

MEMORANDUM

April 29, 2014

TO: Government Operations and Fiscal Policy Committee

FROM: Essie McGuire, Senior Legislative Analyst 
Glenn Orlin, Deputy Council Administrator 

SUBJECT: **Council Office Building Facility Issues**

Today the Government Operations and Fiscal Policy Committee will discuss issues and capital budget options related to the Council Office Building (COB). Earlier this year, Councilmembers had requested that Council staff work with the Department of General Services (DGS) to outline options for addressing facility needs at the COB that affect employee and public use of the building. The Council is revisiting this issue in part because a project to replace the building is no longer in the CIP; as a result, the facility issues may require resolution differently than previously planned.

This packet presents options for the Committee's consideration to address the COB roof replacement, HVAC system issues, restroom repair and Americans with Disabilities Act (ADA) improvements, and additional space needs.

1. Roof Replacement

The COB roof is 21 years old and in need of replacement, and the upper floors have experienced leaking. The COB roof has already been programmed into the County Government level of effort project for Roof Replacement in FY15.

DGS staff report that the design is already underway, at a cost of approximately \$46,300. The full construction cost will be known once design is done, but DGS estimates a total construction cost of \$1.5 million. This project will be funded through the already recommended FY15 appropriation for the Roof Replacement CIP project.

DGS estimates that the design and procurement phases may take 3-4 months. DGS anticipates beginning construction later this fall, with the construction and installation taking 5-6 months. Work would be complete late spring, weather permitting.

The Council has already tentatively approved the Roof Replacement CIP project with this funding included, so no additional action is necessary to address the COB roof. DGS will keep the Council informed on the schedule and progress through the upcoming months.

2. HVAC and related building environment issues

The HVAC system in the COB is very old and presents ongoing functional issues. The HVAC level of effort project in County Government has approximately \$600,000 in FY16 identified to replace certain elements of the system, such as chillers and cooling towers. However, there are no funds to replace the system as a whole.

ESCO project approach: In its CIP review, the Committee discussed the Energy Systems Modernization project. This project provides for the replacement or upgrade of building systems that affect energy usage, primarily HVAC related systems and components. The project uses Energy Services Companies (ESCOs) to perform comprehensive audits of candidate facilities, propose energy conservation measures, and guarantee energy savings.

In discussions with Council staff, DGS stated that the COB would be a good candidate for an ESCO approach to not only replace the HVAC system but address whole-building issues, windows, and other energy measures. DGS would prioritize the COB in the ESCO projects for the upcoming year, which would result in an audit of the building and assessment of the energy savings measures that would be taken through the ESCO contract.

There are two significant benefits to this approach. First, the ESCO approach allows for financing, alleviating the pressure on bond capacity in the CIP and taking full advantage of the energy savings gained from the improvements. Second, rather than replacing individual systems piecemeal, it offers the opportunity for a comprehensive assessment of the facility and coordinated improvements of multiple systems and features at once. For example, the ESCO analysis will include not only HVAC but windows, lighting, water use, and energy controls.

It is possible that the ultimate ESCO contract will not fully cover all the aspects of the COB that need to be addressed. The Committee discussed this partial ESCO approach for the EOB HVAC Replacement project, where ESCO financing is supporting a significant portion of the cost but County funding is used to make up the difference in the project. Even in this scenario, the building assessment and partial financing are benefits to the County.

One important consideration is that the ESCO contract has a 20-year assumption of savings return to make the financing work. This approach requires the Council to commit to using this building in some form for the next 20 years. The approach would also, combined with other efforts, introduce improvements in the facility to extend its useful life to that degree.

Timeframe: Approximately 20 months would be necessary to conduct the assessment, finalize the contract, design the project, and then implement the system and construction work. DGS staff provided the following estimated schedule for completion of the ESCO project:

<u>Task</u>	<u>Completion</u>
Kick-off Meeting (already held)	4/23/2014
Preliminary Survey (30 days):	5/23/2014
Investment-Grade Assessment (IGA)	
Proposal (10 days):	6/4/2014
Negotiation/Notice to Proceed (5 days):	6/13/2014
Draft IGA (90 days):	9/12/2014
Review/Edit/Final IGA:	10/10/2014
Energy Services Agreement	
Negotiation (60 days):	12/12/2014
Final Design (60 days):	2/13/2015
Implementation (12 months):	2/12/2016

HVAC-only approach: Council staff requested that DGS provide estimates of the cost to replace the HVAC system and the windows as individual projects. DGS estimates between \$4.2-5.0 million for the HVAC system based on similar projects and a \$30-35 per square foot cost. DGS estimates \$1.2 million would be needed to replace the windows. DGS also states that due to design and procurement requirements the timeframe for doing HVAC and windows would not be shorter as individual projects than through an ESCO approach.

Council staff recommends that the Committee pursue the ESCO approach for the HVAC and energy improvements needed and for restroom renovation as well (see below). If the Committee agrees, no additional funds are needed at this time. The Committee will receive the results of the assessment including the proposed scope of work, schedule, and possible funding needs, in late summer or early fall.

3. Public Restrooms

Councilmembers have raised two primary goals for the public restrooms on the first, second, and third floors: first, to provide some repair and cosmetic attention, and second, to increase ADA accessibility if possible.

As Councilmembers are aware, the County is under a settlement agreement with the Department of Justice regarding Project Access and ADA accessibility compliance. Some ADA work at the COB is currently programmed in the ADA compliance project. ADA requires that when repairs or renovations are made to an existing facility, work must then be done to make the facility fully meet the ADA requirements. Structurally, the COB presents challenges to ADA compliance in many aspects, including restrooms.

DGS provided two sets of options regarding the restrooms on the first, second, and third floors of the COB. The first option makes all restrooms on all three floors ADA accessible, and also includes the cosmetic refreshment that the facilities need. This option would cost a total of \$577,000 and take two months to design. Construction would need to be staged over a period of 6-8 months to maintain sufficient availability of facilities. DGS provided the following scope of work for this option:

- Design and renovate six separate restrooms adjacent to public elevators - three men's and three female located on 1st, 2nd and 3rd floors. Includes accessibility and modernization of fixtures and finishes.
- Current estimate: \$577,120 based on industry commercial construction cost and in-house estimates.
- Project will follow DGS Construction Protocol:
 - Development of a POR that addresses fixtures, finishes, environmental sustainability, and accessibility.
 - Life safety requirements may need to be addressed.
 - Mechanical, Electrical and Plumbing (MEP) must meet current code requirements, as well as insure maintainability under the DGS building maintenance requirements.
 - Permit(s) will be determined during the design and plan review phase.
 - Inspections will be required throughout the process including architectural and engineering project management, site inspections and close-out on all project requirements.
 - Administration consists of consulting architects, engineers and project managers.
 - Demolition consists of masonry/structural systems, mechanical, electrical and restroom fixtures.
 - Construction will impact daily usage of restrooms under construction. Alternate restroom facilities will be determined throughout the construction process.

A second option would provide increased ADA accessibility on the second floor only, and provide more minimal cosmetic improvements to the first and third floors. This option would cost a total of \$230,750 and take a total of four months to complete, including project design and construction. DGS provided the following scope of work for this option:

- Estimated funding would provide for the following in the 2nd floor restrooms:
 - New toilet partitions;
 - Widening access to Men's Restroom and replacing door and door frame;
 - Modifying the janitor closet and relocating electrical panel;
 - Replacing and relocating plumbing fixtures as necessary;
 - Modifying the plumbing lavatory chase to make more room for lavatories in the Men's Restroom;
 - Removing and relocating the heating radiators from under the window;
 - Removing wall tiles in the access area to widen the access to the main restroom;
 - Relocating the partition in the Women's Restroom associated door;
 - Providing new wall finishes in areas where tiles had to be removed;
 - Adjusting plumbing hook-ups as necessary and replacing some cast iron piping with PVC piping;
 - Removing and relocating restroom accessories;
 - Replacing wall tiles on relocated partitions in the Women's Restroom;
 - Any associate electrical, plumbing and finish work; and
 - Any demolition and debris disposal of work necessary to accomplish the work and/or gain access to MEP building systems.

- Estimated funding would provide for the following cosmetic improvements in the 1st and 3rd floor restrooms:
 - Painting of all non-tiled walls and hard ceilings surfaces;
 - Re-grouting and re-pointing ceramic tile on walls and floors as needed;
 - Refurbishing existing toilet partitions in-place;
 - Replacing acoustical ceiling tiles;
 - Power-washing and/or deep cleaning floor and wall tiles;
 - Replacing light fixtures in each restroom; and
 - Contingency and supervision.

Both of these options assume the restroom project goes forward as a stand alone project. As noted earlier, the ESCO assessment will also take water use from restroom and other facilities into account, and may recommend and include changes to plumbing fixtures. **As noted above, the Council may want to consider deferring action on a restroom project until the scope of the ESCO analysis is finished and available.** Some portion of the work may fall within the ESCO financing and some may need to be funded with supplemental County funding. Deferring this decision pending the outcome of the ESCO analysis would take more time than as a stand-alone project, but would give the Council the ability to coordinate the project and possibly realize savings.

4. Space needs

Councilmembers have also requested information on possibilities for expanding the space available to the Council offices. One approach would be to use the fourth floor of the COB for the Council if other space can be found for the Department of Housing and Community Affairs (DHCA). The Council requested that DGS explore options that would make additional space available in the COB for the Council.

There are several sequential steps to utilizing additional space in the COB. First, DGS will identify whether leased or owned space is the best option for DHCA. That space must then be prepared for DHCA, and the fourth floor renovated for use by the Council.

DGS anticipates that 3-6 months will be necessary to plan the next steps for DHCA as well as specify space plans for the Council. Once these steps are determined, it would likely be 12-18 months to move DHCA, during which time the planning and design of the new Council space—and any modifications to the 5th and 6th Floors needed to properly integrate with the 4th Floor—would be undertaken.

DGS will use existing resources in the coming months to plan the next steps for this process, and will then return with an update to the Council and a request for the funding that would be needed to lease and/or prepare space for DHCA, and to design the Council's reconfigured space.