

NMDWS CAPITAL IMPROVEMENTS NEEDED 2016



Presentation Outline

- NMDWS TIWA BUILDING
 - Past projects
 - Current projects
 - Request funding Rehab/Remodel - \$21 million
- NMDWS OFFICE DEMING
 - Past projects
 - Current projects
 - Request funding for addition and upgrades - \$552,000
- NMDWS FIELD OFFICES
 - Past projects
 - Current projects
 - Request funding for deferred maintenance - \$1.845million

TIWA Past Projects

- 2008 ICIP Capital dollars to install fire sprinkler system.
- 2009 ICIP Capital monies to upgrade three elevators mechanical equipment, not elevator cabs.
- 2010 Federal ARRA dollars to install fire alarm panel.
- 2010 Federal ARRA to install two 95% efficient boilers.
- 2010 Federal ARRA to install energy efficient tankless water heaters.
- 2010 Federal ARRA to install 750kw emergency generator.

TIWA Past Projects

- 2010 Federal ARRA to install digital HVAC controls.
- 2010 Federal ARRA dollars to repave the east parking lot.
- 2011 ICIP Capital dollars to repave the west parking lot.
- 2011 ICIP Capital dollars to re-roof building and upgrade lightning protection.
- 2012 ICIP Capital dollars to install a partial security camera upgrade.
- 2012 ICIP Capital dollars to install a transient surge suppression system.

TIWA Current Project – Ceiling Replacement

- Under the guidance of the Facilities Management Division of GSD we are meeting with architects and engineers to get bid documents ready, in order to address a major life safety issue by replacing obsolete, aging, broken, missing, falling down ceiling tiles, with new industry standard ceiling tiles. This project will also provide TIWA the following benefits:
 - This will also afford us the opportunity to install new HVAC (Heating Ventilating Air Conditioning) ductwork for proper airflow for offices.
 - Remove and replace obsolete energy inefficient lighting with new L.E.D energy efficient lighting.
- **BASED ON PRIOR ENERGY STUDY THE COST SAVINGS ARE APPROXIMATELY 40% ON OUR ELECTRICAL COSTS.**

TIWA Rehab / Remodel

- Primary goal is to renovate the Tiwa building, and then to provide for the secondary data center, to operate within an energy efficient facility.
- Proposed data center solution meets the current objectives for both DoIT and DWS. Due to possible differences between DWS and DoIT goals such as implementation timing, an alternative will need to be considered that accommodates if long range strategic plans for DoIT change, and the stated goal is no longer relevant for the organization.
- Initial phase of this effort was to compile relevant facility issues, potential solutions, and estimated costs that will provide the basis for what best action(s) Facilities Management Division (FMD) should take to implement improvements for the Tiwa building.

TIWA ASSESSMENT

- In July 2013, an assessment was performed and included the following:
 - FACILITY CONDITIONS SURVEY
 - BUILDING CODE / LIFE SAFETY ANALYSIS
 - PROGRAMMING ANALYSIS
 - STRUCTURAL ANALYSIS
 - MECHANICAL / PLUMBING ANALYSIS
 - ELECTRICAL / TELECOMMUNICATIONS / FIRE PROTECTION ANALYSIS
- The results indicated that the Tiwa building shows many areas that have significant condition deficiencies.
- Overall recommendation is a complete overhaul of the entire building.

AGING INFRASTRUCTURE

Tiwa is an aging infrastructure and has significant HVAC capacity issues, aging plumbing, inadequate electrical infrastructure, critical equipment at its end-of-life cycle, as well as deteriorated finishes throughout the interior and exterior of the facility. We recently experienced flooding on the first and second floors when there was a heavy rain in Albuquerque.

The facility has had **very limited mechanical system upgrades** during its lifetime and is showing its 37 years. It does not meet code requirements in many areas nor does it achieve the sustainability goals put forth by the state.

- Upgrading these building systems will not only meet code requirements and State sustainability goals, but will also provide a quality workplace environment for all users of the facility.

HVAC ENERGY INEFFICIENT

- A condition assessment was performed by Bridgers & Paxton Engineers in 2013 on the mechanical HVAC system for the TIWA building to determine the ability of the HVAC system to provide the current and future needs of the building.
- When the Tiwa Building was built in 1976, there were no enacted energy conservation codes.
- **Based on the study in terms of energy usage, the current Tiwa building is using 32% more energy than is allowed by the current State of New Mexico's Energy Code.**
- The Tiwa building falls far short of these code requirements, resulting in wasted energy, added operating expense, and occupants that are cold in winter and hot in summer.

FUNDING REQUEST

- Tiwa Building renovation including the establishment of a secondary data center
 - Cost: Original ROM: \$15.8 million/ Fully Loaded: \$21.0 million
 - Benefits:
 - Modernized aging infrastructure resulting in energy and efficiency savings
 - Provisioning for critical operational continuity and redundancy for major State systems supporting each department's mission and serving as a primary back-up for the Simms data center located in Santa Fe.
 - Leasing, moving, parking and furniture all required to relocate staff during construction (taken on by DWS)

COST /REPAIR BREAKDOWN

- Replace 74 aging and inefficient dual duct HVAC boxes, with energy efficient VAC HVAC boxes. Replace aging A/C equipment with redundant new energy efficient A/C equipment. **APPROXIMATE COST \$2,400,000.00**
- Replace single pane glass windows with modern energy efficient double pane Low-E glass windows. Replace store front doors with thermal energy efficient units. Insulate Exterior walls. Insulate roof and re-roof. Repair stucco and block cracks. **APPROXIMATE COST \$1,900,000.00**
- Replace electrical system. **APPROXIMATE COST \$3,600,000.00**

SUMMARY of MECHANICAL/PLUMBING UPGRADE

- Replace Mechanical systems completely replace all HVAC + commissioning
- Replace Ceilings and lighting replace all grid, tile and lighting
- Replace Plumbing replace and upgrade fixtures & water distribution piping
- ACM & LBP Remediation - estimated includes assessment and remediation
- New finishes, restrooms (due to plumbing) replace tile, partitions, counters, accessories, paint

DIRECT CONSTRUCTION SUBTOTAL \$5,785,025.96

LOADED COSTS \$3,123,914.02

PRIORITY SUBTOTAL \$8,908,939.98

VIEW of GALVANIZED PIPING...RUST NEVER SLEEPS



VIEW of MAIN ELECTRICAL PANEL

- Replace Electrical: systems replace/upgrade electrical systems, communication, safety, security
- DIRECT CONSTRUCTION SUBTOTAL \$2,337,950.00
- LOADED COSTS \$1,262,493.00
- **PRIORITY SUBTOTAL \$3,600,443.00**

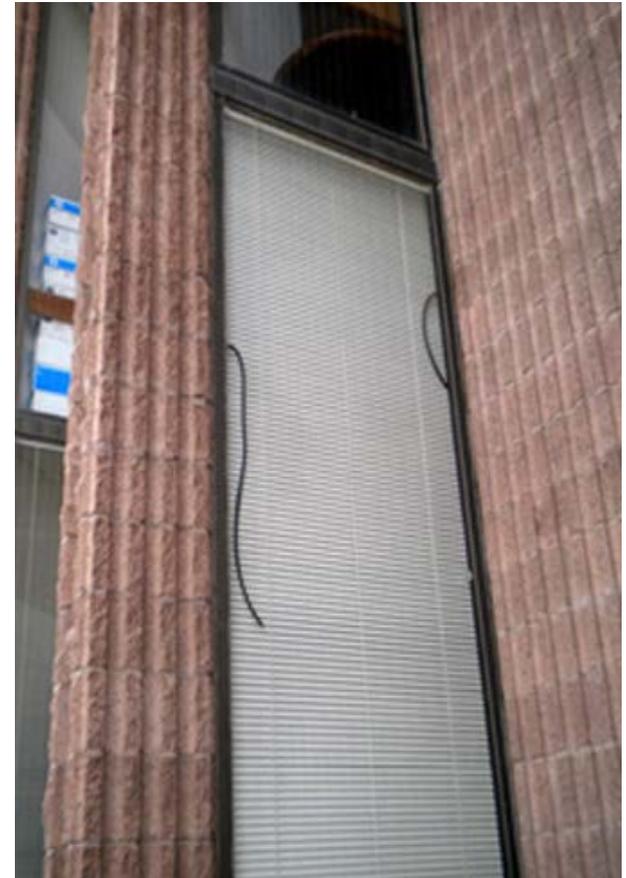


MOTOR CONTROL CENTER WITH ACCESS CODE VIOLATION



VIEW OF EXTERIOR ENVELOPE PERFORMANCE

- Replace Windows/Exterior Doors: replace all glass and frames with high performance windows
- Insulate Exterior Walls add rigid insulation and furr-out inside exterior walls
- Insulate Roof / Re-roof add insulation above roof deck, re-roof, lightening protection
- Repair Stucco and Block Cracks re-stucco & repoint exterior vertical and horizontal surfaces
- **DIRECT CONSTRUCTION SUBTOTAL \$1,222,395.00**
- **LOADED COSTS \$660,093.30**
- **PRIORITY SUBTOTAL \$1,882,488.30**



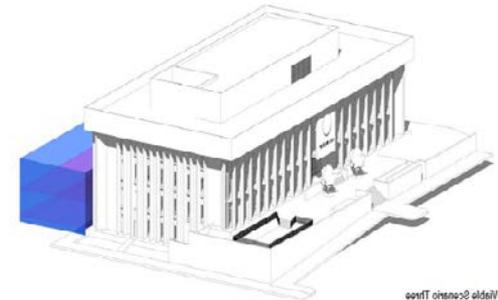
SUMMARY OF LIFE SAFETY AND BUILDING CODE ENHANCEMENTS

- Change floor plans to eliminate dead end corridors.
- Change floor plans to eliminate travel through or walk through rooms so that occupants can directly access exits.
- Raise sprinkler pipe at S. stairwell to provide adequate headroom
- Improve east entry including accessibility ramp and plaza reconfiguration
- Replace sidewalk, north exit reconfigure and replace non-accessible exit sidewalk
- **DIRECT CONSTRUCTION SUBTOTAL \$155,000.00**
- **LOADED COSTS \$83,700.00**
- **PRIORITY SUBTOTAL \$238,700.00**

SUGGESTED PHASED APPROACH TO REHAB/REMODEL OF TIWA

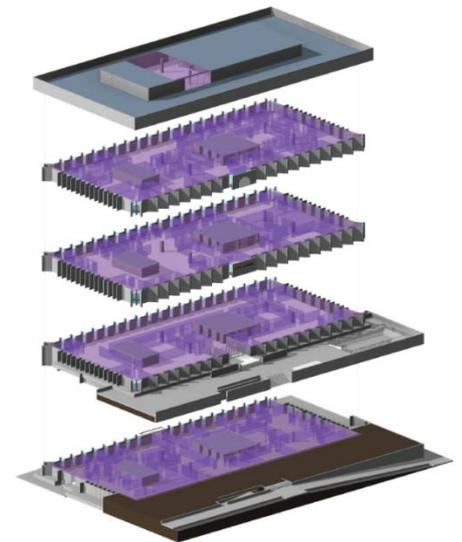
REHAB/REMODEL PHASE 1

- Full Design- \$1.7 million
 - Parking Deck-- \$1.8 million
 - Optional Data Center-- \$1.4 million
 - Bldg. addition- - \$2.1 million
 - Total: **\$7M**
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- If funding for ceiling project is redirected to phase one we could possible look at moving the envelope performance portion of the project estimated at \$1,882,488.30 to phase one. This would include window replacement, door replacement, roofing insulation and replacement and exterior repair to stucco and block.



REHAB/REMODEL PHASE 2

- Total gutting of building and remodeling to include new plumbing, electrical, HVAC, mechanical systems, envelope to include windows, entries and ADA/Code/State Sustainability finishes.
- **ESTIMATED COST \$14 M**



Preferred Scenario

ONE TIME SINGLE PHASE APPROACH

TOTAL REMODEL & REHAB

In an effort to minimize disruption and to cut down on the cost of construction, the following scenario was proposed. In this scenario, all the departments would be moved off-site and the building renovated in one phase. Benefits of this scenario are:

- Allow for a more seamless construction process, with **reduced costs** for mobilization and general conditions.
- NMDWS would move twice, once out of the building and again back into the renovated space. Again reducing cost of multiple moves.
- NMDWS would not be working adjacent to an active construction site lowering disruption as the project progresses and possible employee issues with dust and construction contaminates.

TOTAL REMODEL & REHAB (CONT.)

Another proposed potential scenarios include major relocation of staff to other state owned or leased facilities during construction and/or phasing construction by smaller increments to reduce temporary relocations but extending the overall disruptive construction time by years.

This option involves closing off one floor at a time and doing remodeling while staff still worked in the building which would lead to individual safety concerns along with employees working amid noise and dust of construction.

Concerns have been raised by user agencies NMDWS and DoIT, that proposed remodel scenarios and work sequencing will negatively impact and disrupt basic services and functions of NMDWS and DoIT.

QUESTIONS FROM LAST PRESENTATION

At what appears to be \$300.00 per square foot why are we not considering new construction?

The square footage calculation for the renovation includes site and parking deck costs, optional data center improvements and demolition and hazardous materials remediation. This option also provides an additional 17,000 gsf addition to the existing 89,000 gsf TIWA building saving the state **\$209,952.00** in annual lease cost we currently spend at the Springer Building .

The cost for just the construction portion of the project would then be on par with market expectations at approximately \$200/gsf .

New construction was part of our initial scenario choices, but was projected to cost more than the renovation. Given the prominent location as the east gateway to downtown Albuquerque, ensuring residency and upkeep seemed prudent.

The final recommendation we present to the Committee still stands as renovation.

Did we look at purchase of an existing building and do a simple remodel?

Purchasing of another building by the state would still require dispensation of the TIWA building which will come at a cost to the state overall as noted above in question one. DWS conducted immediate research in the area and found one location that could potentially be purchased.

Investment would need to be made for configuration, data center support and telecom infrastructure which would add to the purchase price below. We recommend ruling this option out and again point to the final recommendation presented to the Committee—TIWA renovation.

Purchase Option:

Raytheon at 1300 Eubank and 10421 Development Rd SE Built 2002
102,373 Sq. ft. \$183/ Sq. ft. Purchase price is \$18,734,000. This does not include any build out cost that would have to be done to support NMDWS work mission.

Did we look at lease purchase of an existing building?

Leasing Options:

- Mesa Del Sol 100,000 sq. ft. building to be built to suit, shell available in 5 months of signing lease. Monthly lease is \$38,541. This senerio offers a 50 year ROI if there is no increase in lease cost; however this is not centrally located and difficult for constituent's to get to via public transportation.
- 8880 Horizon Blvd (Balloon Fiesta area) 132,000 sf at \$24/sq. ft.
- ABQ Office Complex (close to the airport). 4 buildings totaling 323,541 sq. ft. 295,908 available (more than we need.) \$14/sq. ft. annually.
- Visiting a complete leasing option is limited for a building of our size but we did locate alternatives in Albuquerque. Investment would need to be made for configuration, data center support and telecom infrastructure which would add to the lease price below.
- We recommend ruling this option out unless this is a strategic management decision that the state is pursuing.

Have we considered leveraging P&I?

- While use of the P&I fund for non-UI related activities is possible, the cost of collecting these type of funds must be moved to the general fund. For instance, if we spend \$3 million on non-UI projects, such as the purchase, lease or construction of a facility, the cost of collecting P&I funds would be \$2.0 million, and NMDWS would have to allocate \$2.0 million in general funds to replace.
- NMDWS has had to leverage P&I funds more in last several years for business operation because federal funding has been and continues to be reduced each year.
- Inherently the use of the P&I funds is a risky endeavor for such a long term project where the commitment to cost has to be made over multiple years.
- Based on these reasons the use of these funds for this effort is not recommended.
- Another funding option worth considering is the issuance of a bond.

Have we considered leveraging P&I cont...?

- NMDWS uses a substantial portion of the P&I funds to support ongoing operations. This includes covering a \$3,500,000 drop in above base UI funds in FY15. For FY15 the total use of P&I funds is expected to be approximately \$4,350,000. For FY16, based on various discussions and assuming NMDWS doesn't receive the additional \$3,750,000 in General Funds in the FY16 Budget Request, the use of the P&I funds in FY16 are estimated to be \$6,350,000. This leaves virtually no P&I funds to cover capital projects as the remaining fund balance would be needed in FY17.

P&I Fund		
6/30/14 Balance (Unaudited)		\$7,276,448.12
FY15 Revenue Est.		\$2,500,000.00
FY15 UI Shortfall Est.		\$3,500,000.00
FY15 IT System reliability		\$600,000.00
Ongoing Union Settlement Costs		\$100,000.00
Other including Maint. Est.		\$150,000.00
6/30/15 Balance Est.		\$5,426,448.12
FY16 Revenue Est.		\$2,500,000.00
FY16 UI Shortfall Est.		\$3,500,000.00
Other Ongoing Operations		\$2,550,000.00
Other including Maint. Est.		\$300,000.00
6/30/16 Balance Est.		\$1,576,448.12

WHAT WILL BE THE CONSEQUENCES OF NOT FUNDING THIS REQUEST:

- Lack of adequate provisioning for critical operational continuity and redundancy for major State systems supporting both the Department of Information Technology and NMDWS. Increase risk for NMDWS and DoIT to ensure proper preparedness for disaster recovery.
- The consequences of not enacting this funding will be continued deterioration in building systems that do not currently meet code requirements and State sustainability goals and continued degradation in quality workplace environment for all users of the facility.

NMDWS OFFICE DEMING

The Deming office does not have adequate room to either support the constituents or employment Partners like WIA. This is a very seasonal office however the additional space we are asking for will be utilized year round with our One-Stop classes. We have requested funding for this office several years in a row.



NMDWS OFFICE DEMING

- Past Project –
 - Recent AC repair forced us to close the office for two afternoon because unavailability of vendor and waiting on parts.
 - Upgrade of Data network and build out of facilities.
 - Added fence to the back of the building for security.
- Current efforts
 - Minor repairs and fixes occurring.

DEMING, NM Field Office Critical Needs

The Deming field office faces seasonal flooding of farm workers causing long line outside of the facility. This has been reported annually in the news and causes safety issues for our employees and the constituents. Deming needs the following upgrades to the state owned building to ensure continuity of services for the office:

- \$552,000 for Deming WCC Building Addition and modification of the existing structure to create storage space (approximately 750 square feet max,) bathroom renovation, and repaving of existing parking lot and repaint stripes.
- Critical Need—The addition to the building will provide the necessary space to accommodate additional mandated WIA partners and space for customer use under the federal One-Stop concept.
- The benefits will provide the adequate space necessary to accommodate customers and the mandated partners to function in a professional and productive environment.

NMDWS STATEWIDE OFFICES

DEFERRED MAINTENANCE NEEDS FY 16

NMDWS STATEWIDE OFFICE DEFERRED MAINTENANCE

- The additional field offices are also in need of some major repairs. Our funding request have been prioritized based on need and life safety for both employees and constituents. Our goal is to get these buildings back up to a sustainable state and then put in maintenance contracts to keep the facilities up to par. Many of these buildings are in remote areas and having someone on a maintenance contract is imperative to keeping facilities functioning.

PAST PROJECTS/MAINTENANCE

General fund provided to the New Mexico Department of Workforce Solutions (NMDWS) to maintain state owned buildings represent 11.5% and 10.1% of our total expenditures of just the field offices leaving nothing to maintain TIWA. As we have discussed those expenditures have been lacking in keeping the facilities maintained and only has allowed us to fix critical issues. Furthermore; the Agency feels that the increase in cost is because we are not on maintenance programs thus the break/fixes are catastrophic in nature.

As a result NMDWS's ICIP request for FY16 is asking for approximately \$1.7M to get the field offices repaired and up to code and an additional \$200K for Deferred Maintenance.

In support of this request NMDWS has updated our ICIP depended on a re-evaluation of our needs after conducting additional site visits.

NMDWS prioritized eleven of our remote sites based on the most urgent needs. We excluded the Deming site as it has a separate request pending.

Our past expenditure has been \$1.3M for 12 offices in 2010 from capital outlay HB 154, and NMDWS spent \$2.8M of our own monies. Most recently monies provided for our General Fund were FY12 \$63,600 and FY13 \$98,700 inclusive of TIWA needs.

Our historical expenditures for the 12 field offices have been:

Repairs, Maintenance and Utilities \$584,000 in 2011
Repairs, Maintenance and Utilities \$666,000 in 2012
Repairs, Maintenance and Utilities \$554,000 in 2013
Repairs, Maintenance and Utilities \$975,900 in 2014

NMDWS STATEWIDE DEFERRED MAINTENANCE NEEDED FY 2016

TIER 1

Site	Facility Maintenance Assessment/Requirments	Funding Request	Priority Rank
SANTA FE	<p>Repair or Replace possible structural deficiencies on marble columns and soffits.</p> <p>Repair/Update elevator and correct code deficiencies.</p> <p>Repair/Update electrical system and correct code deficiencies.</p> <p>Remove and Replace Broken Restroom Fixtures.</p> <p>Remove and Replace Windows with energy efficient windows. May need to check if historical bldg.</p> <p>Re-stucco building.</p> <p>Repair various building code deficiencies.</p> <p>Remove and Replace Exterior building lights with energy efficient L.E.D lights.</p> <p>Remove and Replace Interior building lights with energy efficient L.E.D lights.</p> <p>Install new signage.</p> <p>Xeriscape existing landscaping.</p>	\$315,000	1
ESPANOLA	<p>Remove and Replace A/C units, Water Heater, and Furnaces, with energy efficient units.</p> <p>Remove and Replace Restroom Exhaust Fans. Remove and Replace Broken Restroom Fixtures.</p> <p>Remove and Replace Windows with energy efficient windows.</p> <p>Remove and Replace broken drinking fountains.</p> <p>Remove and Replace Exterior building lights with energy efficient L.E.D lights.</p> <p>Remove and Replace Interior building lights with energy efficient L.E.D lights.</p> <p>Remove and Replace outdated flooring. Restripe parking lot.</p>	\$200,000	2
HOBBS	<p>Remove and Replace A/C units, Water Heater, and Furnaces, with energy efficient units.</p> <p>Remove and Replace Roof.</p> <p>Repair/Update electrical system and correct code deficiencies.</p> <p>Remove and Replace Windows with energy efficient windows.</p> <p>Remove and Replace broken drinking fountains.</p> <p>Remove and Replace Exterior building lights with energy efficient L.E.D lights.</p> <p>Remove and Replace Interior building lights with energy efficient L.E.D lights.</p> <p>Remove and Replace outdated flooring. Re-stucco building.</p> <p>Install new signage. Restripe parking lot.</p>	\$210,000	3

NMDWS STATEWIDE DEFERRED OFFICE MAINTENANCE NEEDED FY 2016

TIER 2

LAS VEGAS	<p>Remove and Replace A/C units, Water Heater, and Furnaces, with energy efficient units. Remove and Replace Windows with energy efficient windows. Remove and Replace broken drinking fountains. Remove and Replace Exterior building lights with energy efficient L.E.D lights. Remove and Replace Interior building lights with energy efficient L.E.D lights. Restripe parking lot. Remove and Replace outdated flooring. Xeriscape existing landscaping.</p>	\$160,000	4
ARTESIA	<p>Remove and Replace A/C units, Water Heater, and Furnaces, with energy efficient units. Repair/Update electrical system and correct code deficiencies. Bring entryway into ADA Compliance. Remove and Replace Broken drinking fountains. Repair various building code deficiencies Remove and Replace non-functional plumbing men's restroom. Remove and Replace Windows with energy efficient windows. Remove and Replace Exterior building lights with energy efficient L.E.D lights. Remove and Replace Interior building lights with energy efficient L.E.D lights. Re-stucco building. Xeriscape existing landscaping. Repair water damage from roof above entry door.</p>	\$170,000	5
SILVER CITY	<p>Remove and Replace A/C units, Water Heater, and Furnaces, with energy efficient units. Remove and Replace broken drinking fountains. Remove and Replace Windows with energy efficient windows. Bring restrooms into ADA Compliance. Remove and Replace Exterior building lights with energy efficient L.E.D lights. Remove and Replace Interior building lights with energy efficient L.E.D lights. Remove and Replace outdated flooring. Restripe parking lot.</p>	\$125,000	6
CARLSBAD	<p>Remove and Replace A/C units, Water Heater, and Furnaces, with energy efficient units. Repair/Update electrical system and correct code deficiencies. Repair various building code deficiencies. Remove and Replace broken drinking fountains. Bring entryway into ADA Compliance. Remove and Replace Windows with energy efficient windows. Remove and Replace Exterior building lights with energy efficient L.E.D lights. Remove and Replace Interior building lights with energy efficient L.E.D lights. Remove and Replace outdated flooring. Restripe parking lot.</p>	\$160,000	7

NMDWS STATEWIDE DEFERRED OFFICE REPAIRS NEEDED FY 2016

TIER 3

FARMINGTON	<p>Remove and Replace A/C units, Water Heater, and Furnaces, with energy efficient units. Look at 1000 sq.ft. addition to building. Remove and Replace Windows with energy efficient windows. Remove and Replace broken drinking fountains. Remove and Replace Exterior building lights with energy efficient L.E.D lights. Remove and Replace Interior building lights with energy efficient L.E.D lights. Remove and Replace outdated flooring. Install new signage. Xeriscape existing landscaping. Restripe parking lot.</p>	\$160,000	8
ALAMOGORDO	<p>Remove and Replace A/C units, Water Heater, and Furnaces, with energy efficient units. Roof Repairs as Needed. Repair Stucco. Bring entryway into ADA Compliance. Repair Sidewalk by front entrance to remove trip hazard. Remove and Replace Windows with energy efficient windows. Remove and Replace Exterior building lights with energy efficient L.E.D lights. Remove and Replace Interior building lights with energy efficient L.E.D lights. Restripe parking lot. Remove and Replace outdated flooring. Install new signage.</p>	\$210,000	9
LAS CRUCES	<p>Install path of travel and lighting for path of travel in parking lot. Remove and Replace Windows with energy efficient windows. Remove and Replace Exterior building lights with energy efficient L.E.D lights. Remove and Replace Interior building lights with energy efficient L.E.D lights. Xeriscape existing landscaping. Restripe parking lot.</p>	\$60,000	10
ALBUQUERQUE	<p>General upkeep required. Site serves all of ABQ for employment services. Remove and Replace Exterior building lights with energy efficient L.E.D lights. Remove and Replace Interior building lights with energy efficient L.E.D lights. Restripe parking lot.</p>	\$75,000	11

IN CONCLUSION

1. NMDWS would like the Committee to recommend fully funding the remodel/rehab of the TIWA building.
2. NMDWS would like the Committee to recommend fully funding the Deming, NM office addition and rehab.
3. NMDWS would like the Committee to recommend fully funding the deferred maintenance in the field office so that NMDWS can afford to support the on-going maintenance.

CONTACTS

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Questions?

**Thank you for your time and
consideration.**