

**MEETING MINUTES – August 20, 2004 1:30 – 3:30 p.m.**

**MEMBERS PRESENT:**

Bill Neland, Chair  
Tom McMullen, Vice Chair  
Ed Galligan, Port of Portland  
Ron Polvi, Northwest Natural Gas  
Denny Nielsen, Salem Hospital Retired  
Edith Yang, A.I.A.

**MEMBERS NOT IN ATTENDANCE:**

Doug Spencer, Providence Health Systems

**OTHERS PRESENT:**

Bill Foster, DAS Facilities Division  
Shirley Finanger, DAS Facilities Division  
Elaine Schacher, DAS Facilities Division  
Katie Cannon, Oregon State Fair & Exposition Center  
Randy Basl, Oregon Department of Veterans' Affairs  
Paul Garfoot, Oregon Department of Veterans' Affairs  
Robert Reitmajer, DAS Facilities  
Brian Oylear, DAS Facilities

Lt. Col. Jason Schwabel, Oregon Military Department  
Col. Dave Ferre, Oregon Military Department  
Harry Morgan, PERS  
Mark Miedema, DAS Budget and Management  
Greg Jeffrey, DAS Budget and Management  
Dallas Weyand, Legislative Fiscal Office  
Terri Preeg Riggsby, Secretary of State

**Handouts distributed to all members present:**

- Minutes from July 16, 2004 meeting
- Oregon State Fair and Expo Center (Fair & Expo) Facilities Plan for 2005-2007 biennium
- Oregon State Fair and Expo Center (Fair & Expo) Agency presentation handout
- Department of Veterans' Affairs Facilities Plan for 2005-2007 biennium w/questions and answers
- Public Employees Retirement System (PERS) Facilities Plan for 2005-2007 biennium
- Public Employees Retirement System (PERS) agency presentation handout
- Oregon Military Department (OMD) Project Update for 2005-2007 biennium w/questions and answers
- Department of Administrative Services (DAS) Consolidated Data Center Update for 2005-2007 biennium w/questions and answers.

**INTRODUCTORY REMARKS:**

Chairman, *Bill Neland* called the meeting to order at 1:30 pm and took the opportunity to share a brief history of the Board which is finishing its seventh year. The Board has grown a lot and Bill took this opportunity to thank Katie Cannon for her contribution.

**APPROVAL OF MINUTES FOR JULY 16, 2004 MEETING:**

*Bill Neland* asked for a motion to approve the minutes of the last meeting.

*Ed Galligan* made a motion to approve the minutes of the July 16, 2004 meeting. The motion was seconded by *Ron Polvi* and passed unanimously. *Bill* asked if any opposition and no one objected.

**FACILITY PLAN PRESENTATIONS**

**Oregon State Fair and Exposition Center: Presented by Katie Cannon**

Katie gave a quick update of the State Fair Master Plan, explaining what has been done on the Master Plan, then talked about the 05-07 Budget and the 1% for Art Project, which is currently in progress.

In 1999, a Legislative Taskforce developed a Facility Master Plan for the Fairgrounds and also a Strategic Plan to get the Fair financially stable as far as programming and operations. This Master Plan called for an initial request of \$10.2M from the Legislature. \$8.2M of this was used for repair and maintenance of the existing facilities and \$2M was used to replace a couple of small buildings and actually save the poultry building, which was built in 1921. The poultry building and the stadium have been put on the national register. Unfortunately, they could not save the grandstand so that was demolished. To date they have completed the \$8.2M of repair and maintenance. The repairs were completed well over a year ago. They also have a new floral building which was a replacement and a new warm up arena, replaced the warm up arena on the back side of the stadium. They saved the poultry building because the walls were shifting.

#### Current Construction Activity:

In the 2001 session, the Legislature approved an additional \$10M. They looked at the priority list of all the projects on the Master Plan and determined that a Multi-Purpose Pavilion probably made the most sense from a cash-flow basis as well as best utilization of the property. On Tuesday, August 17, 2004, this building was opened for a sneak preview. It was completed on time and will be open during the Fair. On a \$10M project, they ended up with 43 cents left after encumbrances. It was originally a \$10.7M building so they were \$700,000 challenged to start with.

#### Project Plan:

Request for 2005-07 Biennium: They are requesting two packages, Repair and Maintenance and New Construction.

#### Repair and Maintenance:

Originally there was a \$13M estimate for Repair and Maintenance required at the Fairgrounds. This was the result of a DAS audit completed in 1998. They have done \$8.2M of that \$13M. There is the balance of that and several years have gone by, so they have continued deterioration of those things they have not taken care of and also new things on the list. Their package in 2005-07 of \$8.2M includes a lot of asphaltting of the area and also they need to do some structural work and some roofs. The big roofs should be good until the following biennium.

*Bill Neland* asked if this is money they need. Response: They will sell lottery backed bonds and it will be sold during that particular biennium and they could probably get those projects done in that time frame.

*Bill* asked if they would be responsible for the debt service. Response: Lottery backed bonds are being sold.

#### New Construction:

The original plan calls for the Columbia Hall/Jackman-Long building connection for 18,000 sq. ft. and expansion of another 30,000 sq ft. That would be the big project of the \$10.6M. The other building would be a maintenance building. Right now their maintenance building is deplorable. It has been patched together for years and now needs to be demolished and replaced. They had an old RV park which is used almost year round because they service the RV's that are on the grounds for horse shows, motocross, and fair time. Rather than have them being on the grounds, creating a chance of them putting gray water or other things on the grounds, they preferred to put them in an RV park. Fortunately, this turned out to be a good revenue generator for them. The original plan calls for some site enhancements along the front and the West side of the grounds and also the equestrian area requires one more barn of about 200 stables and will be parallel with the new warm up arena. That way they can actually do a horse show in the stadium or they can do one in the Pavilion because the horses would be in close proximity. Those are the two packages, the key one being the repair and maintenance package. State Fair is on a six year financial program to get to the point where programming and operationally where they will not use general funds. They will shift to a different service level and use General Funds for repair and maintenance starting in the 07-09 biennium. *Katie* asked if there were any questions? There being no questions, she continued.

They have about \$80,000 for the 1% for Art. That was going to go into that facility. What she asked them to do is to try to find artists that were interested in utilizing the artifacts off the old grandstand that was demolished. They had several applicants, and got down to three finalists. Then they selected two artists that worked together and have some artwork in the Forestry complex. They chose to do two panels on either side of the entryway of the new Pavilion. They are going to do ceramic tiles that will portray historical aspects of the fair. The wood that will be going around the tiles is 150 year old fir salvaged from the seats from the grandstand. There isn't a knot in these boards. They have 135 of those boards so they are going to use that wood for the framing of the tiles as well as the horse-head medallions. On the other side they will utilize two horse-head medallions that were salvaged from the corners of the grandstand. The medallions will be mounted on a tall stand and the

horse heads will be placed back to back, which will almost look like a pawn from a chess game. It will be the round about in front of the Pavilion. A poster board of artworks was shown of the 1% for Art

*Ron Polvi* asked if they are Oregon artists. Response: Yes, they are both from Eugene and they have done other state work. They spent hours going over historical photos and records at the fairgrounds and also went and talked with several people in town who had good historical memorabilia.

Bill Neland asked *for a Motion* to accept the report.

A motion was made by *Tom McMullen* to accept the report submitted by the Oregon Fair and Exposition Center. The motion was seconded by *Ed Galligan* and unanimously approved.

## **Department of Veterans' Affairs (ODVA): Presented by Paul Garfoot and Randy Basl**

### Overview:

For more than 50 years, the ODVA has been providing quality service to veterans, their dependents and survivors. The Department was formed in 1945 and provides assistance in a variety of ways to those who have given of themselves in the service of our country.

Oregon has one of the nation's highest per capita veteran populations, approximately 376,000. These men and women are entitled, by law, to a number of federal, state and local benefits.

In 1945 the Oregon Legislature created the office of Director of Veterans' Affairs. An Advisory Committee was also created. The newly appointed Director organized his staff and began offering veterans loans, benefits, assistance and educational aid.

Through the years, there have been many changes in the structure of the programs offered to veterans. County Veteran Service Officers, as well as Service Officers from veterans' service organizations, now play a larger role in the delivery of services to veterans. A Conservatorship Program, authorized in 1965, provides financial management to eligible individuals who are unable to manage their own assets. The Oregon Veterans' Home opened its doors in 1997 and is providing intermediate and skilled nursing care to veterans in a 151-bed facility in The Dalles, Oregon. Whatever the changes, one thing has remained constant, the dedication of the Department and its employees to the ideal of service to Oregon veterans.

### ODVA Overview

The ODVA owns two buildings in the state. ODVA staff also occupies leased space in the Federal building in Portland (7 staff), and a small field rep office in Bend (1 staff). The main ODVA building (Bldg #1) is located on the Capital Mall in Salem. It is approximately 122,000 sq ft office building complex, comprised of three floors of office space, a fourth floor equipment/mechanical area, and a basement parking garage. Three other state agencies (CCB, HLO, and OED) are leasing space in their Salem building.

The second building owned is located in The Dalles and is called the Oregon Veterans' Home (ODV, Bldg #2). It is approximately 75,000 sq ft, 151-bed skilled nursing facility. The operation of this home is conducted via a personal services contract with a third-party contractor; the state has three employees assigned to this building.

### Facility Update

A Business Services Manager and three additional employees maintain the Salem Office building as well as provide other essential functions of day-to-day operation of the office complex. This team also oversees the facility maintenance of the contract at the Veterans' Home. Maintenance contracts are in place at the Salem facility for areas beyond the scope of the experienced team at the Salem building. The contractor of the Veterans' Home, is responsible for the maintenance of the facility in The Dalles for up to \$1,000 per occurrence, per item in accordance with the Personal Services Contract.

**The Salem building** was built in 1984. It serves as the main headquarters for the agency which in the past years, had field offices throughout the state. The building has been kept in good repair and currently has no deferred maintenance.

**The Oregon Veterans' Home** was opened in 1997 and serves as the state's only Veterans' Home. Maintenance has been provided by past and current contractors. However, with the age of the building (10 years), the type of usage, the weather conditions in The Dalles and the skyrocketing cost of health care, some facility maintenance has been deferred at this location.

**Preventive Maintenance Program:**

Both ODVA and Oregon Veterans' Home (OVH) have Preventive Maintenance Schedules in place and copies were distributed to the Board. The in-house staff conducts as much of the preventive maintenance work as possible. Contract maintenance companies complete the work that is outside the scope of the employees.

**Energy Conservation:**

Mr. Wales did a wonderful job when the Governor started the conservation effort. One of the reports distributed used a spreadsheet designed by John Wales. Another spreadsheet was distributed showing what has been done in their Energy Conservation efforts and what they continue to do. It was also noted that the DAS Energy Conservation Newsletter, lists only DAS-owned buildings and the energy savings being achieved. The two buildings owned by ODVA are not included in this newsletter.

**Space Needs Plan:** No current or future space needs requirements for either the ODVA building in Salem or the Oregon Veterans' Home in The Dalles. The ODVA building does currently have 5,000 sq ft of first floor office space available. DAS, through the Real Property Services Unit, is advertising and marketing that space. Since the Board deals with office space requirements, it was requested that the Board keep this building in mind when they hear of an agency needing additional space so they can pitch this space to them. They are currently going through a layoff of 21 employees, which has been spelled out in the newspapers. Their loan program just cannot keep up with today's market.

*Bill Neland* asked if the Veterans population, here, was declining. Response: No sir. In fact they expect a large increase in their benefit counseling employee section as a result of the conflict overseas and the services to family members. Unfortunately, with the qualified veterans benefit mortgage bonds (where they acquire money), there are restrictions that limit them from loaning money to today's veterans. In fact, the only veteran who can become eligible for that loan is pre-1977 and most of those loans have a thirty-year clause so that time is coming close.

*Bill Neland* asked about the demand at the Veterans' Home in The Dalles. Response: They have had trouble filling up that facility. They have a new contractor that started in October. They have slowly increased occupancy. They are doing more marketing in the region. They are proposing an OAR change to allow spouses into the facility. The OAR change is important because originally only Oregon veterans were eligible. They are expanding that to include Southwest Washington because they understand there is a high population of veterans in SW Washington that have to go to either Walla Walla or Spokane so this Veterans' Home may be a very attractive facility for those folks. They are looking to provide excellent care for the veterans. They are at 112 residents as of today. Some of that is due to the fact that they have a very good rehabilitation program. They put them back into their homes. Also, they have older veterans who have died at the home. Some of the problems of putting people in the home are: location and lack of availability of skilled nurses. The demand for nurses nationwide has been extreme and few nurses' first choice is to live in The Dalles, Oregon. This is getting better because, together with their contractor, a nursing program was started at Columbia Gorge College. They are now turning out two-year nurses who have signed a six month guarantee that they will come to work at the home if they took advantage of their program. They are finding now that they do not have to deny admission because of the ratio of employees to residents.

*Denny Nielsen* asked if they advertise in Wind Surfer magazine. Response: That's probably a good idea. They do have a new Communications Director. They also have a fairly new Director, Jim Willis, who came to them from the State Police last September. The former Director retired and began a new career in Virginia. The new Director has had a long background, is a veteran of Vietnam, has been involved with Veterans' organizations and has been a member of the Advisory Board for a number of years. He is not new to the agency and is making some positive strides. Norm Hesseldahl, their new Communications Manager, has been taking every opportunity to maximize advertising. The Board was invited to visit the home by contacting John Hutchison, Executive Officer or David Luper, Contractor Administrator to give a tour of the building. He thinks they will come away understanding how proud ODVA is of what they are providing for our veterans. It is a wonderful place to live.

**Maintenance Needs Plan:**

They plan to ask for some General Fund money for maintenance of the Veterans' Home in the 2005-07 biennium. They find that without this, they could incur approximately \$270,000 worth of deferred maintenance for the Veterans' Home.

During the 2003 Legislative Session, the Oregon Legislative Assembly passed legislation HB2347 allowing receipt of General Fund dollars by the ODVA. Therefore, they are asking to be considered for that in 2005-07. They are trying to avoid an increase in per diem cost to the resident. They are within market rate and a very good price for what the residents receive, however, a rise in per diem to cover facility maintenance is going to price these folks out of the home. It is their intent to never price anyone out of the home.

ODVA asked if there were any further questions.

**Project Plan:**

They are not submitting any project plans at this time.

**Space Needs Plan:**

They are looking to rent space however; they are not looking to acquire more space anywhere else.

**Preventive Maintenance Plan:**

They introduced their preventive maintenance and request for funding for the Veterans' Home.

*Bill Neland* wished them good luck in getting the preventive maintenance funding. Response: They will appreciate any consideration the Board can give them for this purpose.

*Denny Nielsen* asked what percentage of occupancy the Veterans' Home has. Response: Currently it is at 112. The facility is considered a 151-bed facility. However, typically they like to leave 4 or 5 beds open for emergencies so the number would be 146 beds and 112 of those are occupied. *Denny* asked if that is typically the number of occupants. Response: They got to 126, 127, and 128, then the big nursing shortage hit and they couldn't keep up with the demand of Federal/State ratios for care givers versus residents. Because there was a big dip in available nursing staff, they actually had to close one of the wings. They are currently looking at every option they can. One option may be to consider some domiciliary care, which they are actively researching through the Federal government and anybody that can give them any information. What that may require is that they separate one of the wings into a separate Domiciliary Unit. The home is set up almost like a bicycle wheel with different spokes (wings). Off of each of those points there are three different points. They could separate one of those and call that their Dom Unit. There are many things they have to do to qualify with the Federal Government. In a skilled nursing facility, a veteran may qualify for Medicaid but may not be sick enough to qualify for skilled nursing. If they were able to offer a Domiciliary Unit, veterans may be able to be housed in the Dom wing and Medicare would pay for it.

A motion was made by *Tom McMullen* to accept the report submitted by the Oregon Department of Veterans' Affairs without exception. The motion was seconded by *Denny Nielsen* and unanimously approved.

Board members were invited to stop in to meet Mr. Willis, the Director when they are in the Salem area.

**Public Employees Retirement System: Presented by Harry Morgan**

Overview: Tigard is the PERS headquarters office. They are now operating out of two buildings. The headquarters building in Tigard and the Oregon Savings Growth Plan space that they lease from the Archives building in Salem. They have found some additional space in the Salem office and some of the Tigard staff (10 to 15 employees), are working out of that office providing service to members and employers. As a result of several House Bills: 2003, 2004 and 2020 additional staffing was required and additional staffing requires additional office space. They leased approximately 14,000 sq ft last fall in order to move several sections from the main headquarters building to the leased space. The additional manpower they were required to hire and continue to hire is primarily the result of those House Bills.

The headquarters building is seven years old. Fortunately, they have not experienced any major repairs and they are able to maintain the facility on a day-to-day basis and take care of any little things that come along and are able to respond to any unplanned things that may occur. Most of their repairs and maintenance are handled by DAS through an interagency

agreement. DAS handles their custodial which is a big part of maintaining the building, but they also provide such things as preventive maintenance on the HVAC system, fire alarm system, sprinkler system and other things of that nature. Those are covered primarily through state price agreements or state contracts with various vendors. They do preventive maintenance whenever possible. DAS provides twice yearly a major inspection and maintenance on their HVAC system. They get yearly inspection and maintenance on their fire alarm system and yearly inspection and maintenance on the sprinkler system.

Energy Conservation Efforts: They are still meeting the governor's requirement to reduce energy consumption by 10%. They continually lamp and de-lamp as necessary. They find that most employees prefer a somewhat darker atmosphere to work in, so they are more than happy to take out lamps wherever possible. Initially when the Governor's order was announced, they took out over 700 fluorescent tubes and did some other lighting adjustments and were able to make a substantial saving in energy consumption just by doing that. They operate the building at temperature settings comparable to other DAS buildings. They heat to 68° and cool to 75°. They are switching to the T8 Full Spectrum fluorescent tubes wherever possible, which gives a truer more natural lighting and they get more light with less tubes.

Sustainable Practices: Since they don't have any construction worries. All of the things generated in the building like plastics, aluminum cans, and glass are recycled through their local refuse pickup service. All paper is shredded on-site due to the nature of their business there is a great deal of confidential information contained in the building so they ensure that all paper products are shredded and recycled. Newspaper and cardboard is recycled. Anything that they can do to encourage recycling is being done. The only thing that goes into the waste stream is actual wet garbage itself, food products and wet paper towels.

Preventive Maintenance Program: PERS has no deferred maintenance.

#### **Space Needs Plan:**

Accommodations for extra staff. They had to lease additional space. The initial lease was for two years and they have three one-year options to renew that lease if they need to. Currently they expect a four or five year requirement for the leased space. That is totally dependent upon pending lawsuits and any changes to the legislative mandates with the House Bills that they have been affected by. However, their intent is to get their people back into the main building as quickly as possible. They have done some remodels inside the main building. Primarily densifying some of their work areas by going to smaller cubicles. They have identified one room which was being used for storage, that they were able to add cubicles and were able to house additional employees in that area. They took two conference rooms and turned those into office space as well. Their main goal was to get as many people into the main building as possible. They leased additional office space which they anticipate will be needed for another 4 to 5 years.

Deferred Maintenance: None

#### **Project Plan:**

The biggest project coming up is replacement of the carpet throughout the building. They will probably budget for this in the 2007-09 biennium. They plan to do one floor in each biennium. The third floor has seen the most wear and that will be the first carpet replacement area with the remaining two floors following in subsequent biennia.

*Denny Nielsen* asked how they have been able to achieve a position of no deferred maintenance. That is almost the first time the Board has heard that. Response: Fortunately, they have a fairly new building, built in 1996 and occupied in 1997. They may be just lucky. The roof is in very good shape. It has a 20 year life guarantee and they are only seven years into it. It is a single ply membrane. It is tight and has no holes, even though they had to penetrate the roof for expansion of the server room last year. The work was done very well and there are no leaks.

*Ron Polvi* asked if the building has a flat roof. Response: Yes. Ron suggested that we should have an ordinance against having a flat roof in Oregon.

*Bill Neland* asked how the parking area is holding up. Response: It is strained. They had to lease parking space from two nearby offices. They have leased 20 spaces from Providence Health Center next to them and about three blocks away they leased 50 spaces from the Howard Johnson Motel. Their requirement for parking is very low during the week while PERS is very high, so they were able to use these spaces.

*Bill Neland* asked if freeway noise was a problem. Response: No.

*Denny Nielsen* asked the cost of the parking stalls. Response: \$50 per month per space for 20 spaces at Providence and \$30 per month per space for 50 spaces at Howard Johnson's. They have two year agreements with both entities at the moment and they are cancelable with 30 days notice. DAS Facilities assisted PERS in developing these lease agreements.

*Tom McMullen* asked if they have done the energy conservation savings of 10% consistently. Response: Yes. *Tom* asked if that means that after ten years they would not need any electricity. Response: Hopefully that won't be the case. The year 2000 is the baseline and each year is compared to this base year. The goal is to continue to use 10% less than used in the year 2000. It is not cumulative. *Tom* commented that this is not a very tough goal. He would write a rule that said you have to do better every year. He clarified that the 10% is a flat line. As long as they are not backsliding, you can stay at the same level. He was pretty impressed until he found out what it meant.

*Bill Neland* commented that the building is only seven years old and the function of the building is fairly static, an office building.

*Bill Neland* requested a motion to accept the report submitted by Public Employees Retirement System (PERS).

A motion was made by *Ed Galligan* to accept the report without exception. The motion was seconded by Ron Polvi and unanimously approved.

## **Oregon Military Department: Presented by Col. David Ferre and Lt Col Jason Schwabel**

**Update of Space Needs Plan, Project Plan and Building Maintenance Needs Plan presented on April 16, 2004.** They also updated the Board on some additional concepts.

### Move to Oregon Youth Authority Facility in Prineville

They are currently in the process of negotiating a lease through the Department of Administrative Services to move to that facility as soon as possible. They hope to acquire and move into the facility in September. This will eventually be a replacement facility of their Redmond Armory and will be called Central Oregon Readiness Center.

### Vehicle barricade constructed around the Headquarters of the Oregon National Guard in Salem

He cannot give you the detailed specifics on this vehicle barricade because certain aspects of it are classified but he talked in general terms and offered to try to answer any questions. First of all, it is a vehicle barricade. He has heard it called a vehicle barricade, the wall, the fence and many different things. *Denny Nielsen* commented: He's heard it called "very expensive". Response: They consider it very inexpensive compared to other vehicle barricades that have been constructed around military facilities throughout the United States and overseas. *Bill Neland* commented that he thinks it is rather handsome. The vehicle barricade is designed to stop a very large truck traveling at a very high rate of speed, potentially loaded with explosives from penetrating the compound. It is designed to stop the truck before being detonated next to the building. They had a handout showing examples of where this has occurred at US facilities both overseas and in the United States. *Denny Nielsen* asked how often it has occurred in the United States. Response: Col. Ferre offered to get that information for the Board.

The Defense Department has ruled that the Military Department Headquarters in Oregon is a critical facility. It is not located on a Military installation, it has public streets on all sides, a car dealership and due to the nature of activities that occur at this facility, it could be very devastating if that facility were attacked. *Denny Nielsen* asked what the impact would be if someone were to attack. Response: That information is classified. There are classified activities that occur in that building that he is not allowed to release to the public. *Denny* inquired about the cost of the fence at over \$1,000 per linear foot. It is hard for him to rationalize the need for 4/10 of a mile of fence of that cost per linear foot when the fence on the entire west side, near the Roberson car dealership parking lot, is a chain link fence. Response: The actual cost of the entire project was less than \$425 per square foot. There were additional costs such as access control units which are electronically controlled access points throughout the perimeter and also some other design features which are classified, that the contractor is not aware of that were designed into the project. When these projects are designed, they are custom tailored to each Military installation. The design is to prevent a large truck from crashing into the compound. A large vehicle at a high rate of speed would not be able to get up to speed fast enough on the back side of the compound to get through. The greatest threat in the first phase identified that the public streets were completely vulnerable. The car dealership and other buildings would be able to provide some protection but

not adequate protection, that's why there was a Phase II. During phase II of the project, there are additional defenses set up so that if a vehicle were to attack, it would first hit the vehicle barricade. If it was able to penetrate that, then vehicles within the compound are moved out against the vehicle barricade and the concrete cables and blockades would also be presented so that the truck could not penetrate the compound. They offered a video for the Board to view which shows the capabilities of the system. The blockades do prevent penetration.

*Denny* commented that there are streets on the North, South, East and West of the compound. Immediately across the road, there is a very large ditch and an open field, basically. There is no way that a vehicle, on a perpendicular angled path, can gain enough speed to do any damage because due to the angle, there is no room to develop any momentum. Response: That's why it was not designed to a higher standard. There are different standards and this is not the highest standard of the Defense Department. If a heavy vehicle were to come across the curb and strike the concrete barricade down below, the concrete barricade is designed to stop the chassis. If the cab actually detaches from the chassis, the steel upper portion of the barricade was designed to contain the cab and not allow it to penetrate through. Also, it is designed as a blast barrier. If a suicide bomber detonates a truck when it is not able to penetrate, the barricade partially shoots the blast up and away from the facility. That's why it is not a fence. It is obviously not designed as a fence; it is completely designed to stop vehicles. Before the Department of Defense constructs a barricade, what they do is go to each individual location and perform a risk analysis. They assess things like: what is the most likely approach; what speed the vehicle is able to obtain; the potential weight of the vehicle; and upon impact, what would happen to the barricade. A risk assessment was done at the Salem facility and the Department of Defense provided a recommendation and design specification to the State of Oregon. Based on that recommendation, the Oregon Military Department takes the design specification to a contractor or an architectural firm who designs to the Department of Defense standard. Once that's done, the project is awarded to the lowest bidder. When you travel around the United States and overseas, you will see the same vehicle barricade design at almost all critical facilities in the United States. If you go to the White House or the Pentagon you will see a very similar design at those locations. Those will be to a higher design standard, but similar to the one here in Salem. There will be one of these designs at the Emergency Coordination Facility down on State Street which is also considered a critical facility for emergency operations for Oregon and the United States.

*Denny Nielsen* asked for clarification of the \$425 per square foot cost. Response: Thank you, the cost was \$425 per **linear** foot. The cost would be less if they took out the electronic control systems, the gates and other features. He talked a little bit about some of the other features which are considered sensitive so he could not go into detail. For example: At the Portland Air base, as you approach the gate, the gates are open and you will notice layered defense such as machine gun nest areas. For example, say a loaded fuel truck delivering fuel to the compound were to penetrate the perimeter for the purpose of detonating the fuel truck. There are layers of defense and one of those layers is automatic weapons fire. There are other barricades that can pop up and those things come in at later phases to prevent hostile vehicles from coming into the compound and being detonated. If some of these features were taken out of the design, it would probably drop the cost around \$370 per linear foot which is very comparable to cost in this area. It depends on construction costs in various parts of the United States and overseas. There were two bidders on the project, the higher bidder being \$320,000 more than the one selected. They also have observers on the lookout for vehicles primed for attack, loaded with explosives.

*Denny Nielsen* asked where their funds came from. Response: Col. Ferre thanked him for pointing that out. Since the Oregon National Guard has a State and Federal mission, it is considered a partnership and the Federal government paid 70% of the project. The state paid a little over \$330,000 for a little over a million dollar project. It will be similar for Phase II which will occur some time later this fall. *Denny* commented that he appreciated the explanation and inquired who actually sits down with the plan, sees the detail and makes the final decision with respect to executing the plan. Response: Good question, OMD gets a threat assessment from organizations that goes around and does an assessment of potential threats, likelihood of it occurring and a good portion of that is in classified areas now. All that has already been evaluated. The facility is in the capital of Oregon, they are in a facility next to a major airport. They look at how much they want to spend to try and defend that building and how much they want to spend to try and defend another building versus the value of the tactical center. If they spend a million dollars to protect a building, are they adequately protected? They consider the information and the stuff that goes on inside a building. So the Department of Defense then comes to OMD with the assessment. There are two airbase facilities, Klamath Falls and Portland that are also considered high risk. The Department of Defense then approaches OMD and advises that these two facilities need immediate vehicle barricades and recommends any additional features. The vehicle barricade was what they thought was the highest priority to be constructed due to the public access all around the facility. The Department of Defense told OMD that they had \$750,000 for fiscal year end 2003 to be allocated to the following states and the state is instructed to go get their estimates. So that is what was done. The Federal government approached OMD and recommended they construct a vehicle barricade now, and additional features were needed later on as funding becomes available. Then OMD

went out to bid. Col. Ferre didn't recall the exact engineer's estimate of somewhere around \$750,000. The bid came in actually over \$1M, the price was negotiated and there were some change orders. The Federal government came to OMD and offered to pay the first \$750,000 for the first phase of this project. The Oregon National Guard decided to take the \$750,000 to construct a vehicle barricade.

*Bill Neland* commented that this was enough on that, let's move on.

### **Project Plan: Presented by Lt Col Schwabel**

First Lt Col Schwabel updated the board on the projects previously submitted to the Board. A prior analysis shows that 64% of Military's buildings are dysfunctional. OMD has a six year plan for replacement or renovation. Burns, Hillsboro and Woodburn are scheduled for renovation first. When the decision is to replace a facility, the actual disposition of the property is dependent upon ownership and location. Some facilities will be turned back to the Army. Some facilities owned by OMD will be sold and the revenue is deposited in the Capital Construction Funds and then used for future projects. Tigard will be replaced. They would like to sell it because it is in a residential neighborhood. The plan is to purchase a new site and move the Portland Armory into this one. They sold 25 acres in Tillamook which was determined to be excess. The Eugene Armory will be sold and a Land purchase in Springfield was made with \$137,000 other Funds.

Military had submitted 18 additional Projects which are being grouped into categories of New, Additions and Utility Upgrades for ease of reporting.

#### **New Projects (8)**

Boardman Field Maint. Shop, Camp Rilea Training Center in Warrenton, Clackamas Armed Forces Reserve Center at Camp Withycombe, Klamath Falls Readiness Center, OMD 1<sup>st</sup> Floor Remodel, Salem Airfield Operations Center, Salem Mail Distribution Center, and Weapons of Mass Destruction Civil Support Team Facility in Salem.

#### **Armory Additions (7)**

Burns, Hillsboro, Hood River, Lebanon, Newport, St Helens and Woodburn.

#### **Utility Upgrades (3)**

- Camp Rilea Utility Infrastructure Upgrade
- Camp Rilea Fire Suppression Infrastructure Upgrade
- Camp Withycombe Utility Infrastructure Upgrade

*Ron Polvi* asked about the funding of the Burns remodel. Response: The state will provide 100% of the \$1.6M to \$1.7M. The same funding will apply to Hood River.

Lt Col Schwabel stated that four of the project requests required approval from the Board under the Temporary rule as they are located in the Salem Keizer area. These projects are OMD 1<sup>st</sup> Floor Remodel, Salem Airfield Operations Center, Salem Mail Distribution Center and Weapons of Mass Destruction Civil Support Team Facility in Salem.

A motion was made by *Tom McMullen* to accept the report from the Oregon Military Department without exception. The motion was seconded by *Denny Nielsen* and unanimously approved.

During a brief recess, the Chair distributed a memo from Edith Yang concerning the Department of Fish and Wildlife report on the Fall Creek Hatchery presented in the CPAB Meeting held on July 16, 2004. This memo explained Edith's concerns.

The Board requested that a note be added to the first page of each Agency Report stating: "This document contains 20 pages". This will help the Board members choose whether to print the entire report or simply read it on their computer.

### **Department of Administrative Services (DAS): Presented by Robert Reitmajer and Brian Oylear**

DAS outlined the Consolidated Data Center project presented at the May 21, 2004 CPAB meeting. DAS, IRMD was evaluating a Business Case for Data Center consolidation and looking at available existing buildings along the I-5 corridor between Portland and Eugene. The reasoning was that it takes longer to construct a new facility principally because land use

permits would need to be obtained. At that time, the highest ranking shell that could be converted to Data Center was a facility in the Eugene area. During the siting process, staff determined that building on state-owned land in Salem made sense and would be a reasonably timely and more cost effective option. A site was identified on Airport Road, a preliminary review of the site was performed and it was determined to be suitable. A consultant, Accenture delivered a Business Case for substantial savings due to this consolidation.

*Bill Neland* asked if it would be located South of the Salem Airport. Response: No, North of the Airport. Location: Airport road between the Oregon Lottery building and the Print Plant in Salem.

This project will consolidate the State's three largest computer centers into one facility and later nine other centers: 1) DAS 2)ODOT 3) DHS 4) Forestry 5) Revenue 6)Corrections 7)DCBS 8)Education 9)Employment 10) Housing 11) OSP and 12) Veterans. DAS, ODOT and DHS will be the first ones combined. The building would be well designed, seismically adequate, flexible, and secure to provide the protection and redundant support systems to support changing computer needs.

*Bill Neland* asked if there will be legislative action ahead. *Bill Foster* responded that it falls in two areas. There is the normal E-Board and the Joint Legislative Interim Committee on Information Management & Technology, which reviews this type of project.

We are positioning the project for a successful facility solution. The technology solution has a short shelf life because the world of technology is moving very fast, so the project must move fast. Typically on a fast moving project like this, a design-build scenario is used. DAS developed an exemption to allow for a design-build method of construction in order to deliver the Data Center faster. They requested and received proposals from design teams. There is lots of interest in the project. There were 24 people that attended the pre-proposal meeting. Prospective contractors were told that this project is number one for the state and there is no opportunity for failure. In fact, the proposers were advised that if they felt nervous at all about proposing, don't. DAS received five spectacular proposals, three of the most qualified teams were interviewed and the JE Dunn team was selected to enter into negotiations for a contract. The target is to get a contract signed by September 1, 2004 so they can get the brain power of the team to help with fine tuning the scoping and begin designing the project. The way the contract is structured, the first part they will be contractually agreeing to and signing for is for scope refinement and the first phase of the design, the schematic development. At that point, they will get a final agreement by all the decision makers that this is the right design at the right price. The preliminary schedule is to move the machines into the Data Center in September, 2005. The team thinks they can get it done. When they came to the interview, they had the first eight weeks planned day by day. They have a meeting scheduled at the architect's office on September 9, 2004 so it is moving very fast. DAS will be coming back to this CPAB Board on September 10, 2004 with siting recommendations for this Salem site. The draft has been prepared.

*Bill Neland* asked if delivery of services to this site is a major problem. Response: No, all services are there, including power.

*Denny Nielsen* inquired about building on state-owned land as opposed to private land with respect to building permits and whether they need to go through a city process. Response: Yes, for site work, shell, mechanical and electrical.

*Ron Polvi* asked about the size of the building. Response: Somewhere around 60,000 sq ft. The five teams who proposed have successfully installed over 100 data centers.

*Denny Nielsen* asked about the project cost and the fees. Response: The cost of the project is estimated at \$20.6 million. The initial indication of the fees in the proposal ranged between \$1.6 - \$2.8 million. There are three fees: General Conditions, Design Builder Fee and Schematic Development.

DAS will be presenting a Salem-Keizer Area Project and Siting Review Application to CPAB on September 10, 2004 and will request Construction Limitation funding for the project from the September E-Board.

*Ed Galligan* asked if IRMD has hired a consultant to develop space requirements due to technology changes and wanted to know if perhaps there would be savings in upgrading technology now and purchasing new instead of moving the old equipment. Response: Two main frames will be moved (3 exist now). Two will be upgraded and one will be new. There will be a consolidation of Network and computing infrastructure. Equipment will be Unix and Windows servers. The building square footage was estimated at approximately 60,000square feet. Based on today's estimates, this will allow some space for growth.

*Bill Foster* commented that most of the savings will be on servers, however, there will be a lot of saving on staffing as well. There will be a staff of approximately 130 people.

*Bill Neland* commented that it is exciting to pull 12 agencies together and seeing those agency heads actually working together. Response: It is very exciting and *Bob Reitmajer* commented that he is proud to be a part of it and offered to bring future updates to the Board. *Bill Neland* commented that this is something that appeals to the Board as citizens and it's good to have DAS Facilities involved because they understand the importance of systems and operating them in an efficient way because we've all been exposed to the inefficient way.

*Bill Foster* responded that DAS has considered several models. One being a brand new entity, however, due to the recent consolidation of agencies, that may send the wrong signal right now. Funds will come from a number of appropriations. They are on a parallel track, with a good Business Case, postured for a facility solution with personnel impacts.

*Ed Galligan* asked if there was at least a temporary interim business model in place so that they don't have facility computer experts doing their own thing. He wanted to know who the final authority on this project was. Response: The Governor. *Ed* stated that he wants a better sense of the operation protocol side of things in order to help him frame the building itself. He has all the confidence in the world that DAS knows how to do this right. That the bidding was done right and the siting was right because DAS knows how to do this stuff. But, what he is struggling with is, as someone who wants to make sure he makes a thoughtful yes or no on something, it would really be helpful to have a little more insight into the operating side of this and whoever that may be. He understands there is a committee right now. A better insight of operations and operations management and protocol would really give him a better feeling for the fact that whenever this building is done, whoever is going to be told to go in there and make this work and by the way, here's a team of five to eight senior managers that you have to make that work. He wants to get the sense that those people are going to say, when the project is complete, this is a great facility, it was well worth it and we achieved everything that we said we would in the way of savings." As opposed to; "you know this building is really great but it was built for something entirely different than what we need to operate". He'd feel a lot better if the management structure were in place.

*Ed* asked if there would be a decision on management structure. *Bill Foster* responded yes and this concern is shared by Max Williams. The process is just beginning. The driver is a short shelf life. If the plan is not implemented, benefits erode or fall apart, therefore they must keep moving.

*Tom McMullen* commented that it seems that the way DAS is approaching the building, that there is an opportunity for the structuring of the organization of operation to be integrated into the design process. If they're moving at a speed of decision making that is consistent with the design. Will they move fast enough so that it can be incorporated into the design? Response: 1) On the facility side they are in front of it on the budget side and there are a lot of things which are in the process of being worked out. DAS offered to share anything they can to answer the Board's questions. Accenture has been involved in many of these consolidations and the new DAS/IRMD Information Officer has been involved in a number of consolidations as well. He was formerly with Brookhaven.

*Ron Polvi* asked if DAS expects these questions to come up at the E-Board. *Bill Foster* responded that this is all on parallel tracks and DAS has to be moving to get the facility ready ahead of them doing some other things. In terms of how we are trying to posture this from a facilities standpoint, is to try to modularize and keep as flexible as we can. It is going to address certain things and there's some folks who are looking at what equipment will be going to where and how much office vs the regular raised floor area that we will be putting in, is going to work. It is kind of an interesting process and we're kind of forced into doing something that is counter to how you would normally expect to see it done. But, at the same time we can share the preliminary programming document that has been put together. They are trying to do this in a way that will allow them to incrementally add pieces. There are factors for design that has a tier system. The project is operating at tier three and that has a certain level of redundancy expressed as N+1. So any piece of critical equipment, there is at least one additional piece of redundant equipment on the system so that if you have a generator, you have a second one. If you have two, you have a third one. So, they are trying to structure all of those kinds of things as we go ahead but they need to go to the Emergency Board to get the funding to start the design process. What they will design into it is some window to do some further refinement to the interior as the organization builds. They will build the shell and the main components then plan for some time, mid course, at the appropriate time that will be negotiated with the team for a final re-look at that to make sure they are on the right course.

*Ed Galligan* said he is very sympathetic and commented that it sounds like DAS is doing everything that can be done. He will leave this subject with a strong recommendation, from his perspective, that the management team decision be accelerated as much as possible to get ahead of that process. He's very supportive and complimentary of DAS for what they are doing. This is a huge project from the technical side in merging 12 agencies. His company has gone through this and while theirs' was not anywhere near as complicated as what DAS is proposing by merging a bunch of agencies, this is just the thing the government ought to be doing. Great compliments, it's very exciting.

*Bill Foster* offered a further comment on what comes next. DAS is trying to give the Board a preview. This is the first Salem-Keizer siting that DAS has done with the CPAB Board and they have put information into the rule and they have some forms and DAS is filling those out but what they are also trying to do is let the Board know what they are up to and if there are any specific pieces of information that they think DAS should be addressing in order for that review to occur, they hope to get some of that if at all possible today.

*Bill Neland* commented that updates would be helpful and offered that the Board will do anything possible to keep the pressure on.

*Denny Nielsen* asked if there was a target date. *Bill Foster* responded that he doesn't think they have selected a specific date but certainly there are lots of targets. *Bill Neland* asked if they knew what is going to happen September 10, 2004. Response: Yes.

*Tom Mc Mullen* commented that the point is that they should choose the correct amount of time. Not just the shortest possible time. According to where you're at, and if you have your processes designed, if you choose a specific time and have no flexibility included in the process somehow, it may just simply be the top. It may not be the right top. The concept is strong enough to support going fast. If the government is going to lag behind and they don't respond to the pressure that we are trying to help them create, it may not be accurate. The worst thing they can do is build the building wrong. His interest in this project is that it can correct itself as it goes along, not to give people more time to make decisions. To get the correct time and the correct building based on the decisions that may not have been made timely.

*Ed Galligan* recommended that they work backward from a specific date. Somewhere there's got to be a drop dead date that says they have run out of time to be flexible. But, first they have to get the team in place.

*Bill Neland* asked if there would be people space and computer space. Response: Yes, there are two machine spaces, one is for the computers and one is for the machines to provide the conditioning. Then there is staff space. One exciting concept that the design team built into their proposal is something they experienced in bigger places. They would raise the floor so that computer spaces and people spaces could flow back and forth. You design the systems in such a way that they can cool and ventilate the machine space through the design of the floor, because the computer space is less than the people space.

A motion was made by *Tom McMullen* to accept the report from the Department of Administrative Services without exception. The motion was seconded by *Ed Galligan* and unanimously approved.

**NEXT MEETING DATE: September 10, 2004 from 1:30 pm to 4:00 pm at the Forestry Building.**

**Meeting adjourned at 3:30 pm.**