

Report on Leases

Department: Energy & Environment

Secretary: Becky Keogh

The purpose of this report is an analysis of leases within each Department and assist in the formulation of a report to the Governor on how to achieve greater efficiency and cost savings as it relates to leases. **The report template includes sections for three projects for your convenience. This number is not a goal or target. You may add or delete boxes for as many projects as you submit.**

ACTION PLAN FOR PROJECT 1:

1. Project Title Phased Facilities Consolidation (Effective, Efficient, Cost Savings)

1.1. Brief description of project, goal, and action plan.

Department-wide facilities consolidation at the headquarters, regional, and satellite levels will allow effective delivery of Department services and efficiently utilize Department staff travel and work time. Additionally, phased consolidation will provide for costs savings on leases and owned property, including associated expenses.

1.2. Identify any additional resources required for the implementation and success of this plan.

Also addressed in 1.3, resources associated with the physical transportation, reorganization, and resettling of personnel and associated office equipment.

1.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

- Moving office furniture, equipment, and supplies will incur incidental costs for the Department.
- There will be limited costs associated with the transition of Information Technology (IT) as certain regional and satellite offices are relocated.
- The Department's current budget has sufficient funds to cover all anticipated costs.

1.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

Success will be measured through progress reports detailing the actions taken to achieve the implementation of each opportunity. Progress reports will outline the status of implementation, completed actions, next steps, and any resources needed to finalize implementation. In addition, metrics will be identified to track realized efficiencies for each opportunity.

1.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

- **Phase I (0-3 months)** –
- PC&EC relocation to LPGB
- DEQ Fort Smith relocation to OGC Fort Smith
- **Phase II (4-12 months)** -
- OGC Little Rock relocation to E&E Northshore

- AGS Little Rock Office relocation to E&E Northshore
- **Phase III (13-36 months) -**
- DEQ El Dorado relocation to OGC El Dorado
- Relocation of DEQ Russellville Personnel
- Relocation of DEQ Whitehall Personnel
- Relocation of DEQ Hot Springs Personnel
- AGS Core Library and Learning Center relocation

1.6. Identify any obstacles to the implementation and success of this plan.

- It is anticipated that relocating personnel and offices may cause some disruption in operations.
- It is anticipated that there will be some potential costs as certain regional and satellite offices are relocated.

1.7. How could Department of Transformation and Shared Services provide support to the Department?

Much of facility consolidation can be handled in-house, however, there is a need for collaboration and communication from the Division of Information Services (DIS) to enable a smooth IT transition as five independent agencies become one Department.

ACTION PLAN FOR PROJECT 2:

2. Project Title Phased Facilities Optimization (Effective, Efficient, Cost-Savings)

2.1. Brief description of project, goal, and action plan.

An analysis in conjunction with the Phased Facilities Consolidation of the current utilization by Department personnel of statewide facilities. In essence, an over-the-horizon plan for future facility needs based upon in-depth analysis of those needs.

2.2. Identify any additional resources required for the implementation and success of this plan.

None identified at this time.

2.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

- The Department currently possesses all of the personnel and assets needed to undertake the analysis and evaluation of Facility Optimization.
- The Department's current budget has sufficient funds to cover all anticipated costs.

2.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

It is believed that continued long-term optimization of the location and utilization of Department facilities will

provide future cost savings.

2.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

- **Phase I (0-3 months)-**
- Evaluation /analysis of E&E field responsibilities utilizing GIS mapping and locating resources
- **Phase II (4-12 months)**
- Planning of long-term allocation of E&E personnel, resources, and facilities by regional need.
- Communication and coordination of potential office-sharing opportunities.
- **Phase III (13-36 months)**
- Implementation of long-term facility and personnel plan in coordination with the already-begun Facilities Consolidation.

2.6. Identify any obstacles to the implementation and success of this plan.

None, as the Department currently possess all of the personnel and assets needed to undertake the analysis and evaluation of Facility Optimization.

2.7. How could Department of Transformation and Shared Services provide support to the Department?

Assistance and coordination with other state departments if sharing of local office space is an opportunity that can be explored.

ACTION PLAN FOR PROJECT 3:

3. Project Title Phased Facilities Replacement / Upgrade (Effective, Efficient)

3.1. Brief description of project, goal, and action plan.

Currently GS owns and operates a Core Library and Learning Center which comprises approximately 21,500 square feet of mixed storage, lab, and learning-center space. This facility houses the core samples of significant geologic subsurface exploration across the state, as well as a learning center detailing the contributions of geologic industries to the State of Arkansas. While the annual operating expenses for this facility are low (\$8,627.00 for FY 2019), it is anticipated that the building will need substantial repairs in the near future, namely roof repair or replacement, in order to protect the geologic core samples from degradation. The cost of roof repair or replacement is expected to be approximately \$150,000.00+.

3.2. Identify any additional resources required for the implementation and success of this plan.

None identified at this time.

3.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

The repair or replacement of the Core Library and Learning Center is expected to cost, at a minimum, \$150,000.00; however, given the potential consolidation and sale of other facilities, the cost of leasing, buying, or constructing a suitable replacement facility could be substantially offset.

3.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

Unfortunately, there are no projected costs savings associated with repair or replacement of this facility; however, given the valuable scientific nature of the facility, it is believed that repair or replacement of aging facilities will enhance the future provision of services from the Department.

3.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

- **Phase I (0-3 months)-**
- Evaluation /analysis of actual long-term need for the repair or replacement of the Core Library and Learning Center, including how the cost or replacement /upgrade can be borne or offset by other cost savings, such as the sale of owned property.
- **Phase II (4-12 months)**
- Planning of long-term allocation of needed resources for replacement.
- **Phase III (13-36 months)**
- Implementation of building replacement plan with coordination, as needed, from other agencies.

3.6. Identify any obstacles to the implementation and success of this plan.

- Evaluation/analysis of actual long-term need for the repair or replacement of this facility and how the cost or replacement /upgrade can be borne by the Department.
- Planning of long-term allocation of needed resources.

3.7. How could Department of Transformation and Shared Services provide support to the Department?

Assistance and communication with the Division of Building Authority (DBA) regarding the realistic needs for the potential building of new facilities or repair of existing facilities in a cost-effective manner.

Additional thoughts/comments: