechanical systems with digital building automation and energy management systems; specification of energy efficient equipment in the replacement of antiquated systems; assessment of emerging alternative energy solutions; and utilization of energy rebate programs and grants where feasible.

Energy-reduction initiatives implemented by the program are prioritized based on payback, rate of return, cost, and availability of funding. Additionally, these initiatives have long-term effects on the usefulness and life-cycle of building equipment systems that contribute to a quality working environment in all facilities on the Commission's inventory.

The ultimate goal of all these initiatives is to reduce utility consumption and costs in state-owned facilities on the Commission's statewide inventory. The potential financial impact is significant as the Commission's overall utility budget represents approximately 50% of the agency's total general revenue appropriations.

The Energy Management Program is discussed in greater detail in the Self-Evaluation and Opportunities for Improvement section of this plan.

PLANNING AND ASSET MANAGEMENT PROGRAM

The Planning and Asset Management Program is responsible for the planning and asset management of state-owned and leased facilities on the Commission's statewide inventory. Pursuant to Chapter 2165 of the Texas Government Code, the program continuously evaluates the Commission's real property inventory and performs financial and market analyses; determines whether it is more cost effective to buy, build, or lease facilities; conducts space use/need studies; and performs preliminary project analyses that result in proposals for improved space utilization, facility acquisitions, dispositions, leasing, modifications, or new construction. Any agency that obtains space through the Commission must participate in these planning processes.

A significant portion of the program's activities are reflected in the Commission's biennial "Facilities Master Plan Report" which is required under Chapters 2165 and 2166 of the Texas Government Code. This document is a compilation of statutorily required reports and is the Commission's vehicle to inform state leadership of the status and costs of state-owned and leased real property on the Commission's inventories, current utilization statistics, relevant real estate market information, and projected facility needs as well as to provide strategies to ensure the efficient utilization and operation of state assets.

The program has planning and oversight responsibilities for determining facility requirements as well as allocating and assigning space to state agencies housed in property on the Commission's inventory. This responsibility encompasses approximately 28.4 million square feet of owned and leased facilities supporting over 100 agencies and housing approximately 60,000 employees in 290 cities throughout Texas. The program evaluates and approves all requests for space allocation, relinquishment, or modifications related to the Commission's inventory of state-owned and leased facilities. The program works closely with tenant agencies to develop and provide detailed space planning guidelines that meet the operational requirements of each tenant agency and also fulfill the Commission's oversight responsibilities.

The program also assists in the acquisition of property for construction projects undertaken by the Commission and works closely with the state agency that will ultimately use and/or hold title to the facility and property on behalf of the state.

PUBLIC/PRIVATE PARTNERSHIP PROGRAM ("P3 PROGRAM")

The Commission's Public/Private Partnership Program was created in response to the passage of Senate Bill 1048 by the 82nd Legislature. The legislation created Chapter 2267 in the Government Code concerning partnerships between private and governmental entities to develop or operate qualifying projects to acquire, design, construct, improve, renovate, expand, equip, maintain, operate, implement, or install education facilities, technology and other public infrastructure, or government facilities that serve a public need and purpose.

The program is responsible for soliciting projects and for reviewing both solicited and unsolicited proposals that may present opportunities for public private partnerships under Chapter 2267. The program supports the Commission's strategic initiatives to leverage existing resources and to create opportunities to generate significant revenues from non-tax sources from underdeveloped and underutilized state properties on the Commission's inventory.

The P3 Program is discussed in greater detail in the Key Organizational Events section of this plan.

STATE LEASING SERVICES PROGRAM

The purpose of the State Leasing Services Program is to fulfill the Commission's requirements under Texas Government Code Chapter 2167 to obtain necessary lease space for state agencies to enable them to perform their statutory obligations; assist state agencies in resolving issues that arise during the term of a lease; make periodic inspections of leased facilities that house state employees; reduce long-term lease costs to the benefit of state agencies; and maintain a centralized system of records of all state-leased space.

The program is currently responsible for oversight, planning, managing, organizing, and directing the state leasing services for 42 state agencies. These agencies occupy 10.7 million square feet of space in approximately 1,000 leases at an annual cost of approximately $140 million dollars. The overall average market rate for leased office space in Austin, Dallas/Fort Worth, San Antonio, and Houston was $19.51 per square foot in August 2010, while the overall average for state leases in these cities was $14.47 per square foot. As reflected in these comparisons, the program consistently obtains lease space below market rates due to successful negotiating by staff and the fact that the state is a valued tenant.

Building Management and Tenant Services

The Building Management and Tenant Services Program provides facility management services for approximately 14.5 million square feet of state-owned office space, parking garages, and parking lots. These facilities are valued at $1.5 billion and are occupied by approximately 88 state agencies throughout Texas. Most of the facilities are located within Austin, with the exception of six properties located in El Paso, Houston, Fort Worth, San Antonio, Waco, and Corpus Christi. The Commission contracts with commercial property management firms to staff and manage the facilities in Houston, Fort Worth, Waco, San Antonio and El Paso.

Custodial Operations Program

The Custodial Operations Program is responsible for providing custodial services for state-owned and managed facilities on the Commission’s inventory. The program completes a majority of these services through third-party contracts. Currently, outsourced custodial services are provided in 5.6 million square feet of Commission- managed facilities, while 225,000 square feet of custodial services are provided by in-house staff to the Department of Health Lab and a handful of small properties. The program affects all 88 agencies located in state-owned and managed facilities on the Commission’s inventory.

Recycling Program

The Recycling Program is responsible for the collection of all recyclable materials as well as standard and nonhazardous waste from state-owned facilities managed by the Commission. Recyclables are also picked up from certain other state-owned and state-leased facilities. In the six facilities managed by the Commission outside of Travis County, recycling contracts are in place to have recyclables picked up by outside vendors. In FY 2011, the program achieved the highest amount of tonnage of recyclables the program has ever collected, due in large part to implementation of a centralized trash recycling program, miniMAX, which is discussed in greater detail in the Key Organizational Events section of this plan.

The program is also responsible for management of the Commission's hazardous and standard waste facility. The facility serves as a staging and storage area for disposal of potentially hazardous materials requiring abatement and proper disposal in accordance with state and federal laws. The Commission contracts with a state and federally licensed vendor for the collection and disposal of the stored material once a year.

Grounds Maintenance

The Grounds Maintenance Program is responsible for the horticultural maintenance and care of all outdoor, improved, state-owned property on the Commission's inventory. Agency staff, in conjunction with contract labor, performs routine landscape maintenance services such as mowing, edging, blowing, and weeding for approximately 310 acres of state-owned property in Travis County and also performs nightly cleaning for 16 state-owned parking garages. Staff also performs cleanup for various state properties, lots, and garages after University of Texas football and men's basketball home games.

Commercial Parking and Events

Texas Government Code Section 2165.2035 permits the Commission to contract with a private vendor to manage the commercial use of state-owned parking facilities that the agency determines are appropriate for after-hours use. The Commercial Parking and Events Program, in partnership with its parking contractor, manages an inventory of 15,187 parking spaces in 17 garages and 23 lots. These spaces are located in the Capitol Complex, the William P. Hobby Building, and State Parking Garage N in downtown Austin as well as in the North Austin Complex, which houses primarily health and human service agencies.

State and Federal Surplus Property Programs

The Commission is statutorily charged with the administration of the Texas State and Federal Surplus Property Programs. The State Surplus Property ("SSP") Program facilitates the placement and disposal of state surplus and salvage property for agencies that fall under the requirements of Texas Government Code Chapter 2175. The Federal Surplus Property ("FSP") Program is responsible for administering the donation of federal surplus personal property in the State of Texas.

The SSP Program disposes of salvage and surplus personal property from state agencies such as office furniture, office equipment, heavy equipment, tools, and vehicles. From the proceeds of property sales, the program collects a fee to cover the cost of the sale. The agencies disposing of the property are authorized to expend up to 25% of the receipts from the sale of their surplus property, less the program's fee, for similar property. The remaining proceeds are returned to the credit of the general revenue fund. Property that is deemed salvage and therefore unfit for sale may be disposed of by recycling or other appropriate methods as determined by the program. In 2002, the Commission also entered into an agreement with the federal Transportation Security Administration ("TSA") for the program to accept "voluntarily abandoned" and "lost and found" property from airports across Texas. While the Commission is the preferred outlet for disposition of this property, other entities may also be utilized by TSA.

Through the sale of state surplus property in Fiscal Year 2010, the SSP Program returned $6,816,387 to other state agencies, with those agencies depositing 75% or more of this amount to the credit of the general revenue fund. The program also returned $21,905 to counties, and $286,449 directly to the general revenue fund. In addition, during Fiscal Year 2010, the program transferred 9,136 items, valued at $174,696, to 64 state agencies for an aggregate cost to the purchasing agencies of only $10,455, representing a sizeable cost savings to the acquiring agencies and the state.

The FSP Program certifies organizations that are eligible under federal regulations to receive and use federal surplus property, including state agencies, counties, municipalities, public schools and certain nonprofit organizations. Private citizens may not participate in this program. The property is obtained from the federal government at no cost to the state. The FSP Program receives no general appropriations from the Texas Legislature, but is wholly dependent upon a "handling fee" that is assessed to program participants to sustain program operations on a cost-recovery basis. Handling fees defray the costs of locating, inspecting, and listing property; administrative processing; trucking; operating regional distribution/staging centers; maintaining required federal records; and checking the appropriate utilization of transferred property. Handling fees vary according to the condition of the item and demand but are usually significantly lower than the cost of comparable items on the open market.

In Fiscal Year 2010, the FSP Program donated over $53 million (original government acquisition cost) of federal surplus property to 402 eligible entities in Texas and received total handling fees of approximately $1.8 million. The fair market value of federal surplus property donated during Fiscal Year 2010 for use by eligible participants in Texas was approximately $12.4 million.

The surplus property programs operate and maintain facilities in three locations for selling, warehousing, evaluating, and maintaining state and federal surplus property. These locations are in Austin, San Antonio, and Fort Worth. Each location provides for the disposition of federal and state surplus property. However, the San Antonio and Fort Worth facilities primarily handle federal surplus property, while the Bolm Road location in Austin serves as the primary staging area to accept state surplus property.

RISK MANAGEMENT

The objective of the Risk Management and Safety Program is the mitigation of risks associated with activities and functions necessary to carry out the responsibilities of the Commission. The program works in collaboration with DPS to provide employees and tenant agencies of the Commission with an appropriately safe workplace in state-owned and state-managed facilities on the Commission's inventory.

In January of 2010, the program began to systematically schedule and perform vulnerability assessments for state-owned facilities under the charge and control of the Commission, with the results of completed assessments noted for corrective action. The program also implemented new procedures to protect personnel and other programs from physical circumstances and events that could cause serious loss or damage. Security hardware was recommended and replaced to improve the security of critical infrastructure and notification systems were implemented to give information and instructions during emergency events. New security software was recommended and installed to improve monitoring of state buildings. Finally, the program instituted policies and procedures, in conjunction with DPS, for criminal background checks to safeguard personnel, sensitive information, and critical infrastructure throughout the state-owned and state-managed facilities on the Commission's inventory. The subject of criminal background checks is discussed in greater detail in the "Other Legal Issues" section of this plan.

PUBLIC PERCEPTION

The Commission is responsible for supporting state government through strategic planning, asset management, design, construction, maintenance, and leasing of state facilities. The Commission currently manages a design and construction portfolio of 83 projects worth $439 million, in addition to maintaining the Facilities Master Plan, required under Texas Government Code Section 2166.102. The agency also maintains a portfolio of approximately 1,000 leases for 10.7 million square feet on behalf of state agencies across Texas. Through these functions, Commission staff works closely with other state agency staff as well as professionals in the disciplines of construction, architecture and engineering, development, leasing and other related fields. While the general public typically is not aware of the responsibilities of the Commission nor is the general public typically among the clients served by the Commission, members of the general public are served by many of the Commission's client agencies and by many of the tenant agencies housed in state-owned or state-managed space on the Commission's inventory.

The Commission is statutorily charged with the administration of the Texas State and Federal Surplus Property Programs. The State Surplus Property Program ("SSP Program") facilitates the placement and disposal of state surplus and salvage property for state agencies that fall under the requirements of Texas Government Code Chapter 2175. The program disposes of state salvage and surplus personal property such as office furniture, office equipment, heavy equipment, tools, and vehicles as well as "voluntarily abandoned" and "lost and found" property from airports across Texas. This property is available for public sale at the Commission's surplus property storefront location in Austin. The storefront is also the main vehicle used to sell the property obtained from airports throughout the state. While many individuals visit the storefront, its popularity was enhanced exponentially by publicity generated when Good Morning America visited this location and a short story about the operation aired on national television August 15, 2011. This story caused local news stations from Austin and San Antonio to visit the storefront as well and the subsequent publicity in these local markets generated a high level of interest in the SSP Program, resulting in a substantial increase in visits from the general public. This positive response has enabled the Commission to take advantage of greater public interaction to enhance a positive image for the Commission and the State of Texas.

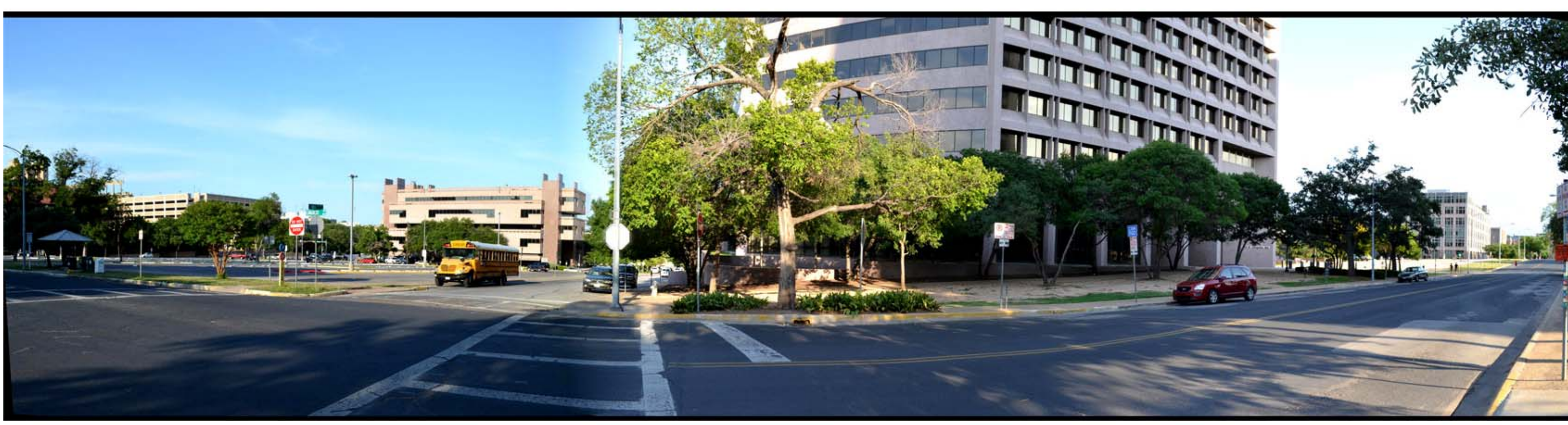
This increased publicity also resulted in more awareness of the Federal Surplus Property Program ("FSP Program"). The Fort Worth Star Telegram conducted interviews with FSP Program staff and ran a positive and complimentary story December 23, 2011 which detailed this operation. Examples of help provided by the FSP Program include such beneficial donations as providing a sixty-five thousand (65,000) gallon water trailer to the Lower Colorado River Authority, enabling them to haul water to a community whose water well had gone dry due to drought of 2011. Additionally, trucks, trailers, and firefighting equipment were donated through the program to numerous communities throughout the state to help fight fires resulting from the same drought.

The SSP Program has the potential of serving the following entities in the complete cycle of the disposal of their surplus property: 180 state agencies (this number does not include universities); 254 counties; 1,031 independent school districts and 210 charter schools; 1,209 cities; 1,549 volunteer fire departments; 259 approved assistance organizations in acquiring surplus property for use in their programs; and other political subdivisions including junior and community colleges. In addition, the FSP Program is responsible for administering the donation of federal surplus personal property in the state of Texas. While private citizens and the general public may not participate in this program, the FSP Program provides a link between the federal agencies that generate the property and eligible organizations in Texas that use donated property for a wide variety of public programs. The FSP Program makes surplus property from federal agencies available for use by political subdivisions such as state agencies, counties, municipalities, public schools and certain nonprofit organizations. Currently, there are approximately 7,835 accounts statewide in the program.

Finally, the Commission interacts with the public through its after-hours parking and tailgating programs. The Commission's parking contractors collect paid parking fees for special events at or near the Capitol Complex, most commonly at locations such as the Frank Erwin Center, Waterloo Park, the State Capitol, and various athletic facilities of the University of Texas at Austin ("UT") for events such as the Texas Relays, and UT football, basketball, and volleyball games. Due to close proximately to the Warehouse District and the West End District of downtown Austin, the parking contractor also collects paid parking fees after-hours at the William P. Hobby Building and State Parking Garage N on Wednesday through Saturday. Demand for parking in this area is generated by visitors to the variety of private venues, public events, and nightclubs located in these districts. Based on projected demand, exceptions are made to open the parking facilities for special events that fall on days the garage would normally be closed. After-hours parking is not offered for use on a regular basis at the North Austin Complex, but event promoters wishing to use the state-owned facilities at this complex can contact the Commission with requests. Contact information and downloadable forms pertaining to the program can be found on the Commission's website.

The Commission also plans, develops, coordinates, and leases eleven state-owned parking lots for tailgating and sells parking spaces in three state-owned garages. Additionally, the Commission's parking contractor sells parking at the State Capitol Visitor's Garage and the Bob Bullock Texas State History Museum on behalf of the State Preservation Board. The Commission's Tailgate Reservation System allows individuals to reserve tailgating spaces in advance of football season. The reservation system has enhanced the public's enjoyment of football season by eliminating the necessity of camping out to save an individual's tailgating space. The Commission, along with the Texas Department of Public Safety, strives to provide a safe and enjoyable environment that will enhance and promote integrity, civility, ethical conduct, and good sportsmanship amongst fans, students, and visitors attending the tailgate events.


DO NOT ENTER
CONGRESS
SCHOOL BUS



PART II

ORGANIZATIONAL ASPECTS

AGENCY WORKFORCE

The Commission currently has a legislative appropriations cap of 431.6 full-time equivalent ("FTE") positions for Fiscal Year 2012 and Fiscal Year 2013. As of March 31, 2012, the Commission employed 259 agency staff FTEs and 92 contract FTEs. The Commission's legislative appropriations cap has decreased from 578 FTEs in Fiscal Year 2007, due in large part to mandated interagency transfers resulting from passage of House Bill 3560 during the 80th Legislative Session and, secondarily, to agency-initiated reorganizations related to statewide budget reductions in Fiscal Year 2010 and Fiscal Year 2011. Non-exempt employees comprise 57% of the Commission's workforce, African Americans and Hispanics represent 40% of agency employees, and 29% of the Commission workforce is female. Professional employees comprise the largest category of agency employees at 39%. The combined categories of Technicians, Skilled Craft, and Service Maintenance together represent the second largest number of Commission employees, for a total of 43% of the agency's workforce. Professional and technical/skilled craft/maintenance employees together represent 82% of the Commission's staff and these combined categories reflect the primary qualifications and skill sets required to carry out core functions of the Commission.

The Workforce Plan, found in Appendix E, provides additional demographic information on the Commission's workforce, such as gender, age, diversity, tenure, job category, and employee turnover.

ORGANIZATIONAL STRUCTURE

The Texas Facilities Commission (the "Commission") consists of seven board members. Three members are appointed by the Governor, two additional members appointed by the Governor from a list of nominees submitted by the Speaker of the House of Representatives, and two members appointed by the Lieutenant Governor.

The Commission is responsible for setting policy and for determining the direction of the agency. The Commission is authorized to adopt rules to administer the laws under its jurisdiction. The Commission's duties include:

- the child care services for state employees under Texas Government Code Chapter 663;
- the charge and control of state buildings, grounds, or property, Texas Government Code Chapter 2165;

- the maintenance or repair of state buildings, grounds, or property, Texas Government Code Chapter 2165;
- the construction of state buildings, Texas Government Code Chapter 2166;
- the purchase or lease of state buildings, grounds, or property by or for the state, Texas Government Code Chapters 2165, 2166, and 2167;
- (the state surplus and salvage property program, Texas Government Code Chapter 2175;
- the federal surplus property program, Texas Government Code Chapter 2175, Subchapter G; and
- the mandatory paper recycling program, Texas Government Code Chapter 2175, Subchapter Z.

Pursuant to Section 2152.058(a) of the Texas Government Code, the chair of the Commission is appointed by the Governor from among the members of the Commission. Pursuant to Commission policy, the vice chair is nominated by the members of the Commission with approval of the full Commission at the first regular called meeting of each fiscal year. The vice chair serves as the presiding officer at any regular or special called meeting of the Commission in the absence of the chair. The vice chair serves for a term of one year.

The management style of the agency is derived from the statutory administrative provisions found in Chapter 2152 of the Texas Government Code. The agency is structured generally to have policy decisions undertaken by an appointed commission and the execution of those policies administered by an executive director who manages the day-to-day operation of the agency.

The seven-member appointed citizen commission employs the executive director of the agency who in turn manages the agency's affairs under the commission's direction. The executive director employs the staff necessary to administer the agency's functions, manages the business operations of the agency, and discharges duties and responsibilities assigned by statute or delegated by the Commission. Subchapter C of Chapter 2152, Texas Government Code, sets out authority and responsibilities of the executive director and staff.

Additionally, the Commission has formal policies adopted at a public meeting that further set out the respective roles of the Commission and the executive director. Under these policies, the Commission has authorized specific delegations of authority to the executive director involving approval of certain lease agreements; easements, license agreements, and joint-use agreements related to real property owned by the Commission or necessary for Commission-administered construction projects; certain contracts for professional services, consultant services, construction-related services, and interagency or interlocal agreements; and maintenance, grounds, utilities, and other service agreements related to facility management on behalf of the Commission.

GEOGRAPHICAL LOCATION OF AGENCY

The vast majority of the Commission's staff is located in Austin within the Capitol Complex or at the State Surplus Storefront facility on Bolm Road, discussed below. The Commission's central office is located in the Capitol Complex at the Central Services Building, 1711 San Jacinto Blvd., Austin, Texas. The Commission's warehouse and service workshop are located across the street from the central office in State Parking Garage R ("Garage R"). The Commission's warehouse, operations and maintenance, and minor construction personnel are housed in Garage R. The close proximity of the Commission's central office to its warehouse and service workshop allows for easy access and interaction between the staff in the Central Services Building that process and assign maintenance and construction work orders and the staff in Garage R, as well as easy access to the parts/supplies necessary to fulfill such assignments. Much of the Commission's staff housed in Garage R work throughout the buildings under the Commission's control in the Capitol Complex, the North Austin Complex, and the Park 35 Complex. In addition, the Commission has approximately 7 property managers and 14 building technician staff that are located in various buildings under the charge and control of the Commission. The property manager assigned on-site to a Commission-managed facility serves as the liaison between the tenant agencies located in the building and all Commission programs. The property managers supervise the building technicians who perform approximately 50% of the maintenance work orders in Commission-managed facilities.

Finally, the Commission's Surplus Property Program operates and maintains three locations for selling, warehousing, evaluating, and maintaining state and federal surplus property. These locations are in Austin, San Antonio, and Fort Worth. Each location facilitates the disposition of federal and state surplus property. However, the San Antonio and Fort Worth facilities primarily handle federal surplus property while the Bolm Road location in Austin serves as the primary staging area to accept state surplus property.

Travel is often necessary for Commission staff when securing leases for state agency clients or for out-of-town construction projects.

When securing leased space for client agencies, Commission Leasing staff will often travel to view available space to determine if it is in compliance with the lease terms and meets all tenant agency requirements. In addition, Leasing staff will make periodic visits to inspect leased space to insure that the space continues to meet these conditions.

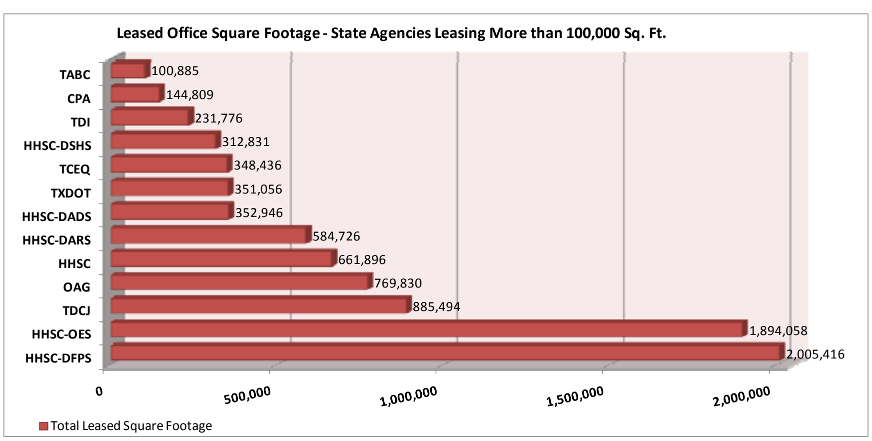
Client Agency Service Population

The Commission manages approximately 28.4 million square feet of state-owned and leased facilities for more than 100 state agencies housing approximately 60,000 employees in 290 cities throughout Texas. Commission owned and managed facilities are located in eight cities: Austin, Corpus Christi, El Paso, Fort Worth, Houston, San Antonio, Tyler, and Waco. As the seat of state government, the bulk of the Commission's owned and managed facilities are located in Austin. The Commission also supports other non-inventory facilities in Austin by providing and managing central steam and chilled water plant services to the Capitol, the Capitol Extension, the Capitol Complex Visitor's Center, and the Dewitt C. Greer Building. State leases managed by the Commission are located in 290 Texas cities. The Commission also manages single office leases in the District of Columbia, New York, California, Illinois, and Oklahoma.

A current listing of the Commission's lease portfolio can be viewed on the Internet at http://www.tfc.state.tx.us/divisions/facilities/prog/leasing/ by clicking on Active Lease Summary Report.

The following chart illustrates the components of the Commission's state-owned inventory. This inventory consists of 41 office buildings housing 19,487 employees and totaling nearly 6 million square feet of office space; 44 warehouse and miscellaneous buildings and parking garages totaling 10.9 million square feet; and 33 surface parking lots totaling 3.4 million square feet. This inventory also includes 2.9 million square feet of cemetery facilities and vacant land.

Commission Managed, State-Owned Facility Inventory Breakout			
	No. of Facilities	*Square Footage*	*No. of Cities*
Office	41	5,932,829	7
Warehouse/Storage	9	394,805	5
Miscellaneous	17	482,671	1
Parking Garages	18	4,122,372	2
Parking Lots	33	3,421,487	7
Subtotal	**118**	**14,354,164**	**7**
Land	3	2,929,196	1
Grand Total	*121*	*17,283,360*	*7*



The Commission manages a leased portfolio of nearly 1,000 properties totaling 10.7 million square feet of commercial facilities to meet the needs of 40,040 employees throughout 283 Texas cities. Office space accounts for 87%, or 9.2 million square feet, of the leased portfolio and warehouse, laboratory, print shop, parking and other support facilities totaling 1.4 million square feet make up the balance. A total of 75 tenant agencies are housed in the Commission's leased portfolio. However, just 13 of these agencies occupy and pay for more than 90% of the commercially-leased office space. Each of these 13 agencies leases in excess of 100,000 square feet of office space as illustrated in the chart above.

TENANT AGENCY LEGEND
CPA–Comptroller of Public Accounts
OAG–Office of the Attorney General
TABC–Texas Alcoholic Beverage Commission
TCEQ–Texas Commission on Environmental Quality
TDCJ–Texas Department of Criminal Justice
TDI–Texas Department of Insurance
TXDOT–Texas Department of Transportations
HHSC–Texas Health and Human Services Commission
HHSC-DADS–HHSC Department of Aging and Disability Services
HHSC-DARS–HHSC Department of Assistive and Rehabilitative Services
HHSC-DFPS–HHSC Department of Family and Protective Services
HHSC-DSHS–HHSC Department of State Health Services
HHSC-OES–HHSC Office of Eligibility Services

HUMAN RESOURCE STRENGTHS AND WEAKNESSES

The Commission's workforce is comprised of experienced, dedicated, and well-educated employees. As is true of most organizations, employees are the agency's greatest asset and the Commission is continually working to improve retention, recruitment, and development of a qualified and motivated workforce. Open and consistent employment practices, access to relevant training and resources, opportunities for advancement, and competitive compensation are essential in order for the agency to attract and retain a workforce of this caliber.

The agency continues to attract competitive applicant pools for most of its posted positions. However, not unlike other public and private sector employers, the Commission has encountered occasional difficulty filling certain positions, due primarily to fluctuating labor market conditions. In particular, the Maintenance and Operations program area has faced challenges in attracting and keeping qualified applicants for certain skilled maintenance technician positions, such as air conditioner and boiler operators and licensed electricians and plumbers. While this was somewhat less of a challenge due to the economic downturn, it has recently become more of a problem. As a result, the Commission must develop alternative strategies to attract and retain these highly skilled workers even as budget constraints continue to limit staff salaries, promotions, and merit increases.

Additionally, direct as well as informal feedback from employees and supervisors indicates that Commission personnel want long-term employment with the agency, but compensation that is not competitive with the private sector or other state agencies can be a motivating factor for employees to change jobs and leave the Commission. While some employees leave state government for higher paying jobs in the private sector, others go to other state agencies for similar jobs posted in a higher salary group. As a result, retention and recruitment of talented employees continues to pose a challenge.

Another imminent challenge is the ageing of the Commission workforce generally and the large number of key staff who will be eligible to retire within the next five years. Approximately 80% of the agency's employees are age 40 and over, while only 5% are under age 30. While it is unlikely that all employees who become eligible for retirement will leave the agency, a significant number of employees in key agency positions may choose to retire. This includes key positions in administration, accounting and budget, facilities design and construction, and maintenance and operations. A potentially high attrition rate will affect productivity and customer service to our client agencies, especially as it involves experienced and knowledgeable staff leaving the agency.

To support its core functions, the agency must be able recruit at competitive rates of compensation and pay for good performance to retain existing staff. The Commission strongly supports the funding of a competitive salary base and the continuation of bonus or incentive programs.

The issues addressed in this section are addressed in greater detail in the Workforce Plan found in Appendix E.

CAPITAL ASSET STRENGTHS AND WEAKNESSES

Commission assets are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. The Commission's property manager is responsible for accounting for the assignment and location of all agency assets. However, the responsibility for ensuring the security of fixed assets is assigned directly to agency staff. The property manager conducts an annual inventory in order to account for each asset. Employees are required to certify the possession of these assets during the annual inventory. All agency assets are continuously tracked, updated, and reported through the State Property Accounting System. As of August 31, 2011, the Commission had over $846 million in capitalized assets.

Object of Expense	Expenditure Amount
7341-Real Property – Construction in Progress – Capitalized	$ 9,001,093
7371-Personal Property – Passenger Cars – Capitalized	$ 12,500
7373-Personal Property – Furnishings and Equipment – Capitalized	$ 79,777
Total	**$ 9,093,370**

Capital Assets	Value
Land and Land Improvements	$ 36,575,762
Construction in Progress	$ 43,326,379
Other Assets	$ 23,995
Buildings & Improvements	$ 764,410,133
Furniture & Equipment	$ 1,171,020
Vehicles	$ 944,625
Computer Software	$ 30,320
Total	**$ 846,482,234**

FACILITIES–BUILDINGS, PARKING LOTS, AND PARKING GARAGES

The Commission holds title to 84 state-owned office buildings, parking garages, warehouses, and miscellaneous buildings. The Commission also holds title to 36 state-owned parking lots and 3 parcels of state-owned land. The combined area of all office buildings is over 6.5 million square feet and this inventory has a current replacement cost of over $1.6 billion dollars.

These facilities demand ongoing repair and replacement of worn or obsolete systems and components. Repair and replacement of these components is often postponed due to funding priorities which results in the repair or replacement project being placed under a deferred maintenance (“DM”) category of building projects. In 2006 the agency commissioned a national consulting firm to conduct a comprehensive assessment of its facilities to determine the volume of DM work required. The findings indicated a budget estimate for capital funding of nearly $400 million to address repair and renovation needs at that time.

The budget estimate was derived after the collective DM needs were quantified in terms of the Facility Condition Index (“FCI”). FCI is a measure widely used in the building industry to represent the physical condition of a facility compared to its replacement value; the higher the FCI, the poorer the condition of the facility. Industry standards consider a value between 0% and 5% as good; 6% to 10% as fair; and 11% and above as poor. However, in practice, few inventories of public buildings ever achieve an overall rating of 10% or below. Existing average government building conditions throughout the United States fall within a range of 25% to 35%. The current FCI for the Commission’s inventory of office buildings is 24%, with a range of 0.06% to 75%. The average age of these office buildings is 40 years, with a range from 10 to 100 years old.

The Commission proposed a ten-year DM program based on the initial FCI that would have substantially reduced the existing backlog of projects. However, the funding required to carry out the program was not fully appropriated and, therefore, the backlog has not been substantially reduced. Additionally, items in this extensive backlog that remain unaddressed result in an exponential escalation in the cost of maintenance and repairs over time. Not including any new items, the current backlog of DM projects totals over $369 million. Of this total, over $104 million worth of projects in 23 buildings are labeled as critical or tending critical, meaning that they must be addressed immediately or within the next twelve months.

The issue of deferred maintenance is addressed in greater detail in the Self-Evaluation and Opportunities for Improvement section of this plan.

Technology and Telecommunications

The technology related capital needs of the agency are essential to the daily operations of the Commission. The Commission’s networking systems, computers, including software, and printers are acquired through state surplus and spot purchases for break/fix incidents. Management recognizes critical weaknesses due to lack of capital assets in the following areas.

In an effort to align with the state’s strategic direction for information resources management, the agency continues to explore and utilize commodity technology products and services provided by the Information and Communications Technology Cooperative Contracts program.

Data Center Services

The Commission participates in the Data Center Services Contract ("DCS") with the Department of Information Resources ("DIR"). In addition to providing data center services, DCS includes the consolidation, transformation, and replacement of the Commission's end-of-life server systems with updated virtual machines at the State Data Centers. The Commission's aging server system was transformed to a new virtual machine mainframe at the Texas Data Center located in Austin, Texas in June 2009. Much of the remaining outdated server infrastructure from the Commission's data center will be consolidated and transformed to newer equipment. Specific initiatives in planning are:

- replacement of end-of-life server systems and applications to n-1 status at the Central Services Building and at the State Data Center; and

- replacement of end-of-life Novell Network Services with Microsoft Active Directory to allow for improved security and full integration with portal applications and Microsoft Office 365 services.

Infrastructure Upgrade

Maintaining current end user and network computing infrastructure is essential for the daily operations of the Commission. Funds will be needed to continue to acquire technology and to replace aging equipment, as needed, to support Commission staff in performing regular tasks. The Commission's current budget will not support the acquisition of equipment and infrastructure upgrades, including replacing end-of-life and out-dated equipment and wiring. Specific initiatives in planning are:

- replacement of end-of-life network components, such as network equipment, patch panels and cabling for agency offices with equipment capable of supporting gigabit Ethernet;

- upgrade to 10GBASE-T, as current connectivity is no longer sufficient to allow for increased traffic to cloud computing applications;

- replacement of Symantec Endpoint Antivirus Services with Microsoft Forefront Enterprise, which integrates with current and planned enterprise projects, to provide greater security and protection for end user computing; and

- replacement of end-of-life telecommunications equipment and wiring with Voice Over Internet Protocol network and equipment.

Personal Computer Refresh

Maintaining current technology infrastructure for the end user computing ("EUC") environment is essential for daily operations of the Commission. Also, establishing an EUC refresh program enables information technology staff to focus more on business needs rather than equipment maintenance and repair. It also makes computer equipment costs more predictable, evens out information technology expenditures, and reduces budget spikes. Specific initiatives in planning are:

- replacement of end-of-life Windows XP Operating System with Windows 7/8; and
- replacement of end-of-life workstations with Virtual Desktop infrastructure and equipment.

APPLICATION UPGRADE AND REPLACEMENT

Replacement or modernization of legacy applications and programs are essential for daily operations of the Commission. The Commission must also implement sound data management principles to support good business practices, meet regulatory requirements, and electronically share information to improve operational efficiency. Specific initiatives in planning are:

- replacement of PowerBuilder 6.5 frontend with PowerBuilder 12.5.1 for GUI DIR Fund Accounting System (GFAS); and
- purchase and implementation of an integrated workplace management system to allow staff to manage operational initiatives and reduce energy consumption and maintenance cost through analysis and process improvement.

AGENCY USE OF HISTORICALLY UNDERUTILIZED BUSINESSES

The Commission's HUB Program promotes equal opportunity in the contract awards process for qualified businesses seeking opportunities with state agencies. Each state agency is required to make a good-faith effort to use HUBs in contracts for construction, services and commodity procurements, and the Commission's executive leadership, division management, and procurement program are committed to assisting HUBs. The Commission currently sponsors and participates in state agency HUB economic opportunity forums to provide visibility to Commission solicitation opportunities and purchaser contact information. The Commission assists vendors in obtaining HUB certification status and facilitates meetings with vendors and procurement staff to provide vendors with a better understanding on how to do business with the state. Additionally, when soliciting bids from the Comptroller of Public Account's Centralized Master Bidders List ("CMBL"), the Commission ensures that internally developed solicitation documents include applicable class and item codes for subcontracting opportunities to assist primes in searching for HUBs using the CMBL. Finally, the Commission requires non-HUB prime contractors to demonstrate that they have solicited bids from HUB subcontractors as well.

Fiscal Year 2008 – Semi 2012 Actual Expenditures			
Fiscal Year	Overall Expenditures	HUB Expenditures	% Spent with HUBs
2008	$54,538,030.00	$14,506,623.00	26.5%
2009	$102,262,859.00	$27,004,538.00	26.4%
2010	$158,626,015.00	34,474,583.00	21.7%
2011	$101,616,512.09	$23,217,746.21	22.85%
2012/Semi	$16,437,424.00	$4,961,471.00	30.18%

KEY ORGANIZATIONAL EVENTS

Several key organizational events have taken place since 2010. Two of these events, described below under the headings *Daytime Custodial* and *miniMax Program*, were initiatives undertaken by the Commission largely in response to requested budget reductions for Fiscal Year 2010 and Fiscal Year 2011, but also as part of comprehensive efforts by the agency to manage taxpayer resources with the highest standards of integrity, search for improvement through innovation, maximize efficiencies, and leverage public resources on behalf of the State of Texas.

DAYTIME CUSTODIAL

Beginning in July of 2010, the Commission transitioned to a daytime cleaning program. Daytime cleaning has been successfully implemented in many other organizations for years, including Dell Computer Corporation locations throughout the Austin area and a handful of Commission-serviced facilities in Austin. In addition to the energy conservation and financial benefits that result from eliminating the need to keep lights on throughout the buildings to accommodate nighttime cleaning, daytime cleaning reduces security issues related to having custodial staff unaccompanied in state-owned facilities after hours. Disruptive tasks such as vacuuming are performed immediately before or after regular business hours. The Commission's property manager for each facility works with tenant agencies to mitigate any custodial issues which may disrupt normal business operations.

MINIMAX PROGRAM

In August of 2010, the Commission implemented the miniMAX Program, a centralized trash/recycling program, in most state-owned and managed facilities on the Commission's inventory. The miniMax Program is designed to minimize waste and maximize savings and revenues from increased recycling. Approximately 20,000 state employees currently participate in this program. The miniMAX Program entails each employee utilizing a miniature trash receptacle ("mini-bin") at their desk side as well as a desk side recycling bin. In order to make employees feel responsible for the waste they produce, they are required to empty their own mini-bins and recycling bins at conveniently located central collection stations, rather than relying on custodial staff for that service. To increase recycling rates in an office environment where the vast majority of refuse is recyclable, the small size of the mini-bin further discourages waste and encourages recycling.

The miniMAX Program is a proven concept successfully executed in numerous government and private organizations across the country since the early 1990's. Programs have achieved up to 80% waste diversion using mini-bins, and it is estimated the state will save approximately $821,000 annually in custodial labor costs through the miniMAX Program in facilities managed by the Commission. The miniMAX Program will also produce increased recycling revenues and decreased garbage collection costs. Implementation of this program helped the Commission to achieve the mandated budget reductions for Fiscal Years 2010 and 2011 without having to further increase the reductions made in other agency programs.

Coinciding with the introduction of the miniMAX Program and the transition to daytime cleaning, the Commission implemented renegotiated custodial contracts with a revised scope of work in order to achieve the savings required to meet the mandated 5% budget reductions. Most custodial services have been reduced in frequency. These reductions required significant cooperation from employees of the Commission and tenant agencies. However, in the austere budget environment, the Commission chose to make alterations in custodial services as opposed to more critical services related to heating/air conditioning, electrical service, and plumbing of state office buildings.

PUBLIC/PRIVATE PARTNERSHIP PROGRAM

Senate Bill 1048, enacted by the 82nd Legislature and effective September 1, 2011, created a new chapter in the Government Code, Chapter 2267. The new chapter was created to implement the legislature's finding that authorizing private entities or other persons to develop or operate one or more qualifying projects would serve the public safety, benefit, and welfare by making such projects available to the public in a more timely or less costly fashion and to provide governmental entities with the greatest flexibility in contracting with private entities or other persons to provide certain public services. Chapter 2267 establishes that the procedures in the chapter's provisions are not exclusive and that the chapter's provisions do not prohibit a governmental entity from entering into an agreement for or procuring public and private facilities and infrastructure under other authority.

The Commission formed a Public/Private Partnership Program ("P3") under its Planning and Asset Management Division. Existing staff in the Planning and Asset Management Program were assigned to serve as the Commission's P3 Program staff. As required by Chapter 2267, the P3 Program created guidelines concerning the procedures for responding to solicited proposals and for submitting unsolicited proposals. The Commission reviewed and adopted the P3 Guidelines at a public meeting.

Senate Bill 1048 also created the Partnership Advisory Commission, a legislative advisory commission to advise governmental entities on qualifying projects, Government Code Chapter 2268. Governmental entities are required to provide copies of a proposal for a qualifying project to the Partnership Advisory Commission prior to negotiating an interim or comprehensive agreement with the private entity.

By implementing the P3 Program and adopting the required guidelines, the Commission is poised and prepared to engage with private entities to design, construct, finance and operate public facilities and infrastructure upon underdeveloped and underutilized state properties as such opportunities arise.

USE AND ANTICIPATED USE OF CONSULTANTS

The Commission enters into many contractual relationships to carry out its functions including contracts for maintenance of building systems such as HVAC, life safety and elevators; housekeeping, grounds and landscaping; construction services; architecture and engineering services; utilities; and, interagency and interlocal agreements with many state agencies and local governments. Generally, the agency has not found it necessary to contract with many consultants under Section 2254.026 of the Texas Government Code, as the agency has been able to perform necessary services with its own staff or through a contact with another state governmental entity. However, contracted services, including the possibility of using consultants, will continue to be used to leverage their expertise and provide the best value solutions for the Commission and the agencies it serves.

PART III

FISCAL ASPECTS

SIZE OF BUDGET

APPROPRIATION TRENDS	
Fiscal Year	Amount Appropriated
FY 2013	$ 49,495,359
FY 2012	$ 112,066,471*
FY 2011	$ 52,195,108+
FY 2010	$ 84,460,960+*

**General obligation bonds for deferred maintenance are appropriated in the first year of the biennium. Does not include Capital Budget Unexpended Balances from prior year.*

+Does not reflect mandated reductions to General Revenue – General Revenue-Dedicated that were made during the biennium.

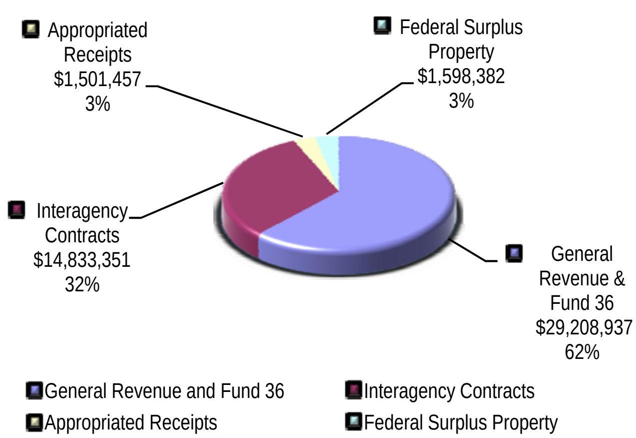
The Commission's operating budget for Fiscal Year 2012 is $47,142,127. This budget supports the daily operations of the agency which includes the payment of utility bills on behalf of other state agencies. Approximately 47% of the Fiscal Year 2012 appropriated General Revenue and General Revenue-Dedicated Fund 36 in the operating budget is for the payment of utility invoices. An additional 38% of General Revenue is appropriated for property management, maintenance, repair, operations, custodial services, and grounds maintenance.

In addition to the Fiscal Year 2012 operating budget, the Commission has a Fiscal Year 2012 non-operating budget of $80,242,946, which includes unexpended balances from the prior year, for capital expenditures related to ongoing construction projects and expenditures, including deferred maintenance projects.

METHOD OF FINANCE

The Commission's operating budget is funded from four sources: General Revenue, General Revenue-Dedicated, appropriated receipts, and interagency contracts.

FY 2012 Total Agency Operating Budget
$47,142,127



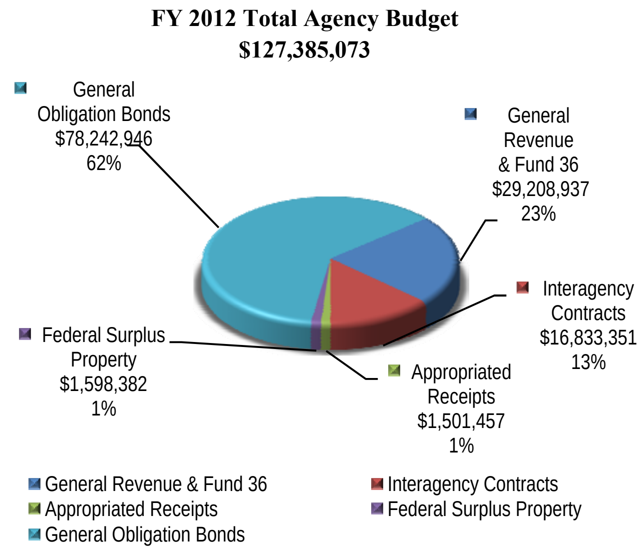
Appropriated receipts are primarily from private tenant reimbursements, the sale of state surplus property and the sale of recycled materials. The interagency contracts revenues are primarily from providing property management services to certain agencies under Section 2165.007 of the Texas Government Code, cost recovery construction project management fees, and fees from minor construction projects performed on behalf of other state agencies.

The Federal Surplus Property Program is funded by Dedicated General Revenue Fund 0570 from revenue received from eligible donees to cover the program's operating expenses.

General Revenue and related funds provide for 62% of the Commission's operating budget. Thirty-five percent (35%) of agency operations are funded with collected revenue, consisting of interagency contracts and appropriated receipts. The remaining 3% is generated from the Federal Surplus Property Program receipts. The graph illustrates the method of finance for the operating budget in dollar amounts.

The two funding streams for the Commission's construction budget are general obligation bonds and interagency contracts. Deferred maintenance projects are funded with general obligation bonds appropriated by the Legislature. The interagency contracts funding is obtained from funds received from other state agencies with whom the Commission has contracted for new construction or major renovation projects.

The chart illustrates the combined operating and construction budget. General Revenue accounts for 23% of the total agency budget and collected revenue accounts for 14%. General obligation bonds account for 62% of the total agency budget with Federal Surplus Property accounting for 1% of the total agency budget.



PER CAPITA

The Commission is an agency which provides services to other state agencies and as such does not have a targeted "per capita" projected spend.

BUDGETARY LIMITATIONS

The Commission currently has two riders in the General Appropriations Act (Fiscal Years 2012−2013), H.B. 1, 82nd Leg., R.S., ("GAA") which restricts and/or caps the agency use of appropriated funds.

Rider 10 of the Commission's bill pattern in the GAA, concerning Capitol Complex utilities, states that notwithstanding Article IX, Section 14.01, Appropriation Transfers, or similar provisions of the GAA, from funds appropriated above in Strategy B.2.1, Facilities Operation ($18,696,731 in Fiscal Year 2012 and $18,696,731 in Fiscal Year 2013), without prior written approval provided by the Legislative Budget Board, no funds may be transferred by the agency to another appropriation item or be used by the agency for a purpose other than payment of utility expenses or for the repayment of loans obtained through the State Energy Conservation Office and/or the Texas Public Finance Authority for implementation of energy efficiency programs and projects.

Rider 15 of the Commission's bill pattern in the GAA, concerning the State Surplus Property Program, states that notwithstanding Article IX, Section 8.03, Reimbursements and Payments, or similar provisions of the GAA, appropriations for the State Surplus Property Program are not to exceed $1,580,652 from receipts collected by the State Surplus Property Program for the biennium beginning September 1, 2011 to be collected pursuant to Chapter 2175, Government Code.

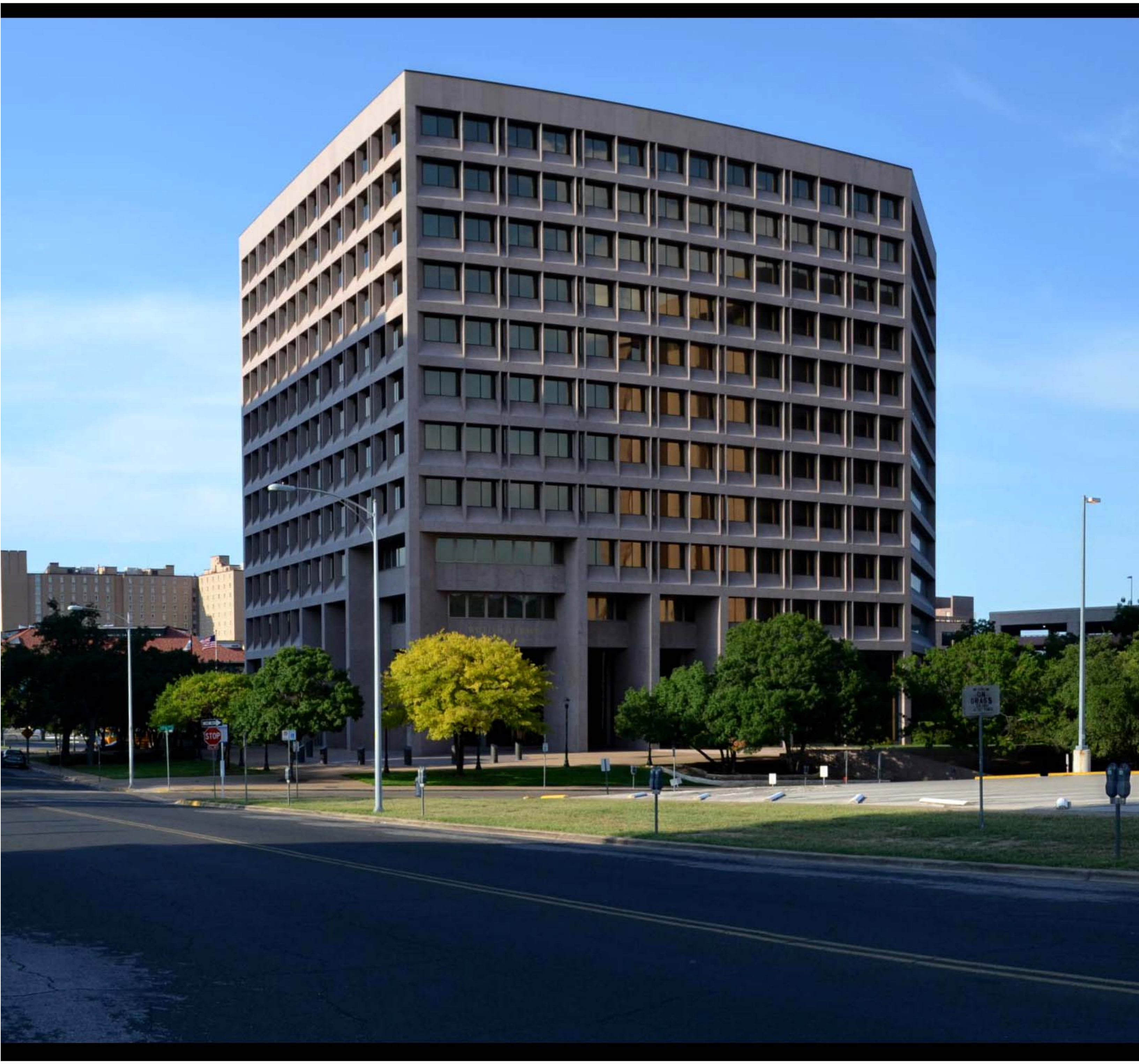
The Commission will comply with these restrictions as provided in the appropriation riders set out above, however, the Commission will most likely seek some increase in the State Surplus Property Program's expenditure cap through an exceptional item request in the Legislative Appropriations Request for Fiscal Years 2014−2015.

CURRENT BUDGET

The Commission will effectively operate within its current budget while continuing to accomplish its mission, with the exception of payment of utility bills on behalf of client agencies. During the 82nd Legislative Session, the Commission submitted an exceptional item request for additional funds to pay for the anticipated utility shortfalls that would occur in Fiscal Years 2012−2013. The request was not approved by the Legislature. Utility payments to the City of Austin represent approximately 90% of all utility expenditures made annually. As a result of factors beyond the Commission's control, such as fuel charge increases and possible rate increases, the Commission anticipates it will have a utility appropriation shortfall in the current biennium and in the upcoming biennium. If this appropriation shortfall for utility payments occurs, the Commission will be required to submit an exceptional item request for additional funds to cover the shortfall.

CAPITAL AND/OR LEASED NEEDS

Funding for deferred maintenance projects will continue to be a major budget driver. The Commission anticipates that it will need to make an exceptional item request for Fiscal Years 2014−2015 for required repairs and renovations for all state-owned office buildings maintained by the Commission.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PART IV

TECHNOLOGICAL DEVELOPMENTS

IMPACT OF TECHNOLOGY ON CURRENT AGENCY OPERATIONS

The Commission is a participant in the Data Center Services (DCS) project and has an on-going dialogue with DIR and the vendor on how to utilize the shared data center and disaster recovery services toward helping the agency build a more secure, agile, and cost-effective infrastructure for the delivery of agency IT services. The consolidated data center will give the agency equal access to advanced technologies and will maximize agency resources by leveraging economies of scale. Most importantly, by coordinating and sharing resources at the statewide level, the agency can focus more of its technology resources on agency-specific applications that support its unique missions.

The Commission is migrating agency applications to web based applications not only to improve access to services, but also to help streamline and improve agency business processes. While the most visible example of electronic services is seen on the agency portal, virtually all agency applications have been converted to web based applications and the information and services are delivered online. These web based applications allow customers to transact business with the agency from any location at their convenience.

The Commission continues to implement a comprehensive security program to leverage and manage all of its critical information and communications technology assets. TFC routinely conducts periodic assessments of technology security through a penetration test conducted by DIR. As part of this effort, DIR identifies risks in network and application security and the agency responds by remediating the risks.

The Commission actively seeks opportunities to develop a comprehensive security program that protects the agency’s information and communications technology assets and infrastructure. The agency developed a set of security policies based on documented risks and in compliance with DIR’s administrative rule. The Commission, working with Team for Texas (TFT) and DIR, has developed, tested, and implement a Disaster Recovery Plan (DRP) to reflect the agency’s transformed environment to the Austin Data Center.

The Commission recognizes the need for the information and services to be usable by all of its customers who need or want them. Agency information now is increasingly distributed through electronic means over the Internet. Customers can access information and services at their own convenience. The agency is making it easier for clients to get information by designing an easy-to-navigate web site. The agency will continue to assess and evaluate its web site to make sure it is ordered around functional areas rather than agency organizational structures. It will continue to enhance the search and browse capabilities to help users locate what they need. The agency will continue to follow and implement DIR rules relating to the development and monitoring of its web site to provide access to individuals with disabilities.

With limited resources for technology projects, the commission approaches technology planning from an agency-wide perspective to ensure that technology projects and purchases are driven by business needs. Business needs from all areas of the agency are communicated and jointly prioritized to foster coordination and sharing of information technologies. Every biennium, each TFC program area completes a comprehensive business plan that includes a description of future projects. Projects with a technology component are subject to an internal approval process, including a business justification and cost-benefit analysis. Representatives from all program areas communicate with the IRM on technology projects which are prioritized from an agency-wide perspective.

Commission management and staff recognize the need to utilize, to the extent possible, collaboration and resource sharing with the private sector and other state agencies to ensure effective use of current technology assets. Collaboration offers the Commission the opportunity to access skills, technologies, and products that would otherwise be out of reach due to cost. The Commission will explore these partnerships in the next biennium; the responsibility to deploy innovative, value-added solutions to meet state agency core missions will require the ability to share resources for the common good of the state.

New and improved information technology procured through strategic outsourcing to private sector partners and implemented with Commission oversight can provide a cost-effective option for resilient, reliable, and secure systems. The rapid advancement of computing technology in recent years has prompted the software industry to rise to the occasion and create better solutions, bringing about greater benefits to the community of consumers.

Integration of commercial solutions with State of Texas systems often require custom applications and enhancements that are more cost efficient to be performed and maintained by agency staff. When the business units purchase commercial software, they might face the fact that there are some certain problems with installing the software and adopting it to that division's goals and objectives. When packaged, commercial solutions do not provide the business value needed, the Commission uses custom applications and enhancements to meet the agency's unique software requirements.

COMMISSION TECHNOLOGICAL ADVANCES

The Commission has integrated technology into all aspects of its operations. Integration will continue to be in direct support of the goals of the agency. In addressing the agency's information resource objectives, the following common goals were identified:

- update the ageing information technology infrastructure;
- improve the ability for analysis and reporting to provide the necessary business intelligence for establishing commission policy; and
- develop and continuously analyze the Commission's portfolio for process improvement where new systems can be implemented and will address existing gaps and reduce total cost of operation.

Most recently, in cooperation with the accounting, budget, and internal procurement, the agency is migrating the internal purchasing functions to a new secure web-based application, which will provide better administrative reporting and access. The agency has also migrated from Lotus Notes e-mail to Microsoft Office 365 offering anywhere access to cloud-based email, web conferencing, file sharing, and Office Web Apps.

The Commission has worked to adapt and deploy technology solutions that support the agency's goals and objectives. The Commission has implemented these solutions in concert with statewide strategies described in the 2012–2016 State Strategic Plan for Information Resources Management, which include the following major information systems in use at the agency:

APPLICATION	SECTION	DESCRIPTION
ManagePath	Leasing	SaaS−statewide lease management system
PortfolioPath	Leasing	SaaS−statewide lease portfolio system
MicroMain	O&M	SaaS−manages work orders, contracts, budgets and reports
IMPACT	FDC	SaaS−construction project management system
Team IMPACT	FDC Contractors	SaaS−construction project management system
Comet	FDC	SaaS−building assessment system (works with IMPACT)
AssetWorks	FSP	SaaS−Sales and inventory system for federal surplus property activity
GFAS	Fiscal	Internal accounting system
Citibank Smart Data Online	Fiscal	Imports purchasing data , reformats it, and uploads into GFAS
Ecova	Fiscal	Ecova sends utility consumption and invoices to Fiscal for import
Assistance Organizations	FSP	Tracks organizations that are qualified to receive federal surplus property
Records Tracking	Records Mgt	Manages records retention
Fee Tracking	Fiscal	Administers fees paid to third parties for services such as auctions
Conference Room Reservations	PAM	Schedules all of the conference rooms in state buildings
Correspondence Tracking	Executive	Tracks executive mail, reports and documents
Facilities Service Center	Other Agencies	Administers service requests
Federal Surplus Invoices	Fiscal	Uploads of files from AssetWorks to GFAS
Financial Reports	Fiscal	Captures Comptroller and GFAS accounting reports for user access
HR Tracking	HR	Adds new employees, assign their positions, program areas, email addresses, timesheet approver, etc.
HUB Annual/Semi-annual Reports	HUB	Procurement reports mandated by the CPA
HUB Monthly Report	HUB	Procurement reports mandated by the CPA

APPLICATION	SECTION	DESCRIPTION
HUB PAR System	HUB	Tracks progress and vendor compliance with HUB contracting plans
Procurement System	Procurement	Creates requisitions, purchase orders, etc.
ISAM System	Security Coordinators	Request or deny access to the various internal and external systems
Legal Contracts	Legal	Tracks all agency contracts and performs reporting
MicroMain Billing	O&M	Run upon request to upload work order data into GFAS and to create invoices
PAF System	HR	Personnel actions such as new hires, transfers, resignations
Payment Scheduling	Fiscal	Accounts Payable to schedule recurring payments
Point of Sale System	SSP	Inventory, sales, and reporting of the State Surplus property received and sold at the Austin location
SaaS Transaction Processing	3rd party providers	Administers for third party hosted services
State Surplus Invoices	SSP	Uploads sales data into accounting system
State Surplus Property Listings	Public	Displays state surplus property for sale with photos
State Surplus Storefront	SSP	Inventory, sales, and reporting of SSP received and sold at the Fort Worth and San Antonio locations
Tailgate Reservations	PAM	Tracks parking spaces rented to tailgaters
Customer Service Survey	TFC	Tracks performance for the programs and departments
Reporting Database	TFC	Tracks and archives reports required by statute
Web Application Portal	TFC	Secure cloud platform for many of the TFC web applications, internal policies, forms and documents
TFC Website	Public	Main public website for TFC for use by the general public
Time Sheet	HR	Tracks employee leave/interfaces with the CPA's leave accounting system
Voucher Payment Tracking	Fiscal	Manages voucher payment information

LEGEND

CPA−*Comptroller of Public Accounts*
FDC−*Facility Design & Construction*
O&M−*Operations & Management*
FSP−*Federal Surplus Program*
GFAS−*GUI DIR Fund Accounting System*
HR−*Human Resources*
HUB−*Historically Underutilized Business*
ISAM−*Information Systems Access Management,*
PAF−*Personnel Action Forms,*
PAM – *Planning & Asset Management*
SaaS−*Software as a Service*
SDOL−*Smart Data Online,*
SSP−*State Surplus Program,*

DEGREE OF AGENCY AUTOMATION

The Commission is currently participating in the Statewide Data Center Services Project established by House Bill 1516, enacted in 2005 by the 79th Legislature, and has an on-going dialogue with the Department of Information Resources ("DIR") and Xerox/ACS, utilizing the shared data center and disaster recovery services toward helping the agency build a more secure, agile, and cost-effective infrastructure for the delivery of agency information technology services.

The Commission's local area network supports end-user computing, printing, client-server, and web-based applications. Workstations, printers, and help desk services are provided by a three member information technology operations staff. The local area network supports shared access to a variety of standard software application packages including an office product suite, electronic messaging, database management system, and business and accounting applications. Internet connectivity is provided through the Commission's connection to the statewide network infrastructure.

The Commission promotes network security using awareness, education, and active participation with agency staff as well as technology to maintain a secure functional network environment. These strategies, along with ongoing network and application evaluation and testing ensure the development of secured and hardened application platforms in line with the State Enterprise Security Plan. The Commission continues to enhance a comprehensive security program to manage all of its critical technology and communications assets. The Commission routinely conducts periodic assessments of technology security through a penetration test conducted by DIR. As part of this effort, DIR identifies risks in network and application security and the agency responds by remediating the risks.

Upgrading the agency's website will facilitate access to information relevant to opportunities for potential private vendors, including solicitations for professional services and goods. Greater public access to agency information through the website includes the use of social media, public private partnerships, and information from state officials and agencies. The agency's website has been designed to be completely accessible, working in accordance with the Web Content Accessibility Guidelines ("WCAG"). The website provides a live search engine by simplifying the search process.

ANTICIPATED NEED FOR AUTOMATION—COMMISSION INITIATIVES

The Commission has a number of initiatives currently in progress or planned over the next biennium that will enhance the agency's ability to serve the public, client agencies and to deliver reliable and secure workplace solutions.

Successful expansion of the Commission's cloud computing platform may require the additional purchase of licenses for data sources that are external to the agency. This platform is expected to be used internally only; however, some functions may leverage data created by external agencies or vendors. Additionally, any expansion of agency personnel may require the acquisition of additional licenses and servers through the State Data Center.

The Commission continues to proactively enhance, standardize, and control all aspects of its internal technical resources in order to support lines of business and streamline internal support activities. Additional technology initiatives that are planned or underway within the agency are discussed under Capital Asset Strengths and Weaknesses in Part II above and in the Technology Resources Planning—Technology Initiative Assessment and Alignment section of this plan.

PART V

ECONOMIC VARIABLES

CONSTRUCTION

Key economic variables that can potentially affect the cost of construction projects include construction materials costs, construction material shortages, labor costs, fuel costs, construction activity, and natural disasters. The impact of these economic variables on construction costs in turn affects the cost and schedule of capital improvement projects managed by the Commission. If the final cost of the project exceeds projections for escalation accounted for in a client agency's appropriation request, the agency may have to scale down the scope of the project or request additional funding in a subsequent budget cycle. When completion dates are effected and extended, a client agency may incur additional unplanned expenses, such as the expense for temporary leased space, and the startup or expansion of a program may be delayed.

Various industry publications track construction costs and the construction labor and materials market. Current cost data indicates that building construction costs have increased about 2.4% in the past year. Other data indicates that public sector projects are down slightly from a year ago in the range of 0.1%, while private markets are showing signs of recovery with an 11.5% increase over a year ago. As the private sector begins to recover from the recent economic recession, construction pricing will continue to rise, with increases likely fall in the range of a 3 to 5% increase per annum.

To plan for the impact of changing economic conditions, the Commission currently utilizes a conservative cost escalation factor of 5% per annum in the development of project analyses. The Commission also utilizes certain construction delivery methods that are advantageous during times of escalating construction costs, such as the Construction Manager at Risk method, which provides for the involvement of the contractor during the design phase and helps ensure the use of real-time cost information to achieve a final design and construction contract.

COMMISSION FACILITIES

The Commission is charged with providing efficient facilities that meet the needs of state agencies serving the citizens of Texas. Historically, population trends were a logical gauge for predicting facility requirements for state agencies. As the population grew or shrank, the staffing and facility needs of state agencies followed the changes in population in a logical manner. However, agencies occupying both commercially leased and state-owned facilities under the Commission's management recently reported an attrition of 4,500 FTE's, an overall decrease of 7%, between Fiscal Years 2009 to 2011. During this same period, the state's population increased by 873,000 persons, an overall increase of 3.5%. (Calculations are based on tenant agency responses to the Commission's Space Needs Survey for 2011, the US Bureau of Census, and the Real Estate Center at Texas A&M University.)

State-owned facilities provide approximately six million square feet of office space in eight cities throughout Texas. Chapter 2167, Texas Government Code, directs the Commission to fulfill any request for space by using state-owned facilities when available but the Commission has not constructed a new state office building since 1999 and current projections show 100% occupancy for existing facilities for the foreseeable future. In the absence of available state-owned facilities, the Commission will continue to rely upon leased facilities to accommodate the immediate space needs of state agencies, seeking cost-efficient and flexible terms in the markets.

Commercial Office Real Estate Market

The Commission leases 9.4 million square feet of office space throughout 283 Texas cities with the majority of these facilities located in the major metropolitan areas of the state, including the Dallas/Fort Worth Metroplex, Houston, Austin, and San Antonio. Of these cities, all except Houston's commercial office market are in the first stage, or "Recovery" phase, of the office market life cycle experiencing decreasing vacancy rates, low new construction, moderate absorption, moderate employment growth, and low rental rate growth. Additionally, *Forbes.com* currently lists Austin, Dallas/Fort Worth, Houston, and San Antonio the "top four" fastest growing cities in the United States. These and other factors indicate asking rents will increase proportionally as available space diminishes and demand grows.

A brief outline of projected economic and population growth for each area, accompanied by state leased and commercial office market information, can be found in Appendix F.

Statewide Lease Consolidation Program

The Commission manages approximately 1,000 leases of commercial facilities, from private entities, in 290 cities across the state. The leased portfolio totals approximately 10.7 million square feet at a cost of approximately $150 million each year. While the Commission routinely analyses the cost of perpetually leasing facilities compared to building new state facilities or acquiring existing properties to meet the long-term space needs of state government, the state has maintained a long-term lease presence, 30 years or more, in the majority of Texas metropolitan areas. For example, the state leases space in excess of 3 million square feet in Travis County, at a cost of approximately $43 million annually. The state experienced a 250% increase in lease expenditures over the last decade due to the lack of state-owned facilities. Similar conditions exist on a smaller scale throughout Texas.

The Commission is implementing the Statewide Lease Consolidation Program to position the state to capitalize on market opportunities to expand ownership and improves access to services for taxpayers. The Commission is currently assessing long-term (30 to 50 year) statewide facility needs and cost savings achieved through shared facility resources. Over the last four years the Commission has realigned the lease portfolio staging lease renewals and expirations to terminate concurrently. Planning and Asset Management Division staff identified 8 cities, containing 182 leases, totaling 2 million square feet targeted for consolidation into 18 regional service centers over the next six years.

PART VI

IMPACT OF FEDERAL STATUTES/REGULATIONS

HISTORICAL ROLE OF FEDERAL INVOLVEMENT

President Harry Truman, in an effort to simplify federal surplus property distribution, signed into law the Federal Property and Administrative Services Act. The act created the U.S. General Services Administration ("GSA"), the federal agency that oversees the Federal Surplus Property Program ("FSP Program") today. The primary authority for the Federal Surplus Personal Property Donation Program is Title 40 of the United States Code, Section 549. Implementing regulations are contained in Title 41 of the Code of Federal Regulations, Section 102-37.

Throughout the years following the establishment of the program, additional legislation has been passed which increased the number of programs or groups which are eligible to obtain federal surplus property through the FSP Program.

Eligible Groups	
• state and public agencies • museums • free libraries • educational organizations • nonprofit educational and public health activities • entities providing assistance to the homeless • entities providing assistance to the impoverished • medical institutions, hospitals and clinics • nonprofit and public programs for the elderly	• active SBA 8(a) certified companies with an active SBA 8(a) certification by the Small Business Administration ("SBA") • service educational activities of special interest to the armed services • public airports • historic light stations • child care centers • drug abuse treatment centers • fire departments and emergency service districts

KEY STATE LEGISLATION AFFECTING THE FEDERAL PROGRAM

The Texas State Educational Agency for Surplus Property was established by the Governor in 1945 by executive order under authority of his "War Emergency Powers." In 1949, the 51st Legislature changed the name to the Texas Surplus Property Agency and continued the agency by passage of Senate Concurrent Resolution 33.

Each successive Legislature continued the Texas Surplus Property Agency by Concurrent Resolutions until March 19, 1971, when House Bill 216 became law as Article 6252-6b, Vernon's Annotated Revised Civil Statutes of the State of Texas, establishing the Texas Surplus Property Agency as a permanent agency of the state.

On June 19, 1993, the 73^{rd} Legislature passed Senate Bill 381 abolishing the Texas Surplus Property Agency. The bill called for the functions of the agency to pass to the Commission, known as the General Services Commission at that time, effective September 1, 1993, thus establishing the FSP Program. Subsequent state legislation over the following years renamed the agency, now known as the Texas Facilities Commission, but did not impact the Commission's role as the designated Texas state agency under federal law to act on behalf of the United States Government with respect to federal surplus and salvage property.

CURRENT FEDERAL ACTIVITIES

As the federal agency that oversees the FSP Program today, the GSA is responsible for oversight and administration of the program. In order to facilitate the disbursement of federal surplus property throughout the United States, the GSA coordinates with state agencies, like the Commission. These agencies are known as the State Agency for Surplus Property ("SASP").

To receive transfers of federal surplus property, an SASP must have a GSA approved "State Plan of Operation" as set forth in United States Code, 41 Federal Regulations, Section 102-37. A State Plan of Operation is a document developed under state law and approved by GSA in which the state sets forth a plan for the management and administration of the SASP in the donation of property. The state legislature must develop the plan, however, the Commission is charged by statute with submitting the plan to the legislature for approval. The chief executive officer of the state must submit the plan to the administrator of GSA for acceptance and certify that the SASP is authorized to: (i) acquire and distribute property to eligible donees in the state; (ii) enter into cooperative agreements; and (iii) undertake other actions and provide other assurances as are required by the code and set forth in the plan. The plan is updated as necessary. Amendments or modifications to the plan must be approved by GSA. Proposed plans and major amendments to existing plans require general notice to the public for comment. The current Texas State Plan of Operations was fully executed in April 1998.

When a federal entity determines that they have property that is no longer needed, they are required to follow federal guidelines to dispose of the property. In most cases, the federal entity is required to post the property on the GSA website. While the property is posted on this website, other federal entities, and SASPs, such as the Texas FSP Program are allowed to view the property and request it for donation. Each state is allowed, per Title 40 of the United States Code, Section 549, to operate a program to facilitate the transfer of federal surplus property to organizations deemed eligible under the terms allowed by the program. If another federal entity has need of the property, they are given preference over any other state program which may ask for it. Allocation is then determined by the GSA based on factors such as prior allocation of similar items to that particular state; overall federal surplus property allocated to a particular state, and need as described by a donee. After the FSP Program is allocated a particular piece of property, transportation must then be arranged to one of our warehouses. In some situations, a donee is allowed to pick up the property directly from the federal holding entity which results in a reduced handling fee being assigned to the property.

Each SASP is responsible for ensuring compliance with federal regulations in the donation of surplus federal property. One such responsibility is the monitoring of how the property is used. In compliance with the federal and state conditions and restrictions associated with the receipt of federal surplus property, property must be placed in use by a donee for the purpose for which acquired within one (1) year of receipt. The property must be used for the expressed purpose throughout the federal restriction period. If the property is not placed in use within the one (1) year period and utilized for the expressed purpose for the specified period of restriction, the property is to be returned to the SASP "at the donees expense." The property must not be sold, traded, leased, bailed, cannibalized, encumbered, removed for permanent use outside the state, or otherwise disposed of during the specified period of restriction without the prior approval of the GSA or SASP. The period of restriction shall begin on the date the property is actually placed into use. Property with an original acquisition cost of $5,000.00 or more and passenger vehicles have a compliance period of eighteen (18) months. Any aircraft has a compliance period of five (5) years, and some items, such as non-operational combat aircraft and firearms are perpetual items. Perpetual property is property for which the compliance period never expires and the property must be continually tracked by the program. All donees are subject to compliance visits by the FSP Program within that compliance period to ensure that the property is being used as intended by the donee.

GSA performs a review of each SASP, typically every two years, to evaluate the SASPs management of the program. Their review includes an evaluation of an SASPs eligibility determinations, property allocation, and compliance monitoring.

The FSP Program is administered by a division director and assistant director. Both are responsible for the State and Federal Surplus Property Programs with the assistant director primarily responsible for the federal program. Approximately eleven other employees work primarily for the federal program with ten (10) state program employees lending support where necessary. Other agency personnel lend support from divisions such as Fiscal, Information Technology, Procurement, and Mail Operations.

Anticipated Impact on Service Populations and Agency Operations of Future Federal Actions

The federal donation program is dependent on the release of excess property declared surplus by the federal government. Changes in the quantity and quality of donable property can fluctuate from year to year depending on the availability and federal initiatives, such as active military conflicts around the world and budgetary restrictions. Any federal statute or regulation which limits the acquisition of property by a federal entity will directly affect future allocations of property to the states. All states utilizing the program are very competitive in bringing as much donable property as possible back to their home state. The process of finding what is available and seeking GSA allocation approval is an on-going effort to return as much property as possible to eligible Texas donees. In addition, any federal statute or regulation which impacts the type of organization eligible to participate in the federal surplus property program could have a positive or negative impact.

PART VII

OTHER LEGAL ISSUES

Chapters 2165, 2166, and 2175 of the Texas Government Code are the Commission's enabling statutes and continue to correctly reflect the agency's mission and objectives. However, because many of these statutes have been in place for years, as the agency and its responsibilities have evolved, numerous sections need updating to correct references to agency divisions and personnel as well as to update the agency's business practices to be more in line with industry standards.

The Commission recommended the following statutory changes for consideration by the 82nd Legislature, four of which were adopted as noted below. In addition, the Legislative Budget Board recommended an opportunity to increase revenue through the lease of excess state parking spaces during regular business hours. This recommendation was also adopted by the 82nd Legislature.

HOUSE BILL 2632

Over 100 state agencies have been authorized by statute to obtain confidential criminal history record information from the Texas Department of Public Safety ("DPS") on job applicants, employees, licensees, contractors, and others. However, the Commission was not one of these agencies. As statutory custodian of certain state properties, the Commission provides access control and security surveillance systems for buildings on Commission-managed inventory and for the occupying tenant agencies of those properties. Additionally, in the course of their assigned work or contract activities, various employees and contractors of the Commission have daily access to areas throughout the offices of all tenant agencies in these buildings, including highly sensitive or restricted areas. Due to heightened security concerns and increased access control measures throughout the Capitol Complex, it is essential for the Commission to obtain criminal history record information in order to ensure appropriate security standards and protocols are maintained in the assignment of these individuals to regular or contract work activities throughout the inventory of state-owned facilities and critical infrastructure managed by the Commission. The Commission worked cooperatively with DPS to draft legislation to allow the Commission to obtain the required volume of criminal history record information in a timely manner without placing additional workload on DPS staff and to give the Commission access to sufficient details regarding the criminal history record information to make decisions on a case-by-case basis regarding the suitability of job applicants, employees, licensees, contractors, and others for clearance to access secured state-owned facilities and critical infrastructure managed by the Commission.

The 82nd Legislature enacted House Bill 2632 which authorizes the Commission to obtain criminal history record information maintained by DPS, effective June 17, 2011.

HOUSE BILL 3404

In 1989, the 71st Legislature established the Child Care Development Board to develop and administer a program to provide child care services for state employees who work in state-owned buildings or the Capitol Complex. The Child Care Advisory Committee was required to advise the board on the location, site, and design of the child care facilities, and the curriculum required to be provided by the facility. The General Services Commission ("GSC"), predecessor agency of the Commission, was required to establish child care facilities at the direction of the board by acquiring or renovating property, making contracts, and implementing plans for the facilities. In 2001, the 77th Legislature abolished the Child Care Development Board and transferred to GSC the key duties and responsibilities of the board relating to the provision of child care services to state employees. The Child Care Advisory Committee was required to advise GSC on the location, size, and design of the child care facilities, and the curriculum required to be provided by the facility. By statute, the Child Care Advisory Committee ceased to exist in 2005. Since that time, the Capitol Complex Child Care Center ("the Center") has continuously been subject to the normal regulations applicable to all such child care operations and the Commission, as successor agency to GSC, has continued to provide facility management services to the center. However, there was no formal state entity composed of individuals with an interest in child care services for state employees and with specific subject-matter expertise to advise the Commission on matters relating to the Center.

The 82nd Legislature enacted House Bill 3404 which reenacts Section 663.051, Texas Government Code, establishing a child care advisory committee to advise the Commission on the location, size, and design of the child care facilities, and the curriculum required to be provided by the facility. House Bill 3404 was effective September 1, 2011.

HOUSE BILL 2769

Currently the Commission lacks express authorization to accept or receive gifts, grants, or donations in support of its programs. In the absence of this authority, project delays have occurred in certain instances involving the use of donated land to accommodate construction of new facilities for client state agencies. The Commission has also been unable to accept or receive grant funds in support of any program administered by the agency or to accept or receive items offered at no cost to the state such as printed posters and other marketing materials designed to help promote sales through the federal and state surplus programs or to help increase participation by state employees in energy conservation initiatives or in the single-stream recycling program. In order to take advantage of every opportunity to obtain grants, cut costs, save time, and generate increased revenue wherever possible, the Commission sought authority to accept gifts, grants, and donations that would enable the Commission to more efficiently discharge its statutory responsibilities relating to programs such as the construction of state facilities, energy conservation, single-stream recycling for state buildings, and federal and state surplus property programs. Increased participation by state employees in the single-stream recycling program reduces the volume and cost of waste disposal while simultaneously increasing revenue to the general fund from the sale of increased volumes of recycled materials. Increased sales of state surplus property generate more revenue to the general revenue fund while increased acquisition of federal surplus property not only benefits eligible nonprofit organizations and the clients they serve, but also benefits individual Texas citizens in emergency situations.

The 82nd Legislature enacted House Bill 2769 which amends the Texas Government Code to authorize the Commission to solicit, contract for, receive, accept, or administer gifts, grants, and donations of money or property from any source for any lawful public purpose related to the Commission, effective June 17, 2011.

SENATE BILL 1, ARTICLE 28. FISCAL MATTERS CONCERNING SURPLUS AND SALVAGE PROPERTY

Texas Government Code Chapter 2175 requires the Commission to:

- establish and maintain procedures for the transfer, sale, or disposal of surplus and salvage property;
- cooperate with state agencies in an ongoing effort to minimize loss resulting from accumulations of property; and
- attempt to realize the maximum benefit to the state in selling or disposing of the property.

The Commission may, by rule, determine the best method of disposal and is authorized to sell the property by competitive bid, auction, or direct sale to the public, including a sale using an Internet auction site. Proceeds from the sale of surplus or salvage property, less certain limited costs, are required by statute to be deposited to the credit of the general revenue fund of the state treasury. The purpose of this chapter is to:

- place surplus property with other state agencies to avoid the cost of new property;
- provide property to eligible service organizations that provide community services; and
- sell the remaining surplus items to the public with the proceeds dedicated to the general revenue fund.

However, some agencies either ignore or are confused about their duties under this chapter and, as a result, property has been given to organizations that are not eligible by law, and other property that could have generated revenue for the state has been given away for free or even thrown away in the trash. In the fall of 2010, the Governor's Office asked the Commission to reinforce the intent of the program, encourage agencies to follow state law in disposing of surplus property, and make certain that agencies that are in need of property, but lack funding, know that they can contact the Commission to find out what surplus items are available. In response, a detailed informational letter was sent by the Commission to all agencies subject to Chapter 2175 and preliminary language was prepared amending Chapter 2175 to help ensure the maximum financial savings to and/or cost recovery by the state in the disposal of surplus property.

Language recommended by the Commission to clarify the requirements of the program and ensure both the maximum financial savings to agencies and the maximum increase in revenue to the general revenue fund from the disposal of surplus property was included in Senate Bill 1, enacted by the 82nd Legislature, First Called Session, effective September 28, 2011.

SENATE BILL 1068

Senate Bill 1068, enacted by the 82nd Legislature and effective June 17, 2011, expanded the Commission's authority to lease excess state parking spaces in the City of Austin. Previously, the Commission's authority was limited to the lease of state-owned parking lots and garages located in the City of Austin outside of regular state business hours, after-hours parking, for private commercial use.

Government Code Sections 2165.204 and 2165.2045, added by Senate Bill 1068, authorize the Commission to lease excess space in state-owned parking lots and garages in the City of Austin during regular state business hours, daytime parking, to private individuals, an institution of higher education, or a local governmental entity.

PART VIII

SELF-EVALUATION AND OPPORTUNITIES FOR IMPROVEMENT

The Commission has three main areas of focus for opportunities for improvement: to reduce the backlog of deferred maintenance, to reduce energy consumption, and to maximize the strategic and efficient use of state-owned facilities to reduce long-term dependence on the use of lease space.

DEFERRED MAINTENANCE

The Commission is consistently working to identify, evaluate, and strategically reduce the backlog of deferred maintenance needs of the state-owned facilities under the Commission's care. As discussed in previous sections of this plan, in 2006 the Commission performed a comprehensive facility condition assessment that identified an extensive backlog of repairs and renovations for all state-owned office buildings maintained by the agency. Based on that assessment, the Commission proposed a ten-year deferred maintenance program in excess of $380 million to substantially reduce the backlog that existed at that time and to improve the overall condition of the building inventory managed by the agency. The funding request for the program was not fully appropriated and the original program is no longer on track. As a result, the repairs and renovations previously projected for future biennia have now reached a more critical level.

This extensive backlog represents more than the sum of past annual maintenance deficits. It also includes a continuous, compounding effect of postponing maintenance from one year to the next. This compounding effect is similar to the interest on debt and results in an exponential escalation in the cost of maintenance and repairs. If needed maintenance is not completed in one year, then the costs of maintenance, repair, or replacement are significantly higher in subsequent years. Asset management studies have shown that if routine preventative maintenance is not performed, then repairs equaling five times the maintenance costs are generally required. In turn, if the repairs are not completed, expenses for major repair, renovation, or replacement can be five times the repair costs. As the rate of deterioration accelerates, it reaches the point where repairs are no longer possible or financially prudent considering factors such as the total value of the asset and the projected remaining life and planned use of the asset.

Postponing maintenance compounds not only the cost of deferred maintenance but also the volume as well. Facilities are in a constant state of deterioration and even while identified problems are being corrected, other problems occur, increasing the overall deterioration of the inventory of assets. Additional funding will slow the rate of increase in the backlog but will not halt it. The sheer volume of state-owned assets managed by the Commission and the critical level of many facilities means that, even with an infusion of needed funding, the backlog will continue to increase. This problem is not unique to the Commission or the State of Texas; it is faced by governments at all levels throughout the country, by institutions of public and higher education, and by private asset managers.

Due to funding constraints, recent appropriations for deferred maintenance have been limited to amounts needed only for projects identified as most critical to reduce the risk to continuity of operations and/or health and life safety concerns. The continued deferral of projects that are currently less critical will result in an increase in the volume and cost of the total backlog as well as in the critical level of numerous projects. The result will be an increasingly deleterious effect on the value of state-owned property and facilities.

Without adequate funding for preventative and routine maintenance and repairs, the backlog will continue to increase and become more critical in nature, despite the Commission's continued implementation of a strategy to effectively distribute allocation of available funds to the highest-priority needs. As a result, the Commission does not anticipate reducing the aggregate amount of the accumulated deferred maintenance backlog within its portfolio of state-owned facilities with current funding levels.

In order to strategically reduce the aggregate amount of the accumulated deferred maintenance backlog within the Commission's portfolio of state-owned facilities and protect the public investment in these assets, a predictable stream of additional funding is needed over a sustained period of time. The Commission is evaluating the use of currently underutilized real property assets on the agency's inventory to produce ongoing revenues from non-tax sources that could potentially be considered as a source of the additional funding needed by the agency for deferred maintenance projects.

ENERGY

The primary goal of the Commission's energy management function is to reduce utility consumption and operating costs in state-owned facilities on the agency's inventory. The Commission is in the early stages of establishing a holistic approach to energy management and continues to implement a variety of energy-reduction initiatives. While the authorized strategies for Deferred Maintenance (DM) appropriations for Fiscal Years 2010 and 2011 were primarily for health and life/safety concerns as discussed above, the Commission has implemented these DM projects with an approach that also fulfills SECO-mandated energy performance codes whenever possible. Additionally, as a matter of policy, when ongoing DM projects provide opportunity and appropriately authorized funding is available, other energy enhancements are pursued in concert with the DM projects.

A number of energy management upgrades to state building plants have been completed, as well as HVAC system improvements, and commissioning. The Commission is also implementing energy upgrades through the LoanSTAR loan program. These upgrades include installation of high-performance, low-energy LED lighting in 12 parking garages with an overall expected annualized energy savings of approximately 10% going forward. A window film project for 20 buildings on the Commission's inventory is being implemented that is currently 95% complete, with full completion scheduled for late 2012. The Commission has obtained approximately $84,000 in Austin Energy rebates for these projects, which equates to recovery of about 40% of the installation costs to date.

The Commission coordinates with the General Land Office (GLO) to obtain low prices for natural gas and entered into a contract, negotiated through GLO, to lock gas rates for the 2011 and 2012 winter months at historic lows. This rate lock should insulate Commission facilities from price spikes that historically have been encountered due to production disruptions during hurricane season and winter demand spikes. In addition, the Commission has signed a long-term contract with Austin Energy that will stabilize pricing for utility service to state-owned facilities in Austin and Travis County through August 2015.

The Energy Management Program affects the Commission's overall annual utility budget of approximately $20 million that comprises roughly 50% of the agency's general revenue appropriations. Implementation of this program additionally has long-term effects on the usefulness and life cycle of building equipment and systems that contribute to a quality working environment in all facilities on the Commission's inventory. Equipment upgrades such as variable speed pumps, building automation systems, and energy management systems not only result in energy savings but also prolong the life of the mechanical systems and allow for instantaneous detection of malfunctions and poorly performing equipment. Emerging lighting technology not only saves energy in the long term but reduces the need for the continued general maintenance activity of replacing light bulbs as the newer bulbs have extended life cycles. The ultimate goal of all these initiatives is to reduce utility consumption and operating costs in state-owned facilities.

Approximately 90% of the agency's utility expenditures go towards facilities in Austin and Travis County, with roughly 70% of that 90% attributable to electrical power. Austin Energy serves as the sole provider of electricity for this subset of the agency's utility expenditures. As power demands and fuel prices continue to increase, Austin Energy is seeking a rate increase for 2012, the utility's first in 15 years. The state currently receives a favorable rate structure from Austin Energy and an agreement is in place which provides for continuation of a favorable rate structure for the state if Austin Energy's requested rate increase is approved and implemented. However, this agreement expires in August 2015. Additionally, the need for redundancy of electrical resources has been underscored by numerous recent events nationwide and our own power outages in the Capitol Complex. These events have exposed the vulnerabilities and risk of reliance on a single electrical utility provider.

The Commission has conducted a preliminary study on the feasibility and cost benefits of constructing and operating a Combined Heating and Power ("CHP") generation facility for the Capitol Complex, the associated infrastructure for distributing those utilities campus wide and for other large scale strategic conservation facilities, more specifically Thermal Energy Storage ("TES"). The outcome of these ongoing efforts has identified the construction of an integrated infrastructure for distributing utilities throughout the capitol complex and TES as a priority in preparation for the future when independent cogeneration of power, steam, and chilled water develops into an initiative for the safety and security of state government and/or a responsible fiscal measure. The pursuit of the prioritized infrastructure provides many short term benefits in terms of physical plant consolidation, reduction in operating and maintenance costs, more efficient and reliable delivery of utilities, and reduction of "peak demand" electrical charges. The infrastructure, as a critical element of the CHP, lays the ground work for future development of this initiative.

Reduction of Leased Space

One of the Commission's main functions is to provide office space for state agencies through the design and construction of facilities or through leasing services. The Commission continues working to maximize the efficient use of space in state-owned buildings and to reduce the state's dependency on long-term commercially leased facilities, particularly in Travis County. The Commission's lease portfolio includes nearly 2.7 million square feet in Travis County at an approximate annual cost of $35.3 million.

Two of the Commission's projects illustrate efficiencies achieved through the renovation of existing facilities. The Commission's multi-year asbestos abatement and renovation project in the Stephen F. Austin Building was completed in June 2011, making approximately 28,000 additional square feet of office space available for use. This space accommodated the relocation of two agencies from leased space, one of which has depended on commercially-leased space in Austin for more than 30 years. The relocation of these two agencies is estimated to eliminate approximately $1.2 million in lease costs per biennium. The Commission has also expedited an extensive renovation project in the William B. Travis Building that will result in approximately 35,000 additional square feet of office space upon completion, currently projected for late 2012. This space will accommodate more than 150 full-time employees ("FTEs") currently housed in leased office space and is estimated to eliminate approximately $2 million in lease costs per biennium.

The Commission has also undertaken a comprehensive evaluation of underutilized state-owned properties in the Capitol Complex and North Austin Complex. Preliminary studies indicate the potential for redevelopment to yield an estimated additional 7.1 million square feet of facilities in the Capitol Complex and approximately 80 acres in the North Austin Complex. This capacity would double the amount of square footage currently used to house state employees in the Capitol Complex and allow for consolidating all eligible Health and Human Services Commission departments from leases into the North Austin Complex. Not all of this potential capacity would be needed to accommodate the relocation of agencies currently housed in leased space. Furthermore, certain agencies need to remain in particular geographic areas of Travis County in order to best serve the needs of their clients. The Commission has identified approximately 1.3 million square feet of state-leased office space in the Austin area for potential consolidation into new state facilities that can be constructed on underdeveloped holdings. The targeted leases serve 5,500 employees at a cost of $16.7 million per year. The remaining 5.8 million square feet of underdeveloped properties could generate significant revenues from non-tax sources if developed for market-driven mixed uses.

With completion of the major renovation projects at the Stephen F. Austin and William B. Travis buildings, existing state-owned buildings in the Capitol Complex and North Austin Complex will be at maximum capacity. Any further relocation of state agencies out of lease space would require the construction of new state buildings. The last time a new state building was constructed in the Capitol Complex was in 1999 when the Robert E. Johnson building was completed.

In order to accommodate the relocation of appropriate state agencies currently housed in leased space, the Commission should be authorized to design and construct one or more new state office buildings on currently underutilized property in the Capitol and North Austin Complexes. Additionally, the Commission will continue evaluating options for generating significant revenues to the state from non-tax sources associated with long term ground lease agreements and the use of public private partnerships to maximize underutilized assets on the agency's inventory of state-owned property.


RUSK STATE OFFICE BUILDING

AGENCY GOALS, OBJECTIVES, STRATEGIES AND RELATED MEASURES

GOAL 1 – FACILITIES CONSTRUCTION AND LEASING	
The Commission will provide office space for state agencies through construction and leasing services and manage public buildings, grounds, property, and construction services. (Texas Government Code Chapters 2165, 2166, and 2167.)	
OBJECTIVE 1.1.	To obtain and maintain a space on the basis of obtaining the best value basis for the state in both owned and leased space, and to increase the ratio of owned space compared to leased space by 2015 when practicable.
Outcome Measure	Dollar savings achieved through the efficient use of state-owned space.
Strategy 1.1.1. Leasing	
Provide quality-leased space for state agencies at the best value for the state.	
Output Measure	Total number of leases awarded, negotiated, or renewed.
Efficiency Measures	• Average lease processing time (days). • Percent reduction of leased square footage of office and warehouse space.
Explanatory Measures	• Total square footage of office and warehouse space leased. • Cost per square foot leased.
Strategy 1.1.2. Facilities Planning	
Ensure that the state optimizes the use of leased, purchased, and constructed office space by providing planning and space management services to state agencies.	
Explanatory Measure	• Total square footage owned. • Income from parking lots and garages.
OBJECTIVE 1.2.	To complete 95% of the construction, renovation, or repair of state office buildings in accordance with required specifications and within established budgets and schedules.
Outcome Measure	Percent of completed construction projects on schedule and within budget.
Strategy 1.2.1. Building Design and Construction	
Provide a comprehensive program to ensure that state facilities are designed and built timely, cost-effectively, and are of the highest quality.	
Output Measure	Number of construction projects managed.
Efficiency Measures	• Percent of change in project construction costs due to change in scope. • Percent of change in project construction costs due to errors and omission in design. • Percent of change in project construction costs due to unforeseen conditions
Explanatory Measure	Percent of construction projects on schedule.

GOAL 2 – PROPERTY AND FACILITIES MANAGEMENT AND OPERATIONS	
The Commission will protect and cost effectively manage, operate, and maintain state facilities. (Texas Government Code Chapter 2165.)	
OBJECTIVE 2.1.	To provide and maintain a clean and healthy environment in state facilities.
Strategy 2.1.1. Custodial	
Provide cost-effective and efficient custodial services for state facilities.	
Efficiency Measures	Average cost per square foot of privatized custodial services.
OBJECTIVE 2.2.	To complete 100% of the funded deferred maintenance projects by the end of fiscal year 2015.
Strategy 2.2.1. Facilities Operation	
Provide a comprehensive program to protect the state's investment in facilities by eliminating deferred maintenance needs, providing grounds maintenance and minor construction services, improving the reliability of mechanical systems, and promoting efficient energy consumption and recycling.	
Output Measure	Total quantity of paper recycled (in tons).
Efficiency Measures	• Average cost per acre of grounds care provided. • Average cost per square foot of all building maintenance. • Cost per square foot for outsourced property management.

	• Cost per square foot for state managed properties. • Utility cost per square foot. • Percent of deferred maintenance projects completed.
Strategy 2.2.2. Lease Payments	
Make lease payments on facilities financed through the Texas Public Finance Authority.	
Output Measure	Square footage of building space financed through Texas Public Finance Authority (lease payments).
Strategy 2.2.3. State Cemetery	
Operate and maintain State Cemetery and grounds.	
Efficiency Measure	Cost per acre of grounds care.

GOAL 3 – SUPPORT SERVICES	
The Commission will provide support to state agencies for surplus property needs. (Texas Government Code Chapter 2175.)	
OBJECTIVE 3.1.	To effectively screen, receive, and convey state and federal surplus property each year for the benefit of eligible Texas donees for federal surplus property and other state agencies and members of the public for state surplus property.
Outcome Measure	Fair market value of federal surplus property distributed.
Strategy 3.1.1. Surplus Property Management	
To provide timely, appropriate, and cost effective opportunities for disposal of state and federal surplus property to maximize the value received by the state.	
Output Measure	Total net dollar sales of state surplus and salvage property sold.
Explanatory Measures	• Number of donees who received federal surplus property. • Number of agencies participating in the state surplus property program.

GOAL 4 – HISTORICALLY UNDERUTILIZED BUSINESSES ("HUBS")	
The Commission will establish and implement policies governing purchasing and public works contracting that promotes the inclusion of historically underutilized businesses ("HUBs"). (Texas Government Code Chapter 2161.)	
OBJECTIVE 4.1.	To include HUBs in at least 26% of the total value of contracts and subcontracts awarded annually by the Commission in purchasing and public works contracts.
Outcome Measure	Percent of the total dollar value of purchasing and public works contracts and subcontracts awarded to HUBs.
Strategy 4.1.1. HUB Plan	
Develop and implement a plan for increasing the use of historically underutilized businesses through purchasing and public works contracts and subcontracts.	
Output Measure	• Number of HUB contractors and subcontractors contacted for bid proposals. • Number of HUB contracts and subcontracts awarded. • Dollar value of HUB contracts and subcontracts awarded.

TECHNOLOGY RESOURCE PLANNING–TECHNOLOGY INITIATIVE ASSESSMENT AND ALIGNMENT

INITIATIVE 1. DIR/STATE DATA CENTER CONTRACT

<table>
<tr><td colspan="2">1.1. Initiative Name: Name of the technology initiative.</td></tr>
<tr><td colspan="2">DIR/State Data Center Contract</td></tr>
<tr><td colspan="2">1.2. Initiative Description: Brief description of the technology initiative.</td></tr>
<tr><td colspan="2">Renewal of the DIR/State Data Center Contract.</td></tr>
<tr><td colspan="2">1.3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency’s Information Technology Detail.</td></tr>
<tr><td>Name</td><td>Status</td></tr>
<tr><td>DIR/State Data Center</td><td>Current</td></tr>
<tr><td colspan="2">1.4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.</td></tr>
<tr><td colspan="2">4-1-2, All Objectives</td></tr>
<tr><td colspan="2">1.5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.</td></tr>
<tr><td>• P1 – Cloud
• P2 – Data Management
• P3 – Data Sharing
• P4 – Infrastructure
• P5 – Legacy Applications</td><td>• P6 – Mobility
• P7 – Network
• P8 – Open Data
• P9 – Security and Privacy
• P10 – Social Media</td></tr>
<tr><td colspan="2">This initiative meets the following goal of the 2012-2016 State Strategic Plan for Information Resources Management; Infrastructure, Texas government will continue to consolidate and standardize its technology infrastructure to reduce operational costs and improve service delivery.</td></tr>
<tr><td colspan="2">1.6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles:
• Connect – expanding citizen access to services
• Innovate – leveraging technology services and solutions across agencies
• Trust – providing a clear and transparent accounting of government services and data
• Deliver – promoting a connected and agile workforce</td></tr>
<tr><td colspan="2">Innovate – leveraging technology services and solutions across agencies.</td></tr>
<tr><td colspan="2">1.7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:
• Operational efficiencies (time, cost, productivity)
• Citizen/customer satisfaction (service delivery quality, cycle time)
• Security improvements
• Foundation for future operational improvements
• Compliance (required by State/Federal laws or regulations)</td></tr>
</table>

Operational efficiencies (time, cost, productivity); and Compliance (required by State/Federal laws or regulations).
1.8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Project is dependent upon funding through agency appropriation.

Initiative 2. Active Directory

2.1. Initiative Name: Name of the technology initiative.	
Active Directory	
2.2. Initiative Description: Brief description of the technology initiative.	
Replace end of life Novell Network Services with Microsoft Active Directory.	
2.3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
Name	**Status**
Active Directory	Planned
2.4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.	
4-1-2, All Objectives	
2.5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.	
• P1 – Cloud • P2 – Data Management • P3 – Data Sharing • P4 – Infrastructure • P5 – Legacy Applications	• P6 – Mobility • P7 – Network • P8 – Open Data • P9 – Security and Privacy • P10 – Social Media
This project meets the following goal of the 2012-2016 State Strategic Plan for Information Resources Management; Cloud Computing, Texas government will evaluate, and adopt as appropriate, cloud computing solutions to drive cost-effective and efficient operations. Infrastructure, Texas government will continue to consolidate and standardize its technology infrastructure to reduce operational costs and improve service delivery. Legacy Applications, Texas government will identify existing legacy applications and prioritize their replacement or modernization.	
2.6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles: • Connect – expanding citizen access to services • Innovate – leveraging technology services and solutions across agencies • Trust – providing a clear and transparent accounting of government services and data • Deliver – promoting a connected and agile workforce	
Innovate – leveraging technology services and solutions across agencies; and Deliver – promoting a connected and agile workforce.	

2.7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)
Operational efficiencies (time, cost, productivity); Citizen/customer satisfaction (service delivery quality, cycle time); and Foundation for future operational improvements.
2.8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Project is dependent upon funding through agency appropriation.

Initiative 3. End of Life Network Components

3.1. Initiative Name: Name of the technology initiative.	
End of Life Network Components	
3.2. Initiative Description: Brief description of the technology initiative.	
Replace end of life network equipment, patch panels and cabling for TFC offices with equipment capable of supporting gigabit Ethernet.	
3.3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
Name	**Status**
End of Life Network Components	Planned
3.4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.	
4-1-2, All Objectives	
3.5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.	
• P1 – Cloud • P2 – Data Management • P3 – Data Sharing • P4 – Infrastructure • P5 – Legacy Applications	• P6 – Mobility • P7 – Network • P8 – Open Data • P9 – Security and Privacy • P10 – Social Media
This project meets the following goal of the 2012-2016 State Strategic Plan for Information Resources Management. For infrastructure, Texas government will continue to consolidate and standardize its technology infrastructure to reduce operational costs and improve service delivery. For network, Texas government should enhance network services throughout the state to deliver the most efficient and cost-effective technology. For security and privacy, Texas government must secure its technology infrastructure, ensure the integrity of its online services, and protect the private information collected from citizens and business.	

3.6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles: • Connect – expanding citizen access to services • Innovate – leveraging technology services and solutions across agencies • Trust – providing a clear and transparent accounting of government services and data • Deliver – promoting a connected and agile workforce
Innovate – leveraging technology services and solutions across agencies; and Deliver – promoting a connected and agile workforce.
3.7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)
Operational efficiencies (time, cost, productivity); and Security improvements.
3.8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Project is dependent upon funding through agency appropriation.

INITIATIVE 4. FOREFRONT SECURITY

4.1. Initiative Name: Name of the technology initiative.	
Forefront Security	
4.2. Initiative Description: Brief description of the technology initiative.	
Replace Symantec endpoint antivirus services with Microsoft Forefront Enterprise.	
4.3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
Name	**Status**
Forefront Security	Planned
4.4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.	
4-1-2, All Objectives	
4.5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.	
• P1 – Cloud • P2 – Data Management • P3 – Data Sharing • P4 – Infrastructure • P5 – Legacy Applications	• P6 – Mobility • P7 – Network • P8 – Open Data • P9 – Security and Privacy • P10 – Social Media
P9 – Security and Privacy	

4.6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles: • Connect – expanding citizen access to services • Innovate – leveraging technology services and solutions across agencies • Trust – providing a clear and transparent accounting of government services and data • Deliver – promoting a connected and agile workforce
Deliver – promoting a connected and agile workforce.
4.7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)
Security improvements.
4.8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Project is dependent upon funding through agency appropriation.

Initiative 5. End of Life Server Systems

5.1. Initiative Name: Name of the technology initiative.	
End of Life Server Systems	
5.2. Initiative Description: Brief description of the technology initiative.	
Replace end of life server operating systems and applications to n-1 in remote offices and at the State Data Center.	
5.3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
Name	**Status**
End of Life Server Systems	Planned
5.4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.	
4-1-2, All Objectives	
5.5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.	
• P1 – Cloud • P2 – Data Management • P3 – Data Sharing • P4 – Infrastructure • P5 – Legacy Applications	• P6 – Mobility • P7 – Network • P8 – Open Data • P9 – Security and Privacy • P10 – Social Media
This project meets the following goal of the 2012-2016 State Strategic Plan for Information Resources Management; Infrastructure, Texas government will continue to consolidate and standardize its technology	

infrastructure to reduce operational costs and improve service delivery. Security and Privacy, Texas government must secure its technology infrastructure, ensure the integrity of its online services, and protect the private information collected from citizens and business.
5.6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles: • Connect – expanding citizen access to services • Innovate – leveraging technology services and solutions across agencies • Trust – providing a clear and transparent accounting of government services and data • Deliver – promoting a connected and agile workforce
Deliver – promoting a connected and agile workforce.
5.7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)
Operational efficiencies (time, cost, productivity); Security improvements; and Foundation for future operational improvements.
5.8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Project is dependent upon funding through agency appropriation.

INITIATIVE 6. GFAS POWERBUILDER UPGRADE

<table>
<tr><td colspan="2">6.1. Initiative Name: Name of the technology initiative.</td></tr>
<tr><td colspan="2">GFAS PowerBuilder Upgrade</td></tr>
<tr><td colspan="2">6.2. Initiative Description: Brief description of the technology initiative.</td></tr>
<tr><td colspan="2">Replacement of PowerBuilder 6.5 frontend with PowerBuilder 12.5.1 for GUI DIR Fund Accounting System (GFAS).</td></tr>
<tr><td colspan="2">6.3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.</td></tr>
<tr><td>Name</td><td>Status</td></tr>
<tr><td>Daily Operations</td><td>Planned</td></tr>
<tr><td colspan="2">6.4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.</td></tr>
<tr><td colspan="2">4-1-1, All Objectives</td></tr>
<tr><td colspan="2">6.5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.</td></tr>
<tr><td>• P1 – Cloud</td><td>• P6 – Mobility</td></tr>
</table>

• P2 – Data Management • P3 – Data Sharing • P4 – Infrastructure • P5 – Legacy Applications	• P7 – Network • P8 – Open Data • P9 – Security and Privacy • P10 – Social Media
This initiative meets the following goals of the 2012-2016 State Strategic Plan for Information Resources Management; Data Management, Texas government must implement sound data management principles to support good business practices, meet regulatory requirements, and reduce costs. Legacy Applications, Texas government will identify existing legacy applications and prioritize their replacement or modernization.	
6.6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles: • Connect – expanding citizen access to services • Innovate – leveraging technology services and solutions across agencies • Trust – providing a clear and transparent accounting of government services and data • Deliver – promoting a connected and agile workforce	
Innovate – leveraging technology services and solutions across agencies.	
6.7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)	
Operational efficiencies (time, cost, productivity); and Foundation for future operational improvements.	
6.8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.	
Project is dependent upon funding through agency appropriation and retention of contract staff.	

INITIATIVE 7. VOICE OVER INTERNET PROTOCOL ("VOIP")

7.1. Initiative Name: Name of the technology initiative.	
Voice Over Internet Protocol ("VOIP")	
7.2. Initiative Description: Brief description of the technology initiative.	
Replace end of life telecommunications equipment with VOIP network and equipment.	
7.3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
Name	**Status**
VOIP	Planned
7.4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.	
4-1-1, All Objectives	

7.5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any. • P1 – Cloud • P2 – Data Management • P3 – Data Sharing • P4 – Infrastructure • P5 – Legacy Applications • P6 – Mobility • P7 – Network • P8 – Open Data • P9 – Security and Privacy • P10 – Social Media
This initiative meets the following goals of the 2012-2016 State Strategic Plan for Information Resources Management; Infrastructure, Texas government will continue to consolidate and standardize its technology infrastructure to reduce operational costs and improve service delivery. Legacy Applications, Texas government will identify existing legacy applications and prioritize their replacement or modernization. Mobility, Texas government must address the needs of an increasingly mobile citizen and workforce population. Network, Texas government should enhance network services throughout the state to deliver the most efficient and cost-effective technology.
7.6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles: • Connect – expanding citizen access to services • Innovate – leveraging technology services and solutions across agencies • Trust – providing a clear and transparent accounting of government services and data • Deliver – promoting a connected and agile workforce
Innovate – leveraging technology services and solutions across agencies; and Deliver – promoting a connected and agile workforce.
7.7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)
Operational efficiencies (time, cost, productivity); Citizen/customer satisfaction (service delivery quality, cycle time); and Foundation for future operational improvements.
7.8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Project dependent upon successful award of DIR solicitation for Capital Complex Telephone System and funding through agency appropriation.

INITIATIVE 8. 10GBASE-T

8.1. Initiative Name: Name of the technology initiative.
10GBASE-T
8.2. Initiative Description: Brief description of the technology initiative.
Current connectivity is no longer sufficient to allow for increased traffic to cloud computing applications. TFC will replace current 10MB external internet and internal network connections to 10GBASE-T.

8.3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.

Name	Status
10GBASE-T	Planned

8.4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

4-1-2, All Objectives

8.5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- P1 – Cloud
- P2 – Data Management
- P3 – Data Sharing
- P4 – Infrastructure
- P5 – Legacy Applications
- P6 – Mobility
- P7 – Network
- P8 – Open Data
- P9 – Security and Privacy
- P10 – Social Media

This project meets the following goal of the 2012-2016 State Strategic Plan for Information Resources Management; Infrastructure, Texas government will continue to consolidate and standardize its technology infrastructure to reduce operational costs and improve service delivery. Network, Texas government should enhance network services throughout the state to deliver the most efficient and cost-effective technology.

8.6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles:

- Connect – expanding citizen access to services
- Innovate – leveraging technology services and solutions across agencies
- Trust – providing a clear and transparent accounting of government services and data
- Deliver – promoting a connected and agile workforce

Innovate – leveraging technology services and solutions across agencies; and
Deliver – promoting a connected and agile workforce.

8.7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

Operational efficiencies (time, cost, productivity);
Citizen/customer satisfaction (service delivery quality, cycle time); and
Security improvements.

8.8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.

Project dependent upon successful award of DIR solicitation for Capital Complex Telephone System and funding through agency appropriation.

INITIATIVE 9. WINDOWS 7/8 OS

9.1. Initiative Name: Name of the technology initiative.

Windows 7/8 OS

9.2. Initiative Description: Brief description of the technology initiative.

Replace End of Life Windows XP Operating System with Windows 7/8.

9.3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.

Name	Status
Windows 7/8 OS	Planned

9.4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

4-1-2, All Objectives

9.5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- P1 – Cloud
- P2 – Data Management
- P3 – Data Sharing
- P4 – Infrastructure
- P5 – Legacy Applications
- P6 – Mobility
- P7 – Network
- P8 – Open Data
- P9 – Security and Privacy
- P10 – Social Media

This project meets the following goal of the 2012-2016 State Strategic Plan for Information Resources Management; Infrastructure, Texas government will continue to consolidate and standardize its technology infrastructure to reduce operational costs and improve service delivery. Security and Privacy, Texas government must secure its technology infrastructure, ensure the integrity of its online services, and protect the private information collected from citizens and business.

9.6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles:

- Connect – expanding citizen access to services
- Innovate – leveraging technology services and solutions across agencies
- Trust – providing a clear and transparent accounting of government services and data
- Deliver – promoting a connected and agile workforce

Innovate – leveraging technology services and solutions across agencies.

9.7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

Operational efficiencies (time, cost, productivity); and
Foundation for future operational improvements.

9.8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Project is dependent upon funding through agency appropriation.

INITIATIVE 10. VIRTUAL DESKTOP

10.1. Initiative Name: Name of the technology initiative.	
Virtual Desktop	
10.2. Initiative Description: Brief description of the technology initiative.	
Replace end of life workstations with Virtual Desktop infrastructure and equipment.	
10.3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
Name	**Status**
Virtual Desktop	Planned
10.4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.	
4-1-2, Agency Objectives	
10.5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.	
• P1 – Cloud • P2 – Data Management • P3 – Data Sharing • P4 – Infrastructure • P5 – Legacy Applications	• P6 – Mobility • P7 – Network • P8 – Open Data • P9 – Security and Privacy • P10 – Social Media
This project meets the following goal of the 2012-2016 State Strategic Plan for Information Resources Management; Infrastructure, Texas government will continue to consolidate and standardize its technology infrastructure to reduce operational costs and improve service delivery. Mobility, Texas government must address the needs of an increasingly mobile citizen and workforce population. Network, Texas government should enhance network services throughout the state to deliver the most efficient and cost-effective technology. Security and Privacy, Texas government must secure its technology infrastructure, ensure the integrity of its online services, and protect the private information collected from citizens and business.	
10.6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles: • Connect – expanding citizen access to services • Innovate – leveraging technology services and solutions across agencies • Trust – providing a clear and transparent accounting of government services and data • Deliver – promoting a connected and agile workforce	
Deliver – promoting a connected and agile workforce.	
10.7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time)	

• Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)
Citizen/customer satisfaction (service delivery quality, cycle time); Security improvements; and Foundation for future operational improvements.
10.8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Project is dependent upon funding through agency appropriation.

INITIATIVE 11. INTEGRATED WORKPLACE MANAGEMENT SYSTEM ("IWMS")

11.1. Initiative Name: Name of the technology initiative.	
Integrated Workplace Management System ("IWMS")	
11.2. Initiative Description: Brief description of the technology initiative.	
The purchase and implementation of an IWMS, will allow staff to manage operational initiatives; reducing energy consumption and maintenance cost through analysis and process improvement. This is an industry best practice in an enterprise approach to managing the State's building assets.	
11.3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
Name	**Status**
IWMS	Planned
11.4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.	
2-2-1 Objective 1 Complete Construction / Renovation / Repair of State Office Buildings. Planned	
11.5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.	
• P1 – Cloud • P2 – Data Management • P3 – Data Sharing • P4 – Infrastructure • P5 – Legacy Applications	• P6 – Mobility • P7 – Network • P8 – Open Data • P9 – Security and Privacy • P10 – Social Media
This initiative meets the following goals of the 2012-2016 State Strategic Plan for Information Resources Management; Infrastructure, Texas government will continue to consolidate and standardize its technology infrastructure to reduce operational costs and improve service delivery. Legacy Applications, Texas government will identify existing legacy applications and prioritize their replacement or modernization.	
11.6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles: • Connect – expanding citizen access to services • Innovate – leveraging technology services and solutions across agencies • Trust – providing a clear and transparent accounting of government services and data • Deliver – promoting a connected and agile workforce	

Innovate – leveraging technology services and solutions across agencies.
11.7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)
Operational efficiencies (time, cost, productivity); Citizen/customer satisfaction (service delivery quality, cycle time); and Foundation for future operational improvements.
11.8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Project dependent upon successful award of solicitation and funding through agency appropriation.

Initiative 12. Systems Support Staff

12.1. Initiative Name: Name of the technology initiative.	
Systems Support Staff	
12.2. Initiative Description: Brief description of the technology initiative.	
Replace Database Administrator and Systems Analyst position to support TFC IT infrastructure.	
12.3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
Name	**Status**
Daily Operations	Planned
12.4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.	
4-1-2, All Objectives	
12.5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.	
• P1 – Cloud • P2 – Data Management • P3 – Data Sharing • P4 – Infrastructure • P5 – Legacy Applications	• P6 – Mobility • P7 – Network • P8 – Open Data • P9 – Security and Privacy • P10 – Social Media
This initiative meets the following goal of the 2012-2016 State Strategic Plan for Information Resources Management; Data Management, Texas government must implement sound data management principles to support good business practices, meet regulatory requirements, and reduce costs. Infrastructure, Texas government will continue to consolidate and standardize its technology infrastructure to reduce operational costs and improve service delivery. Security and Privacy, Texas government must secure its technology infrastructure, ensure the integrity of its online services, and protect the private information collected from citizens and business.	

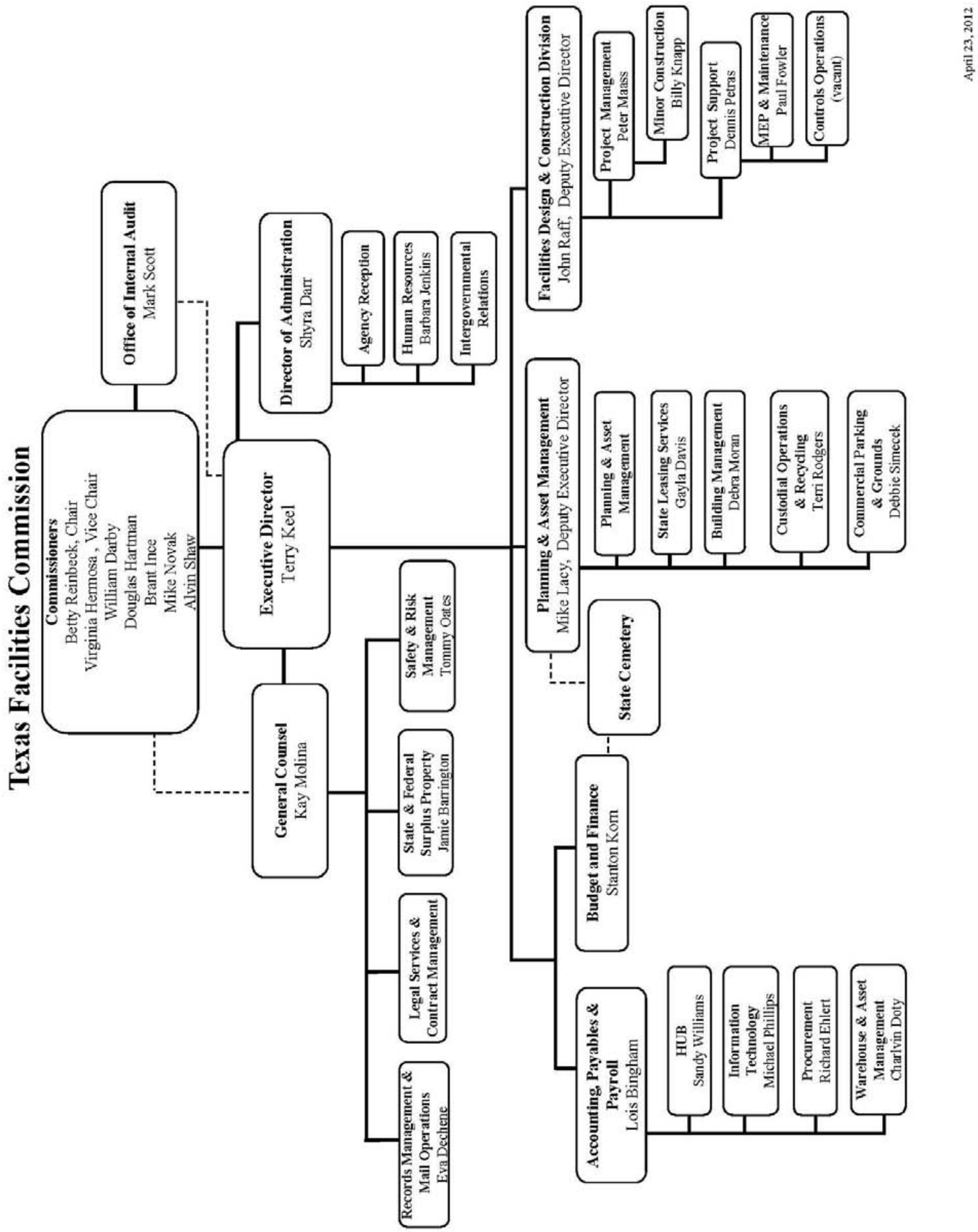
12.6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles: • Connect – expanding citizen access to services • Innovate – leveraging technology services and solutions across agencies • Trust – providing a clear and transparent accounting of government services and data • Deliver – promoting a connected and agile workforce
Connect – expanding citizen access to services; Innovate – leveraging technology services and solutions across agencies; Deliver – promoting a connected and agile workforce.
12.7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)
Operational efficiencies (time, cost, productivity); and Security improvements.
12.8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Initiative is dependent upon funding through agency appropriation and selection of qualified candidate.

APPENDIX A. DESCRIPTION OF AGENCY'S PLANNING PROCESS

In late May of 2011, at the end of the regular session of the 82nd Legislature, the Texas Facilities Commission (the "Commission") began the arduous task of reviewing the operations of every division and program of the agency in preparation for the agency's Sunset Review during the 2012−2013 review cycle. An extensive series of planning and review meetings was established as the process by which the Commission would compile its Self-Evaluation Report ("SER"), with a deadline of September 1, 2011 for submission of the report to the Sunset Advisory Commission. These meetings involved members of the executive staff, division directors, and key program area staff from throughout the agency who then participated in compiling the SER, which has, in turn, been a foundational tool in preparing the agency's Strategic Plan for fiscal Years 2013 – 2017.

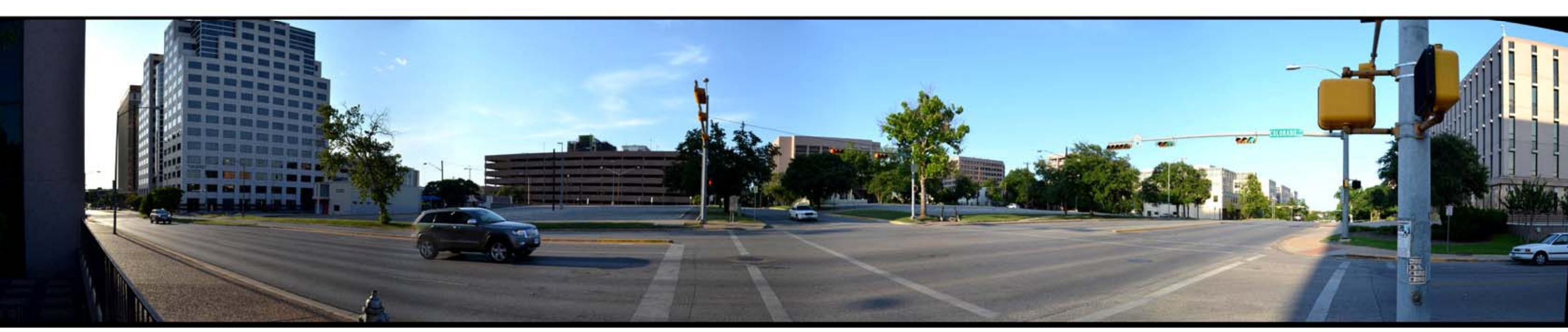
Building on the extensive review process used in producing the SER, beginning in January 2012, additional planning meetings were held beginning with members of the executive staff, division directors, and key program area staff from throughout the agency in order to further review and reevaluate program functions, policies, and goals. Following these meetings and based on the input and draft materials received from each division and program area, a small writing team reporting to the Executive Director managed the workflow, coordinated the review process, and produced a draft Strategic Plan to be submitted for final review and approval by the members of the Commission.

APPENDIX B. CURRENT ORGANIZATIONAL CHART



APPENDIX C. FIVE-YEAR PROJECTIONS FOR OUTCOMES

OUTCOME	2013	2014	2015	2016	2017
Dollar savings achieved through the efficient use of state-owned space.	$0	$435,000	$305,000	$0	$0
Percent of completed construction projects on schedule and within budget.	80%	85%	90%	90%	90%
Fair market value of federal surplus property distributed.	8,200,000	8,300,000	8,500,000	8,700,000	9,000,000
Percent of the total dollar value of purchasing and public works contracts and subcontracts awarded to HUBs.	27.5 %	28%	29%	30.5%	31%



APPENDIX D. LIST OF MEASURE DEFINITIONS

OUTCOME MEASURE 1.1.1. Dollar savings achieved through efficient use of state-owned space.	
Definition	Dollar savings resulting from new construction and/or reconfiguration and better use of state-owned space and by increased utilization of state-owned facilities and thereby providing for greater opportunities to move state agencies from leased space to state-owned space.
Purpose	Measure captures the net financial benefit realized by new construction and/or reconfiguring state-owned space and by increased utilization of state-owned facilities and thereby providing for greater opportunities to move state agencies from leased space to state-owned space.
Data Source	Space Utilization and Leasing Databases.
Methodology	Measure is calculated by subtracting construction, reconfiguration and relocation costs from the amount of lease payments avoided.
Data Limitations	Number of leases expiring within each fiscal year of the biennium, availability of state-owned space, and current inventory and occupancy of state-owned space.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	Yes.

OUTCOME MEASURE 1.2.1. Percent of completed construction projects on schedule and within budget.	
Definition	Completed projects are defined as those projects that are “Substantially Complete” during the reporting period, and follow the standard definition of Substantial Completion as established in the Uniform General Conditions (UGC). This date is determined and certified on the required AIA (American Institute of Architects) Document G704-2000 Certificate of Substantial Completion by the Contractor, Architect/Engineer and Owner when the Work is complete.
Purpose	To quantify the number of construction projects completed on time and within budget.
Data Source	FDC construction files.
Methodology	For each completed project during the reporting period, each day of weather delay or administrative delay is subtracted from total elapsed project days. The resulting total number of days is divided by project plan days. If the result is less than or equal to 1.05, the project was on schedule. If over 1.05, the project was late. The total number of construction projects completed on time and within budget is divided by the total number of projects completed. Scope changes by user agencies, weather delays, and administrative delays, which are delays by cities to issue permits and delays for environmental remediation such as asbestos that was not discovered until actual construction began are excluded.
Data Limitations	None.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	Yes.

EFFICIENCY MEASURE 1.1.1.1. Average lease processing time (days).	
Definition	The average number of days for all Invitations for Bid awarded year-to-date, from the time a request for lease space is received until notice of award is executed.
Purpose	To measure efficiency of TFC leasing services.
Data Source	Lease activity report.
Methodology	Calculation of the average number of days it takes to award Leasing contracts, beginning with the date a request for lease space is received until the notice of award is executed. Delays beyond TFC's control are not included in the timeframe.
Data Limitations	N/A.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	No.

EFFICIENCY MEASURE 1.1.1.2. Percent reduction of leased square footage of office and warehouse space.	
Definition	The total reduction of leased office and warehouse square footage achieved by moving state agencies from current leased space or to reduced lease space.
Purpose	The measure captures the percentage of leased square footage reduced as a result of moving state agencies from current leased space to reduced lease space.
Data Source	Leasing Databases.
Methodology	Total amount of all leased space~~d~~ included in the TFC inventory expiring in the reporting period, minus the replaced amount of all leased space in the reporting period, divided by the total amount of all leased space expiring in the reporting period.
Data Limitations	Number of leases expiring within each fiscal year of the biennium.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	Yes.

EXPLANATORY MEASURE 1.1.1.1. Total square footage of office and warehouse space leased.	
Definition	The simple arithmetic total of net area under active lease.
Purpose	To quantify the amount of rentable square feet leased by state agencies.
Data Source	Lease program database.
Methodology	The sum of the total square feet included in all active leases.
Data Limitations	Subject to state agency needs. TFC leases space based on the actual needs of client agencies and the total square footage of leased space is the result of external state agency needs.
Calculation Method	Non-Cumulative.

New Measure	No.
Desired Performance	Lower than target.
Key Measure	Yes.

EXPLANATORY MEASURE 1.1.1.2. Cost per square foot leased.	
Definition	The result of the total annual rents paid, divided by the total amount of space leased, in net square feet.
Purpose	To provide information on the costs associated with leased space.
Data Source	Lease activity report.
Methodology	Calculation of the total rents paid divided by the total amount of space leased, in net square feet.
Data Limitations	Fluctuation of the leasing market across the state.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	No.

OUTPUT MEASURE 1.1.1.1. Total number of leases awarded, negotiated, or renewed.	
Definition	Total number of leases awarded, negotiated, or renewed.
Purpose	Identifies workload for the leasing services function.
Data Source	Lease activity report.
Methodology	Total numbers of leases awarded, negotiated, renewed for the reporting period are calculated from the lease activity report.
Data Limitations	Number of lease contracts is dependent on state agency needs.
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	Yes.

EXPLANATORY MEASURE 1.1.2.1. Total square footage owned.	
Definition	The simple arithmetic total of net usable office space in the TFC inventory (statewide).
Purpose	To quantify the amount of office space owned for comparison purposes with other measures.
Data Source	Space Utilization Database.
Methodology	Total of all usable square feet included in the TFC inventory of state buildings.
Data Limitations	N/A
Calculation Method	Non-Cumulative.
New Measure	No.

Desired Performance	Higher than target.
Key Measure	No.

EXPLANATORY MEASURE 1.1.2.2. Income from parking lots and garages.	
Definition	Total income collected from renting spaces in state-owned parking lots and garages located in Austin, Texas.
Purpose	To maximize the use of state-owned parking lots and garages by providing the state with a no-tax revenue source.
Data Source	Recorded receipts received by vendors and/or individuals.
Methodology	Total revenue from rental receipts from vendors and/or individuals minus contractor expenses allowed in statute. The agency's accounting department records the receipts by payer name and deposits them into the state treasury under comptroller revenue object code 3747, Rental Other.
Data Limitations	Limited availability of state-owned parking spaces and fluctuations of the commercial parking market rates in Austin, Texas.
Calculation Method	Cumulative.
New Measure	Yes.
Desired Performance	Higher than target.
Key Measure	No.

EFFICIENCY MEASURE 1.2.1.1. Percent of change in project construction costs due to change in scope.	
Definition	The dollar volume of change orders resulting from changes in the scope of the project divided by the initial contract amount on active construction projects.
Purpose	This measure will identify the total changes to project costs resulting from scope changes.
Data Source	FDC project information forms and project status reports.
Methodology	Total of all change orders divided by the total of all initial contract amounts on active construction projects.
Data Limitations	N/A.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	No.

EFFICIENCY MEASURE 1.2.1.2. Percent of change in project construction costs due to errors and omissions in design.	
Definition	The dollar volume of change orders resulting from errors and omissions in design divided by the initial contract amount on active construction projects.
Purpose	This measure will identify the total changes to project costs resulting from errors and omissions in design.
Data Source	FDC project information forms and project status reports.
Methodology	Total of all change orders divided by the total of all initial contract amounts on active

	construction projects.
Data Limitations	N/A.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	No.

EFFICIENCY MEASURE 1.2.1.3. Percent of change in project construction costs due to unforeseen conditions.	
Definition	The dollar volume of change orders resulting from unforeseen conditions divided by the initial contract amount on active construction projects.
Purpose	This measure will identify the total changes to project costs resulting from unforeseen conditions.
Data Source	FDC project information forms and project status reports.
Methodology	Total of all change orders divided by the total of all initial contract amounts on active construction projects.
Data Limitations	N/A.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	No.

EXPLANATORY MEASURES 1.2.1.1. Percent of construction projects on schedule.	
Definition	Ratio of construction projects on schedule to the total number of projects in progress.
Purpose	Quantifies the number of construction projects completed within the established timeframe.
Data Source	FDC contract files.
Methodology	The total number of active projects on schedule at the end of the reporting period divided by the total number of active projects at the end of the reporting period.
Data Limitations	None.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

OUTPUT MEASURE 1.2.1.1. Number of construction projects managed.	
Definition	Total active construction projects.
Purpose	To quantify project management workload.
Data Source	FDC Active Construction Project Listing Database.
Methodology	Simple total of the number of construction projects managed.

Data Limitations	Subject to funding by Legislature.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

EFFICIENCY MEASURE 2.1.1.1. Average cost per square foot of privatized custodial services.	
Definition	Provides the average per square foot billed to TFC by private companies to conduct custodial services.
Purpose	Helps ensure we are efficiently utilizing our custodial resources.
Data Source	Property Management's Computerized Maintenance Management System, and the most current listing of cleanable square footage by building provided by the Facilities Leasing and Space Planning department.
Methodology	Quarterly costs divided by square footage of privatized custodial services.
Data Limitations	None.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	Yes.

EFFICIENCY MEASURE 2.2.1.1. Average cost per acre of grounds care provided.	
Definition	Average cost per acre to maintain surface area assigned to the Grounds Maintenance program.
Purpose	This measure evaluates labor and material costs necessary to conduct grounds maintenance activities as a ratio to area maintained, providing a benchmark to measure performance.
Data Source	Property Management's Computerized Maintenance Management System, and the most current listing of gross square footage by building provided by the Facilities Leasing and Space Planning department.
Methodology	The cost spent for labor and materials is divided by the square footage of the area maintained.
Data Limitations	Potential overlap with contracted grounds maintenance services.
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Lower than Target.
Key Measure	No.

EFFICIENCY MEASURE 2.2.1.2. Average cost per square foot of all building maintenance.	
Definition	Average cost per square foot of maintenance and operations funded by General Revenue appropriations divided by the applicable area maintained from current space utilization records.

Purpose	The measure is designed to compare use of building maintenance dollars expended per square foot to an established target. The measure excludes the cost for custodial, grounds, utilities, and security.
Data Source	Fiscal's accounting system Budget/Revenue Reports, Property Management's Computerized Maintenance Management System and the most current listing of gross square footage by building provided by the Facilities Leasing and Space Planning Division.
Methodology	Average cost per square foot of maintenance and operations funded by General Revenue appropriations divided by the applicable area maintained from current space utilization records.
Data Limitations	Unforeseen conditions and age of building and associated needs.
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	Yes.

EFFICIENCY MEASURE 2.2.1.3. Cost per square foot for outsourced property management.	
Definition	The average cost per square foot for all property management services provided by contracted vendors.
Purpose	This measure provides the average property management dollars spent per square foot for all outsourced property management.
Data Source	Listing of gross square footage by building provided by the Facilities Leasing and Space Planning Division and Property Management's Computerized Maintenance Management System.
Methodology	Property management expenditures divided by total exterior square footage of all outsourced property.
Data Limitations	None.
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	No.

EFFICIENCY MEASURE 2.2.1.4. Cost per square foot for state managed properties.	
Definition	The average cost per square foot for all property management services provided by TFC employees.
Purpose	This measure provides the average property management dollars spent per square foot for state managed properties. The measure includes the cost for custodial, grounds maintenance, security guards and utilities.
Data Source	Current listing of gross square footage by building provided by the Facilities Leasing and Space Planning Division and Property Management's expenditures from TFC's Computerized Maintenance Management System.
Methodology	Property management expenditures divided by total exterior square footage of all state managed properties.

Data Limitations	None.
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	No.

EFFICIENCY MEASURE 2.2.1.5. Utility cost per square foot.	
Definition	Total utility costs divided by the area of conditioned space.
Purpose	Shows the relationship of the utility dollars expended per square foot to an established target.
Data Source	Current listing of gross square footage by building provided by the Facilities Leasing and Space Planning Division and utility expenditures are provided by the TFC fiscal division.
Methodology	The ratio is calculated by dividing the total utility expenditures by the total interior square footage.
Data Limitations	Seasonal weather variations and increases in building density effect utility costs.
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	No.

EFFICIENCY MEASURE 2.2.1.6. Percent of deferred maintenance projects completed.	
Definition	The calculation of the percentage of the deferred maintenance projects in the Facilities Master Plan that were targeted for completion during the current biennium (based on appropriated funding) that are actually completed during the reporting period.
Purpose	This measure sets a benchmark to use in calculating progress made toward completion of the deferred maintenance projects targeted for completion during the biennium.
Data Source	Deferred Maintenance Excel spreadsheet for the current biennium provided by the Fiscal Department.
Methodology	The percentage is calculated by dividing the number of the deferred maintenance projects completed by the number of deferred maintenance projects targeted for completion based on appropriated funding.
Data Limitations	N/A
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

OUTPUT MEASURE 2.2.1.1. Total quantity of paper recycled.	
Definition	Total tons of paper recycled by state agencies in buildings serviced by the TFC Recycle program.
Purpose	Reflects the total quantity of paper recycled on a quarterly basis from TFC buildings serviced by the TFC Recycle Program.
Data Source	Recycling vendor daily weight tickets.
Methodology	The quantity in pounds of paper recycled by paper recycling vendor as reflected in daily weight tickets is totaled.
Data Limitations	Accurate weight tickets from contract vendor.
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

OUTPUT MEASURE 2.2.2.1. Square footage of building space financed through TPFA (lease payments).	
Definition	Usable area of TFC managed projects financed by the TPFA (statewide).
Purpose	Reports the volume of TPFA bond financed buildings.
Data Source	TFC Space Utilization Database.
Methodology	Total square footage taken directly from the “Buildings Funded by TPFA” database.
Data Limitations	Subject to projects approved by the Legislature.
Calculation Method	Non-cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

EFFICIENCY MEASURE 2.2.3.1. Cost per acre of grounds care.	
Definition	Cost per acre for grounds care provided at the State Cemetery.
Purpose	This measure quantifies the agency’s ability to ensure grounds service is being efficiently rendered.
Data Source	The source of costs will include agency direct salary, equipment, and supply expenditures used by the agency for grounds care services.
Methodology	The measure will quantify the costs of performing grounds services and divide that by the number of maintainable acreage.
Data Limitations	Occasionally additional cemetery staff assists in maintaining the cemetery grounds. This will not be included in the calculation of cost per acre.
Calculation Method	Non-Cumulative.
New Measure	Yes.
Desired Performance	Lower than Target.
Key Measure	No.

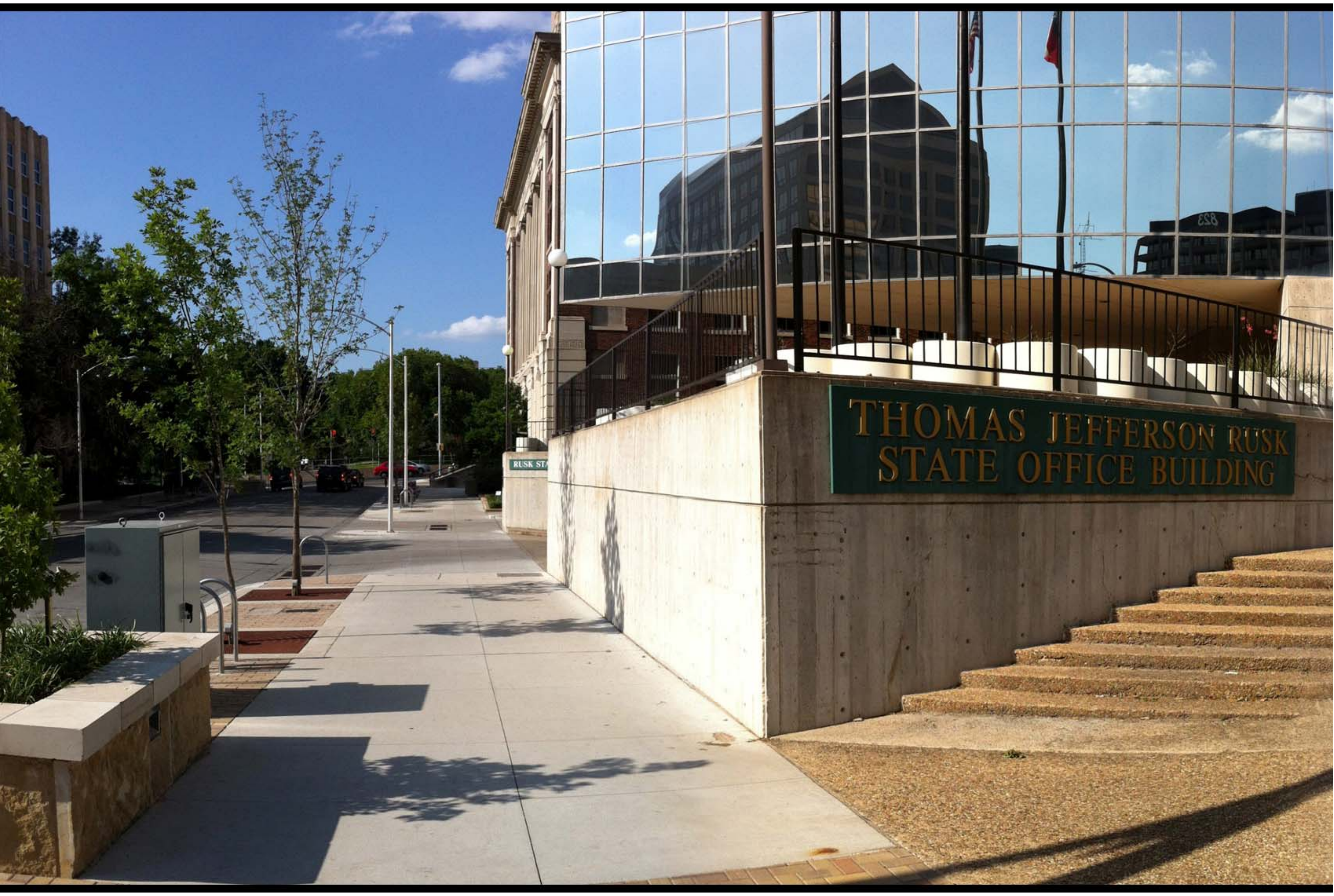
OUTCOME MEASURE 3.1.1. Fair market dollar value of federal surplus property distributed.	
Definition	The total fair market dollar (defined as 23.3% of original cost) value of federal surplus property distributed to eligible recipients (donees).
Purpose	This measure captures the value of federal surplus property that is actually distributed to customers, which reflects on the effectiveness of the program.
Data Source	TFC – Federal Surplus Property Activity Report, which is developed from receiving, donation, and invoice reports from each FSP district.
Methodology	Sum of the fair market dollar value of all federal surplus property actually distributed to recipients for the reporting period.
Data Limitations	Availability of Federal Surplus Property is subject to external factors.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

EXPLANATORY MEASURE 3.1.1.1. Number of donees who received federal surplus property.	
Definition	Number of eligible donees that actually participated and received property during the reporting period.
Purpose	The measure shows the total number of donees that received property during the reporting quarter. This is important because the greater the number of donees participating in the program, the greater the savings to the donee.
Data Source	Donee status report.
Methodology	The measure is calculated by running the InCircuit Property Donation Report for the reporting quarter. The "Accounts" on the last page of the report is the number of donees that received property during the reporting quarter.
Data Limitations	Participation in program is voluntary.
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

EXPLANATORY MEASURE 3.1.1.2. Number of agencies participating in the State Surplus Property Program.	
Definition	Manual count of state agencies located in Austin that participate in the State Surplus Property Program.
Purpose	Increasing the number of agencies participating in the State Surplus Property Program helps ensure that the State receives the best value for disposal of surplus property.
Data Source	State Surplus spreadsheet.
Methodology	Manual count of the number of agencies participating in the State Surplus Property Program. Each agency is only counted once, regardless of the number of state surplus property transactions.
Data Limitations	Agencies are not required to participate in the State Surplus program.
Calculation Method	Non-cumulative.

New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

OUTPUT MEASURE 3.1.1.1. Total net dollar sales of state surplus and salvage property sold.	
Definition	The total net dollar sales of state surplus and salvage property sold during the reporting period through live public auctions, Internet sales, and the agency's storefront.
Purpose	The sale of state surplus property through live public auctions, Internet sales, and the agency's storefront ensures surplus property is properly sold and that the state receives the maximum return on the sale.
Data Source	The data collection for state surplus property is entered into the State Property Accounting (SPA) with the Comptroller of Public Accounts by each agency. Agencies enter property into this system and enter a code for disposal either by live public auction, Internet sales or the agency's storefront.
Methodology	Adding total sales dollars for all live auction sales less auctioneers' fees, Internet sales and the agency's storefront sales methods to dispose of the state surplus property.
Data Limitations	Agencies coding properly and agencies may choose to participate (non-mandatory).
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.


THOMAS JEFFERSON RUSK
STATE OFFICE BUILDING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STATE OFFICE BUILDING

APPENDIX E. WORKFORCE PLAN

CURRENT WORKFORCE PROFILE

GENDER AND AGE

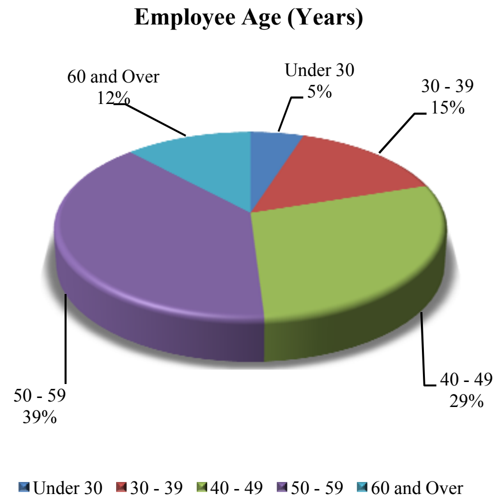

Figure 1. Employee Age as of March 31,

The Commission currently has a legislative appropriations cap of 431.6 full-time equivalent ("FTE") positions for Fiscal Year 2012 and Fiscal Year 2013. As of March 31, 2012, the Commission employed 259 agency staff FTEs and 92 contract FTEs. The Commission's current workforce is approximately 71% male and 29% female. Approximately 80% of the agency's employees are age 40 and over, while only 5% are under age 30. The average age of Commission employees is 46.13 years and the median age is 50.26 years. With only about 20% of the Commission's workforce under the age of 40, the agency must aggressively plan to ensure continuity of the institutional knowledge and experience represented by its employees who are eligible to retire before the end of Fiscal Year 2017.

EQUAL EMPLOYMENT OPPORTUNITY JOB CATEGORIES

The Commission has a highly educated workforce with many professional employees holding advanced degrees or credentials. Additionally, many technical employees hold various licenses and certifications. Of the Equal Employment Opportunity ("EEO") job categories, the Professional category has the greatest number of agency employees and this category represents 39% of the Commission's workforce. The combined categories of Technicians, Skilled Craft, and Service Maintenance together represent the second largest number of Commission employees, for a total of 43% of the agency's workforce. Professional and technical employees together represent 82% of the Commission's staff.

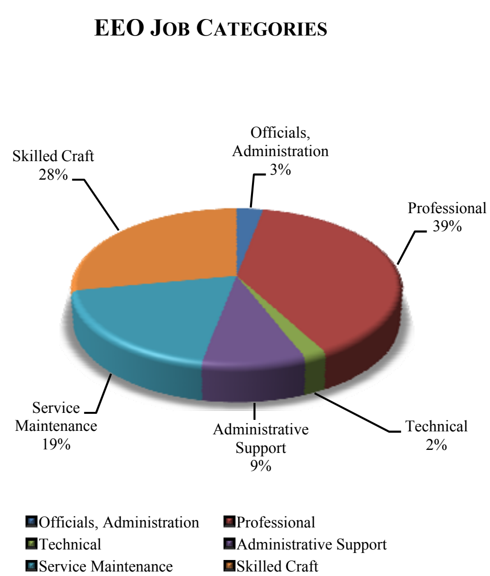

Figure 2. Equal Employment Job Categories

WORKFORCE DIVERSITY

The Commission is committed to providing equal opportunities for employment. Employment decisions are not influenced by race, color, religion, sex, national origin, age, or disability. The agency makes every effort to recruit, select, and retain a qualified workforce that is representative of the state's civilian labor force and the Commission will continue to work diligently to meet the equal employment goals of the State of Texas.

As of March 31, 2012, African Americans and Hispanics comprised 40% of the Commission's workforce. The following table provides a comparison of the agency's labor force with the state's labor force.

EEO JOB CATEGORY	AFRICAN AMERICAN		HISPANIC AMERICAN		FEMALE	
As of 03/31/2011	State*	TFC	State*	TFC	State*	TFC
Officials/Administrators	10%	0%	13%	20%	51%	16%
Professionals	11%	9%	16%	14%	56%	35%
Technicians	14%	0%	22%	10%	54%	10%
Administrative Support	19%	5%	29%	35%	89%	75%
Skilled Craft	8%	13%	24%	26%	5%	0%
Service Maintenance	29%	35%	25%	39%	51%	31%
**data taken from EEO and Minority Hiring Practices Report Fiscal Year 2011*						

TENURE

The Commission is hiring more employees from the private sector with little or no prior state service. Approximately 53% of Commission employees have less than five years of agency service, with 22% having been with the agency for less than 2 years. Only 9% of Commission employees have 15 or more years of service with the agency. The average state service time is 4.17 years and the median state service time is 7.69 years.

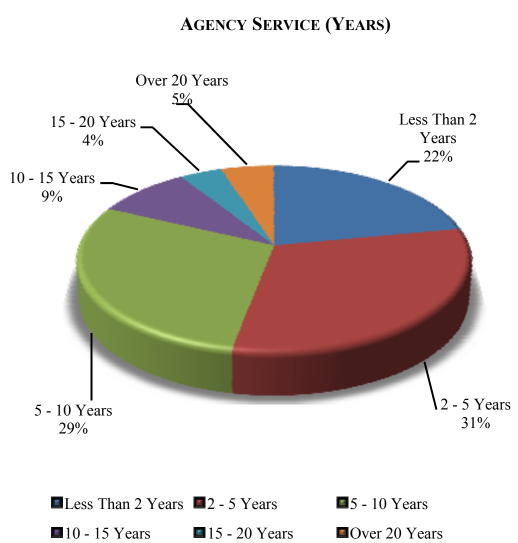

Figure 3. Employee Agency Service as of March 31, 2012

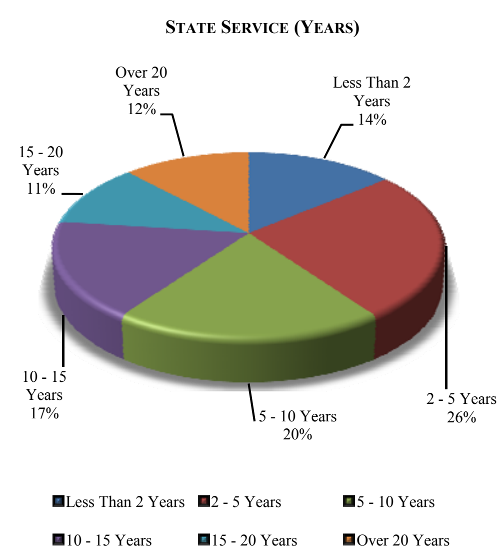

Figure 4. Employee State Service as of March 31, 2012

EMPLOYEE TURNOVER

Employee turnover is an area of concern for any organization, including the Commission. The loss of institutional knowledge and experience impacts the agency's ability to function at maximum efficiency. High staff turnover not only has an adverse effect on the operational program in which it occurs, it also puts added strain on human resources and payroll staff.

From Fiscal Year 2007 through Fiscal Year 2010, the Commission's employee turnover rate was below that of state government overall. In Fiscal Year 2011, the agency's employee turnover rate slightly exceeded that of the state. Of particular note is the fact that 60% of employees separating from the Commission in Fiscal Year 2011 had five years or less service with the agency.

STATEWIDE AND AGENCY EMPLOYEE TURNOVER RATES

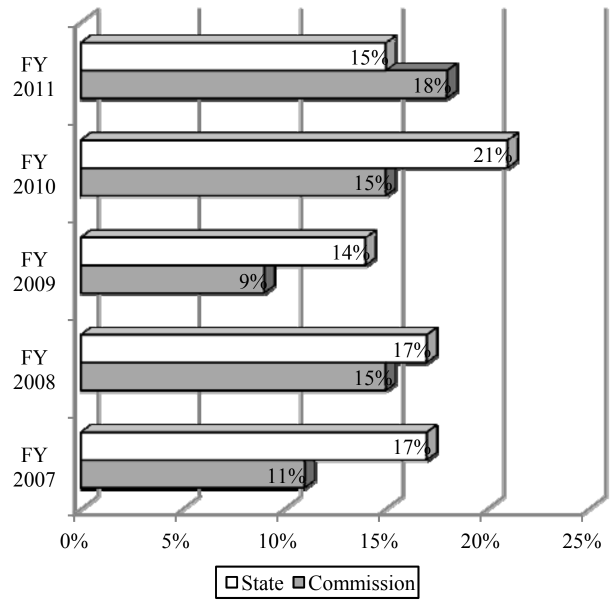

Figure 5. Statewide and Agency Employee Turnover Rates

FY 2011 SEPARATING EMPLOYEES LENGTH OF AGENCY SERVICE

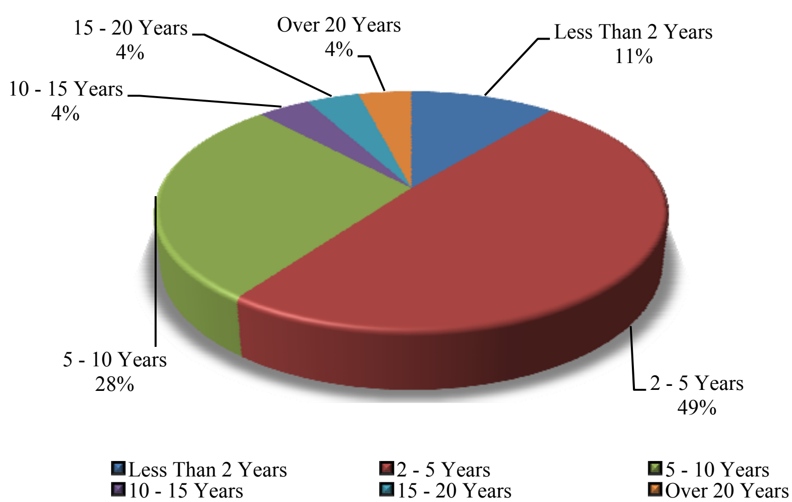

Figure 6. FY 2011 Separating Employees Length of Agency Service

ELIGIBLE RETIREES

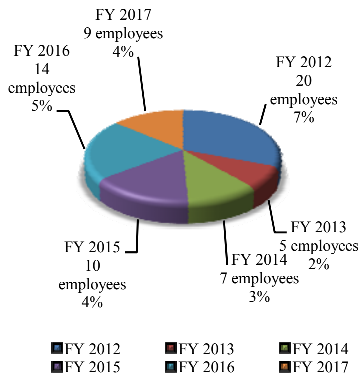

Figure 7. Eligible retirees

RETIREMENT ELIGIBILITY

Employees over the age of 40 comprise 80% of the Commission's Fiscal Year 2012 workforce and approximately 25% of the agency's current workforce will be eligible to retire between Fiscal Year 2012 and Fiscal Year 2017. When considered by EEO job categories, 39% of the Commission's employees in the Professional category and 44% of the agency's employees in the Technical, Service Maintenance, and Skilled Craft categories will be eligible to retire within this timeframe.

As shown in the chart in Figure 8, the largest percentages of Commission employees who will become eligible to retire in the next six years are in the Professional, Service Maintenance, and Skilled Craft categories.

ELIGIBLE RETIREES BY EEO JOB CATEGORY

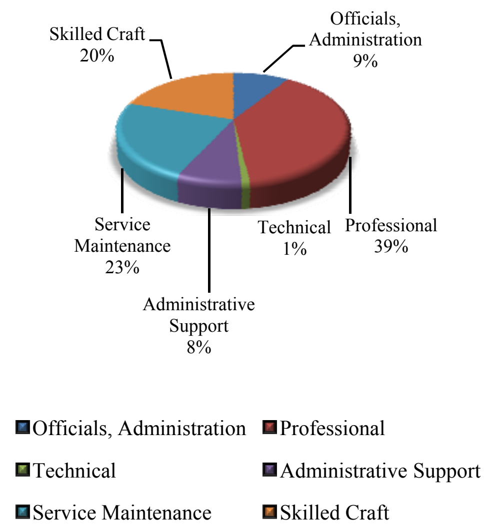

Figure 8. Eligible retirees through FY 2017 by EEO Job

CURRENT AND FUTURE WORKFORCE CHALLENGES

LABOR MARKET AND TRENDS

The Real Estate Center at Texas A&M University reports that the Texas labor market continues to grow, with the state's nongovernmental sector adding 291,000 jobs from March 2011 to March 2012. This figure represents an annual growth rate of 3.4% for Texas compared with 2% for the nation during the same period. All Texas industries had more jobs in March 2012 than in March 2011 but the state's government sector continues to lose jobs, with a reduction of 54,800 jobs during this period representing an annual decline rate of 2.9%. According to the U.S.

Department of Labor, Bureau of Labor Statistics ("BLS"), the seasonally adjusted unemployment rate for Texas was 7%, marking the seventh consecutive month of decline in the state's unemployment rate, which has remained below the national unemployment rate for 63 months. The BLS unemployment rate for Austin/Travis County was 5.9% in March 2012.

According to information from BLS, projected changes in employment between 2010 and 2020 include regaining some jobs that were lost during the downturn. The recent recession had a particularly severe impact on jobs in construction, with 2 million construction jobs lost between 2006 and 2010. Although employment in construction is projected to grow rapidly, it is not expected to return to its pre-recession employment level by 2020. Even so, construction trades workers, such as electricians, plumbers, and carpenters, are projected to account for most of the new jobs in construction. These projections, combined with the relatively low unemployment rate in Travis County, means the Commission is competing directly with the private sector for available construction trades workers to fill critical vacancies in program areas that perform core functions of the agency.

Data from BLS show that growth in the labor force has been affected significantly by the aging of the baby-boom generation—persons born between 1946 and 1964 and now ranging in age from 48 to 66 years. From 2002 to 2012, this age group showed an annual growth rate of nearly 4 times the rate of growth of the overall labor force. The effect of these numbers can be seen in the average and median ages of Commission employees as well as in the projected percentages of agency employees eligible for retirement.

RETIREMENTS AND TURNOVER

As stated previously, employee turnover is an area of concern for any organization, including the Commission. The loss of institutional knowledge and experience impacts the agency's ability to function at maximum efficiency. While the Commission has generally experienced lower turnover rates than state government overall, staff turnover not only has an adverse effect on the operational program in which it occurs, it also puts added strain on human resources and payroll staff.

With approximately 25% of the Commission workforce being eligible to retire through calendar year 2017, the agency foresees the potential for a significant loss of key personnel and institutional knowledge. The largest percentages of Commission employees who will become eligible to retire in the next six years are in the professional, service maintenance, and skilled craft categories. When these factors are considered in conjunction with the facts that 80% of Commission employees are over the age of 40 and 53% of agency employees have five years or less of agency service, this loss of experienced managers and technical specialists becomes even more critical. It is imperative for the agency to ensure that this organizational knowledge and expertise is not lost but is transferred at a steady pace. This is being addressed through increased emphasis on cross training and professional development at all levels of the organization as well as on the documentation of internal policies and operational procedures.

STRATEGIC INITIATIVES

EMPLOYEE RECRUITMENT AND RETENTION

The Commission will continue to identify and implement participatory and progressive workforce practices to promote and support a well-trained and highly motivated workforce. Recruiting and selecting the best employees is crucial to the agency's success. Managers and supervisors will be trained on best practices for the hiring process to provide them with the skills necessary to select the most qualified applicants. The use of clearly-defined career ladders will allow current employees the opportunity to be rewarded for their performance and to advance within their chosen field, as the budget allows. When vacancies exist, hiring at entry- or journey-level where possible, and utilizing these established career ladders will encourage a culture of positive reinforcement for exceptional job performance and will assist the agency in employee retention. The Commission will develop and implement a strategy to create a technical career path that will give employees in highly-skilled, technical positions a means of career advancement comparable to that of managers and supervisors, again as the budget allows.

Retaining these quality employees in today's competitive labor market poses another challenge. Rewarding exceptional performance, providing meaningful staff development opportunities, and promoting and encouraging career growth will aid in the agency's retention efforts. A training needs assessment is planned in order to ensure that all employees receive continuous training and professional development opportunities that are relevant to the Commission's day-to-day operations. However, successful implementation of training and professional development plans is subject to availability of adequate funding. In light of budget constraints, in-house training will be provided to address needs in areas such as IS training and basic and advanced supervisory skills. The agency will ensure available resources and opportunities are distributed fairly and equitably throughout the workforce.

SUCCESSION PLANNING AND FUNCTIONAL CROSS-TRAINING

The Commission strives to maintain a qualified and diverse workforce that is committed to public and customer service and that possesses the skills needed to successfully carry out the mission and core functions of the agency. However, retirements and attrition can result in a significant loss of institutional and technical knowledge. Many of the pending retirements over the next five years are either managers or staff with senior-level technical expertise. In order to address any deficits between the current agency workforce and future demands, the Commission is continuing to systematically document business processes and procedures and to cross-train employees to ensure that organizational knowledge is transferred at a steady pace. Critical and core competencies are continually reviewed and updated for all posted job descriptions and standards. Employee job descriptions are reviewed and updated to ensure they accurately reflect current duties and requirements.

These measures to address current and future workforce challenges and to enhance work performance by improving employee knowledge and technical skill will allow Commission employees to continue to provide excellent service to the agency's many customers.

APPENDIX F. COMMERCIAL REAL ESTATE MARKET INFORMATION

AUSTIN

Economic growth rate, 2011 to 2016: 6.1%

Population growth rate: 2.8%

Office Market Trends: Rents and occupancy turned positive in the Austin general purpose, multi-tenant office market in 2011, but both remained weak. The fourth quarter rate was 20.3%, down 50 basis points during the year, and 20 for the quarter. Following two years of decreases, in 2011 the average asking rent rose 1.5% to $25.58 per square foot per year (psf/yr), with the average effective rent up 1.7% to $20.73 psf/yr.

Average Rate: The state's average full-service rate for office space was $16.47 psf/yr in Fiscal Year 2011.

DALLAS / FORT WORTH

Economic growth rate, 2011 to 2016: 5%

Population growth rate: 2.2%

Office Market Trends: A combination of the recovering local economy and trends in the market that favor the tenant is breathing new life into the Dallas area general purpose, multi-tenant office market. Fourth quarter 2011 metro-wide vacancy was at 23.8%, down 20 basis points for the quarter and down 70 for the year amid a favorable combination of positive net absorption and a halt to the delivery of new supply. At $19.47 psf/yr and $15.04 psf/yr, average asking and effective lease rates were each up 1.3% from a year prior. Gains for the quarter alone were 0.6% for each.

The Fort Worth general purpose multi-tenant office market managed an uneven year in 2011, as some quarters were positive and some negative, and negative net absorption was balanced by an increase in rents. The vacancy rate increased 40 basis points during the year to 17.7% on negative net absorption, but the fourth quarter saw a partial reversal and a 40 basis points vacancy rate decrease. Rents have edged up for two years despite high vacancy. In 2011 the average asking rent increased 0.8% to $19.28 psf/yr, while the average effective rent rose 1.2% to $15.72 psf/yr. The fourth quarter gains were 0.2% and 0.3%, respectively.

Average Rate: The state's average full-service rate paid for office space in the Dallas/Fort Worth area was $14.34 psf/yr in Fiscal Year 2011.

HOUSTON

Economic growth rate, 2011 to 2016: 6.1%

Population growth rate: 2%

Office Market Trends: Houston's commercial office market is within the third stage of the market cycle, or "Hypersupply" phase, characterized by increasing vacancy rates, moderate to high new construction, low to negative absorption, moderate to low employment growth. These conditions present a "renter's" market where favorable rent rates should be attainable for the near future.

Energy, driven this time around by the resumption of drilling in the Gulf following the BP disaster and by other factors, is once again the major story in the Houston general purpose, multi-tenant office market. After lingering above the 15.0% mark for four quarters, the vacancy rate closed 2011 at 14.8% according. At $24.33 psf/yr and $20.42 psf/yr psf/yr, asking and effective averages for fourth quarter 2011 were up 0.7% and 0.8% for the period and were up 2.3% and 2.7% for the year.

Average Rate: The state's average full-service rate paid for office space is $15.54 psf/yr in Fiscal Year 2011 in Houston.

SAN ANTONIO

Economic growth rate, 2011 to 2016: 3.7%

Population growth rate: 2.1%

Office Market Trends: The general purpose, multi-tenant San Antonio office market benefitted from an occupancy surge in the fourth quarter of 2011. The vacancy rate fell 100 basis points during the quarter to 17.6%. Rents rose moderately in 2011, as the average asking rent increased 1.7% to $19.92 psf/yr, and the average effective rent moved up 2.0% to $15.91 psf/yr. The fourth quarter gain was 0.6% by both measures.

Average Rate: The state's average full-service rate paid for office space was $15.37 psf/yr in Fiscal Year 2011 in San Antonio.

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