PRIORITY SUP CD-02

INFLATIONARY ADJUSTMENT
STATE HEALTH LAB RENOVATION

DEPARTMENT OF ADMINISTRATION
$7,000,000

ORIGINAL PROJECT INFO
67TH LEGISLATIVE SESSION

The Laboratory Services Bureau currently occupies the same physical space in the Cogswell Building that it occupied prior to the terrorist attacks against the United States on September 11, 2001. Following 9/11 federal funding was provided that greatly enhanced laboratory capability within its current physical boundaries. This funding included the construction of a BSL3 (Biosafety Level 3) suite within the current laboratory space, enhanced laboratory safety features to protect laboratory and non-laboratory personnel and new technology to protect the health of Montanans. While all these improvements served to enhance the laboratory's capacity post 911, additional gains in laboratory capacity cannot be achieved without additional laboratory space to support them. This was evident prior to the beginning of the COVID-19 pandemic but has become extremely pronounced since then when the Montana Public Health Laboratory was the only laboratory in the state that was able to provide COVID-19 testing for the citizens of Montana. While the Montana Public Health Laboratory has performed admirably in response to the COVID-19 crisis, there has clearly been a limitation on capacity that could have been overcome were it not for current space limitations. The Laboratory Services Bureau has obtained federal funding that will support the proposed laboratory expansion project. The outcome of this project will provide additional laboratory capacity for the ongoing pandemic and allow the Public Health Laboratory to be better prepared to address future public health crisis.

Additional laboratory space will increase testing capacity by allowing additional instrumentation and clinical laboratory scientists to be performing testing simultaneously.

INFLATIONARY ADJUSTMENT INFO

The lab renovations were approved in Section 3, Chapter 461, Laws of 2021 for $6,000,000 in authority to utilize federal grant funds. Federal grants have been received and increased the project scope via LRBP budget amendments to $20,000,000.

The supplemental funding here is needed in the event the federal grant expenditure deadline is not extended. If the expenditure deadline is extended, this funding will be reverted to the capital development account.

FUNDING		
Original Appropriation + Budget Amendment		$20,000,000
Inflationary Adjustment	***State Special***	***$7,000,000***
TOTAL		**$27,000,000**

ESTIMATED PROJECT COSTS	
Construction Costs	$18,000,000
Inflationary Construction Costs	***$7,000,000***
Consultant Services	$2,000,000
TOTAL	**$27,000,000**

State Health Lab Renovation

PROJECT INFORMATION

- **Description / Scope:** Renovate/expand existing Lab located in the Cogswell Building.
- **Programmed Amount (PA):** $6M federal grant authorized in HB 5, 67th.
- **Acquisition Strategy: selected architect firm conducting options analysis.** Project will be design-bid-build.
- **Estimated Duration:** July 2025
- **Notes:** A request for $7M was submitted to the Legislation to be able to fully complete the renovation if the federal government does not grant a time extension to the current funding deadline of July 2024. If the Feds grant an extension, then we will not use the State money and complete the project with the current Federal grant money.

PROJECT MILESTONES

Date	Key Action	Complete/Slip
03/04/22	Options analysis to DPHHS for consideration	Complete
03/18/22	A&E needs direction on options	Complete
April 2022	Renovation/expansion design	Design started in June.
March 2023	Bidding	
May 2023	Renovation/expansion phased construction	
July 2024	Construction completion due to funding deadline. Need an extension to this, see schedule bullet point.	

STATUS/CHALLENGES/WAY AHEAD

- **Admin:**
  - Secured 1st floor C-Wing for expansion of lab.
  - DPHHS to request grant extension for the current sunset date of July 2024.
- **Schedule:**
  - Estimated construction completion date is August 1, 2025.
  - Put together a document for DPHHS to ask the Federal Grant Project Manager for a time extension on the grants since July 2024 will not be enough time to complete construction.
  - Bid date had to be moved to March 16, 2023 due to unforeseen additional design.
  - Construction schedule issues are caused by phasing, duration, and equipment and material delays.
- **Funding:**
  - Lab secured $20M of federal grants for project; Budget Amendment was completed.
  - Put in a request to the legislation for $7M to complete the project if the Federal government does not grant a time extension on the current funding deadline. See Notes.
- **Logistics:**
  - Phased construction; moving staff; maintaining lab operations and security during.

PRIORITY SUP CD-10

INFLATIONARY ADJUSTMENT
MAZUREK BUILDING RENOVATION

DEPARTMENT OF ADMINISTRATION
$5,000,000

ORIGINAL PROJECT INFO
67TH LEGISLATIVE SESSION

As part of the COVID-19 remote and office workspace study and planning, the Department of Justice, the Montana State Library, and the Judicial Branch shall participate in a working group for the Mazurek building led by the department of administration. The working group shall:

- determine the minimum space needs of the current occupants of the Mazurek building, including whether the footprint of the state law library can be reduced, and opportunities exist to move department of justice staff to the building from private leased space. Tenants should determine whether remote work is a viable option for employees, and the working group should look for opportunities to reduce agency space.
- determine the space configuration that is most efficient and effective for each tenant and its mission. To minimize disruption to the agencies and minimize costs, the configurations should minimize moves from current space and remodeling costs.
- consider how to use the unoccupied space in the building for the needs of the agencies to meet their minimum space needs. If the agencies do not use all of the unoccupied space, then the remaining space should be maintained in a sufficient block to allow for an additional agency tenant.

INFLATIONARY ADJUSTMENT INFO

The Mazurek Building Renovation was approved in Sections 3, Chapter 461, Laws of 2021 for $3,000,000. Due to changes in the scope of work to relocate the State Library and substantial corrections needed with the HVAC, electrical systems, realignment of DOJ functions, and the significant and unprecedented recent cost escalation within the construction industry, this request for an additional $5,000,000 is needed to complete the scope of the project as revised to fully address relocation of the DOJ functions.

FUNDING		
Original Appropriation	LRBP Cash	$3,000,000
Inflationary Adjustment	***LRBP Cash***	***$5,000,000***
TOTAL		**$8,0000,000**

ESTIMATED PROJECT COSTS	
Construction Costs	$2,700,000
Inflationary Construction Costs	***$5,000,000***
Consultant Services	$300,000
TOTAL	**$8,000,000**

Mazurek Building Renovation

PROJECT INFORMATION

- **Description / Scope:** Renovate/update the Mazurek Building
- **Programmed Amount (PA):** $3.0M DOJ state special, 67th session; current project estimate is $8M
- **Acquisition Strategy:** design-bid-build
- **Estimated Duration:** two-phase effort (P1 upper two floors, P2 lower level); phasing timeline being analyzed; complete fall 2024

Lower Level

First Floor

PROJECT MILESTONES

Date	Key Action	Complete/Slip
11/3	Programmatic decisions by DOJ finalized	Complete
11/'22 – 03/'23	Schematic & Design Development Phases	On schedule
04/'23 – 06/'23	Construction Documents, Permitting, and Bidding	
05/'23	Additional $5M appropriation authorized	
07/'23 – 10/'24	Phase 1 & 2 Construction (phasing timelines to be determined at end of Schematic)	

STATUS/CHALLENGES/WAY AHEAD

- **Admin:**
  - Contractor and material availability a concern
  - Need lease-avoidance ROI analysis from DOJ for LRBP narrative
- **Schedule:**
  - See milestone table; phasing analysis in process
- **Funding:**
  - Additional $5M capital development request being inserted into HB 5; Total Project Estimated @ $8M
- **Logistics:**
  - Will need to coordinate HVAC & electrical work with Judiciary

Update: 01/23/2023

PRIORITY MR-01

PARKING GARAGE REPAIRS 5 SOUTH LAST CHANCE GULCH

DEPARTMENT OF ADMINISTRATION
$1,808,145

This project will address structural issues, including concrete repairs, protective waterproofing systems, and structural steel restoration.

Constructed in 1982 at 132 E Broadway to provide parking for the new State Fund building at 5 Last Chance Gulch, the parking garage is a two bay-wide, steel framed structure, with concrete on metal deck slabs, featuring two levels of parking, one supported level and one slab-on-grade level, with parking for 62 vehicles. The parking garage is approximately 101 feet x 108 feet.

In 2015, a project was initiated to address structural issues. Steel beams were repaired and the upper-level concrete on metal decks slabs were replaced. Despite these repairs, further structural deterioration has occurred, including:

- Extensive cracking floor surfaces.
- Concrete spalling, de-bonding and scaling.
- Failed joint and crack sealants.
- Moisture infiltration of the supported slab.
- Corrosion of the metal deck and supporting structural steel frame
- Concrete cracking and spalling on the ground level walls, primarily at beam bearing locations

This project will demolish the existing concrete on metal deck and replace it with a solid cast-in-place post-tensioned concrete slab. Structural steel beams and columns will be sandblasted, repaired, and coated with a high-performance paint. Cracks in concrete walls will be injected with epoxy and other miscellaneous concrete repairs will be made. A traffic topping membrane will be applied to the upper desk. All floor drains and pipes will be cleaned, and new traffic markings will be applied.

Morrison-Maierle Engineering was retained to evaluate the structure and conducted an assessment with Walker Consultants and submitted their findings per a 12/30/2020 condition assessment, which informed the scope of work necessary to remedy the deficiencies.

FUNDING	
LRBP Cash	$1,808,145
TOTAL	**$1,808,145**

ESTIMATED PROJECT COSTS	
Construction Costs	$1,627,330
Consultant Services	$180,815
TOTAL	**$1,808,145**

PRIORITY MR-16

ORIGINAL GOVERNOR'S MANSION REPAIRS

DEPARTMENT OF ADMINISTRATION
$600,000

This project will make exterior repairs to the Original Governor's Mansion and Carriage House, including repairing and repainting the upper balustrade, main level deck, and porch.

The house and carriage house were built in 1888 by William Chessman. In 1913, the state of Montana acquired a mansion to serve as the official residence for the governor of Montana. Between 1913 and 1959, it was home to nine Montana governors and their families. The property includes the house and a two-story brick carriage house. It serves as a historic model today and is open to the public for touring. Maintenance and repairs to the building have been made over the years as funding was available but the exterior of the buildings has seen considerable structural and aesthetic decline. To properly maintain the building, the exterior components must be repaired. This project will replace sections of the exterior of the buildings that are in serious decline and present safety issues. New paint and weather protection will prepare the exterior for a future of serving the public as the proud symbol of governance in Montana.

FUNDING	
LRBP Cash	$600,000
TOTAL	**$600,000**

ESTIMATED PROJECT COSTS	
Construction Costs	$540,000
Consultant Services	$60,000
TOTAL	**$600,000**

PRIORITY MR-44

FCA BASELINE ASSESSMENTS

DEPARTMENT OF ADMINISTRATION
$1,500,000

This request would provide resources to hire consultants to conduct baseline assessments on all LRBP eligible buildings.

To reduce the increasing deferred maintenance backlog of state-owned buildings, the 65th Legislature in 2017 passed SB 43 directing the Architecture & Engineering Division to establish a Facility Condition Assessment program to evaluate building conditions, and track and address the deferred maintenance backlog over time. By using data collected by qualified assessors, the facility condition information and the associated cost of repairs can be prioritized to mitigate deferred maintenance liabilities.

Periodic facility assessments are required for every long-range building program-eligible building with a CRV greater than $150,000 which provides an itemized list of the building's deficiencies and compares the building's current building deficiency ratio (FCI) to its deficiency ratio in the previous biennium. The A&E division has set a goal of assessing each facility once every four years.

Although LRBP-eligible buildings represent only 20% of the total state vertical inventory, they comprise 42% of the total square footage in the inventory and represent over half (51%) of the State's total building infrastructure value. The current number of buildings which require a condition assessment is 504 out of a total of 1,007 LRBP-eligible buildings. Given the size of the inventory and limited number of assessors this once-every-four-years goal is only achievable if additional resources are provided.

This request would allow the Architecture & Engineering Division to hire assessors to conduct assessments on all LRBP-eligible buildings with a replacement value greater than $150,000. These assessments will be conducted using consistent methods by qualified assessors, creating a baseline assessment for comparison with future assessments. Accurate baseline assessments and an accurate statewide deferred maintenance backlog to begin making better informed decisions to address the backlog.

FUNDING	
LRBP Cash	$1,500,000
TOTAL	**$1,500,000**

ESTIMATED PROJECT COSTS	
Consultant Services	$1,500,000
TOTAL	**$1,500,000**

PRIORITY DOA MR-01

BOILER & CHILLER REPLACEMENT WALT SULLIVAN BUILDING

DEPARTMENT OF ADMINISTRATION
$473,707

This project will upgrade the heating system, converting the boiler to a high efficiency hot water boiler in the original building and upgrade the chiller in the 1975 addition to the Walt Sullivan Building.

Built in 1959 with an addition in 1975, the Walt Sullivan building is a 51,2352 square foot office building.

The boiler is over 60 years old and experiences frequent failures. It is original to the building and is undersized due to the 1975 addition. The east side of building has an old boiler and newer chiller along with a 2-pipe system. This causes only heating or cooling and cannot have both at the same time. Floors 1 through 4 are heated by a steam to water heat exchanger but the basement is still on failing steam coils.

The chiller serving the 1975 addition is original to the building and operates using R-22 refrigerant. As of January 1, 2020, the U.S. Environmental Protection Agency (EPA) banned the production

or importing of R22 refrigerant and the R22 refrigerant has become prohibitively more expensive.

This project will replace steam piping and steam heating coils serving the basement of the original building. The original steam boiler will be replaced with a high efficiency, condensing, hot water boiler allowing the complete elimination of steam from the building. In the 1975 addition, the chiller and associated cooling tower will be replaced.

FUNDING	
State Special Revenue	$473,707
TOTAL	**$473,707**

ESTIMATED PROJECT COSTS	
Construction Costs	$426,336
Consultant Services	$47,371
TOTAL	**$473,707**

PRIORITY DOA MR-02

ELEVATOR MODIFICATIONS COGSWELL BUILDING

DEPARTMENT OF ADMINISTRATION
$768,757

This project will make major repairs, modifications, and upgrades to the elevators in the Cogswell Building.

Built in 1955 with an addition in 1981, the Cogswell Building is a 108,868 square foot office and laboratory building.

The Cogswell building has two traction elevators that serve four floors installed in 1955. The elevators utilize old-style relay controllers, flyball governors, and original door operators. Neither elevator has received major upgrades since the initial installation and are out of compliance with the state elevator code. These elevators experience frequent down time and reliability issues.

This project will modernize the elevators with installation of fire service recall, door restrictors, additional lighting, and the replacement of the machines and motors and will bring the elevators into compliance with existing code.

FUNDING	
State Special Revenue	$768,757
TOTAL	**$768,757**

ESTIMATED PROJECT COSTS	
Construction Costs	$691,881
Consultant Services	$76,876
TOTAL	**$768,757**

PRIORITY DOA MR-03

ELEVATOR MODIFICATIONS WALT SULLIVAN BUILDING

DEPARTMENT OF ADMINISTRATION
$379,763

This project will include major repairs, modifications, and upgrades to the elevators in the Walt Sullivan Building.

Built in 1959 with an addition in 1975, the Walt Sullivan building is a 51,2352 square foot office building served by two traction elevators with travels of five floors each. The west elevator was upgraded in 2018. The east elevator was installed in 1960 and utilizes the original equipment.

Existing elevators currently experience frequent down time and reliability issues. Continued problems and repairs result in higher-than-normal service costs and create accessibility barriers for staff and visitors.

The elevators utilize old-style relays, generators, motors, mechanical hall position indicators and mechanical door operators. Car handrails are not ADA compliant and floor passing signals or directional gongs are nonexistent. Additionally, the machine room has rails that do not extend completely around to enclose the machine room.

A complete modernization of the east elevator through major repairs, modifications and upgrades in the Walt Sullivan Building will bring the elevator into compliance with existing code.

This project will replace the mechanical components with modern technology, relocate the car handrails to achieve ADA compliance, install fire service recall, door restrictors, additional lighting, and replace the machines and motors. Railing will be replaced with a wall to completely enclose the machine room.

FUNDING	
State Special Revenue	$379,763
TOTAL	**$379,763**

ESTIMATED PROJECT COSTS	
Construction Costs	$341,787
Consultant Services	$37,976
TOTAL	**$379,763**

PRIORITY DOA MR-04

ROOF & MECHANICAL - DPHHS 111 N SANDERS

DEPARTMENT OF ADMINISTRATION
$1,309,099

This project will replace the existing roof and upgrade the mechanical systems at 111 North Sanders in Helena.

Built in 1975, 111 N Sanders is a 48,682 square foot office building occupied by the Dept. of Health & Human Services. The cooling/condensing units were installed in 1990 as part of a HVAC/Energy Upgrade.

Roof leaks have caused ceiling stains and mildew. Inspections have revealed corrosion on structural components and delaminating of plywood decking. Saturated insulation has significantly reduced energy efficiency. Originally due for a re-roof in 2000, an acrylic top coating was chosen to extend the roof life. The roof can no longer be effectively repaired and is at risk of a major failure that could further damage the building structure and contents.

The 2 cooling/condensing units were installed in 1990 and operating at half cooling capacity due to failed compressors. The two units sized at 60 tons and 25 tons are at the end of their life and replacement parts are no longer manufactured. In addition, the cooling systems use R-22 refrigerant that is no longer produced as of 2020. R-22 has been phased out by the EPA has become prohibitively expensive.

This project will remove abandoned HVAC equipment, replace damaged roof decking, install new roof insulation and a new roof membrane. Mechanical equipment, vents, drains and hatches will be reconfigured to allow for the additional thickness of insulation. Two, high efficiency cooling/condensing units and associated piping and pumps will be installed along with new controls and airside equipment.

FUNDING	
State Special Revenue	$1,309,099
TOTAL	**$1,309,099**

ESTIMATED PROJECT COSTS	
Construction Costs	$1,178,189
Consultant Services	$130,910
TOTAL	**$1,309,099**

PRIORITY DOA MR-05

ROOF REPLACEMENT - FWP HEADQUARTERS

DEPARTMENT OF ADMINISTRATION
$289,695

This project will replace the existing 9,000 square foot roof at the FWP Headquarters.

Built in 1975, the FWP Headquarters building is 22,966 square feet and is used as office space.

Extensive ice and hail damage has resulted in the upper copper roof no longer being weather tight. Ice and snow guards, damaged by hail, now allow icicles to form along the upper roof. Copper repairs are extremely costly and potentially cause additional damage to the lower EPDM membrane from solder welding. Years of penetrations and patches have trapped a significant amount of moisture within the lower roof assembly. Adjacent to the upper copper roof, the lower roof area of approximately 400 square feet requires complete removal and replacement to mitigate any further moisture damage through the roof assembly. Further delay in re-roofing this facility will potentially cause future damage to other components of the building such as ceilings, flooring, electrical, finishes, etc. and significant expenditures to correct further damage.

This project will replace the existing upper copper roof with new pre-finished standing seam metal, improve insulation below the roof to encourage uniform thawing and install new ice and snow guards. The skylight adjacent to upper roof will be removed and the slope below the upper roof will be modified to encourage proper drainage. In addition, 400 square feet of the lower roof area will be replaced.

FUNDING	
State Special Revenue	$289,695
TOTAL	**$289,695**

ESTIMATED PROJECT COSTS	
Construction Costs	$260,725
Consultant Services	$28,970
TOTAL	**$289,695**

PRIORITY CD-04

RENOVATION OF CAPITOL COMPLEX OFFICES (ROWS)

DEPARTMENT OF ADMINISTRATION
$50,000,000

Facilities on the Capitol Complex have not realized a space and systems renewal investments for many decades. The existing non-alignment with the modern workspace and modern workforce has resulted in tremendously inefficient legacy floor plans which negatively impacts productivity while also keeping operational costs high. Spaces need to be strategically "right-sized" to make a lasting impact on efficiencies, performance, and long-term cost reduction.

This proposal brings together findings from the MT ROWS (Remote & Office Workspace Study) project appropriated by the 67th Legislature and gathers insights from departments to provide a high-impact return on investment aligned to the MT ROWS workspace/workforce transitions and space utilization values.

Guiding principles are consolidations in current state-owned space, centralization of departmental functions for operational efficiencies, prioritization of key locations to maximize enterprise-wide goals, and coordination with expirations of existing leases.

The approach presented here balances opportunities from telework implementations, lease cost avoidance, and workplace renovations with a much-needed infusion in Montana's neglected state-owned facilities, and a corresponding reduction in the deferred maintenance backlog, in order to bring state employees onto the Capitol Complex from leased locations in Helena.

Key objectives of the ROWS effort:

1. reduction of leased space and leasing costs thereby improving state agency operating budgets (i.e. long-term leasing is proven to be more costly than state-owned space)
2. maximize workforce efficiencies, recruiting, and retention through telework where appropriate
3. modernize the current state-owned workspace environment to maximize on-site workforce efficiencies; and
4. reduce the deferred maintenance backlog.

Objectives will be achieved through integrating strategic, enterprise-wide co-locations as agencies adjust to telework and relocate from leased space into state-owned space. While key leases will always remain part of functional strategic plan, occupancy may change given agency needs and co-location opportunities aligned to the broader enterprise vision. This will result in some instances of agencies moving out of less strategic leases and into locations that the Department of Administration has identified as mission-critical or crucial for agency needs and citizen accessibility.

Crucial to the success of this approach is an initial investment of low- to mid-level impact renovations and renewals, which may include but is not limited to four Capitol Complex buildings

FUNDING	
LRBP Cash	$50,000,000
TOTAL	**$50,000,000**

ESTIMATED PROJECT COSTS	
Construction Costs	$45,000,000
Consultant Services	$5,000,000
TOTAL	**$50,000,000**

including Cogswell, Mitchell, Walt Sullivan, and Metcalf at a projected cost of $55,182,476. While these are the presently identified locations providing the highest initial return on investment, the Department will continue to analyze and measure the strategic plan against agency workforce needs, lease expirations, and the like and may adjust the appropriation and renewal locations accordingly.

Renovation and renewal costs per building are outlined below:

RENOVATION COSTS	
Cogswell Building	$3,799,661
Mitchell Building	$5,028,366
Walt Sullivan Building	$1,999,981
Metcalf Building	$3,664,213
TOTAL RENOVATION COST	**$14,492,222**

RENEWAL COSTS	
Cogswell Building	$16,441,134
Mitchell Building	$14,672,338
Walt Sullivan Building	$5,272,132
Metcalf Building	$4,934,654
TOTAL RENEWAL COST	**$41,320,258**

Completing the projects outlined in this proposal enables the consolidation of 13 leases totaling 218,969 square feet. The total rent obligation over 10 years is $37,307,818 -a significant portion of which can be avoided by releasing leases and consolidating employees into state-owned space.

The total project cost-benefit summary is outlined in the table below:

PROJECT COST SUMMARY	
Total Renovation Cost	$14,492,222
Total Renewal Cost	$41,320,258
TOTAL PROJECT COST	$55,182,480
Contingency Allowance	$4,187,520
TOTAL INVESTMENT	**$60,000,000**
16-year Lease Cost Avoidance	$63,172,820
Break-Even Point	Year 16

DECEMBER 2022

State of Montana:
Remote & Office Workspace Study
Comprehensive Project Management Plan

Key Objectives, Milestones, and Outcomes

1 Enable and Optimize Telework

Assess telework eligibility, update policies, provide training materials, and communicate changes to the workforce

2 Enhance Operational Efficiency

Right size the portfolio and align space design to support the telework implementation

3 Develop and Action Plan for Implementation

Provide an actionable decision-making framework based on key opportunities

Evaluated Enterprise Telework Eligibility

Assessed 350 occupations (~6400 employees) in administrative positions

Assessed Portfolio Data and Information

Examined existing building condition data, reports, design and cost

Assessed Space Design and Space Standards

Site walk throughs and floor plan analysis revealed legacy design and varying standards in owned assets

Opportunity: Optimize Footprint

Reduce footprint to meet employee demand and support new ways of working

Assessed Manager and Employee Sentiment

Surveyed 14 departments with a 60% response rate, conducted 4 “live” discussions and interviewed 127 managers

Analyzed Lease Rates and Occupancy Costs

Reviewed annual department rent obligation across occupancy types

Opportunity: Optimize Space and Align to Workforce Needs

Implement telework and incorporate hybrid space standards

Opportunity: Achieve Cost Avoidance

Terminate leases and move employees to the Capitol Complex

Project Outcomes

$2.09M Annual savings resulting from a footprint reduction of 15% in less than 2 years.

63% Of deferred maintenance addressed on Capitol Complex achieving **100% renewal of Cogswell, Mitchell, Walt Sullivan, and Metcalf.**

3,356 Employees have **signed telework agreements** and successfully working in a hybrid model.

72% Of key Capitol Complex usable square footage will be renovated to **increase space efficiency and enable new ways of working**.

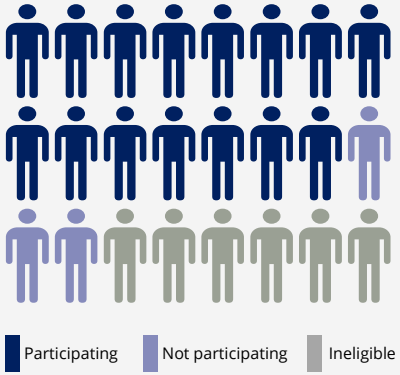
161K SF of leased square footage will be exited, **reducing occupancy costs** and **optimizing the State’s administrative footprint**.

Project Insights

TELEWORK IMPLEMENTATION

Telework Eligibility	73%

Telework Implementation

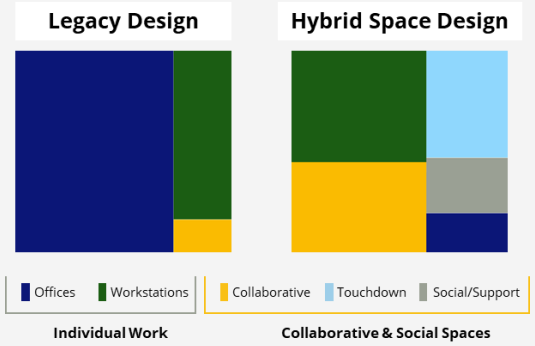


While 73% of employees are eligible to telework 2+ days per week, fewer employees are formally participating, 64% of employees currently have active telework agreements.

SPACE DESIGN

Current Space Utilization	244

Space Observations

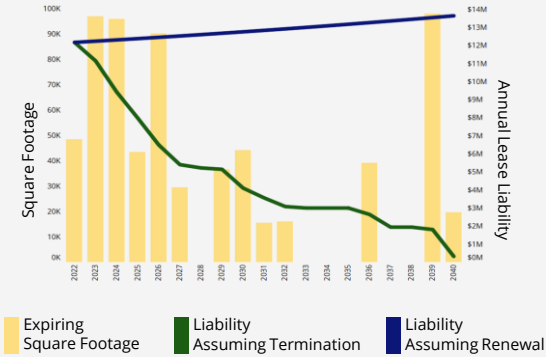


Office space in State buildings is assigned 1:1 and mainly seating space. Workplaces should be redesigned to provide a variety of space types and reduce assigned seating for mobile employees.

COMMERCIAL LEASES

Lease Liability	$94.3M

Administrative Lease Expirations

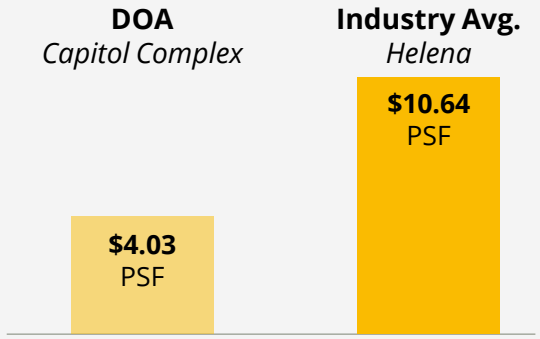


With $91.5M in leased liability, Helena's leased portfolio is nearly 3x greater than that of all 4 remaining cities combined presenting the State with the opportunity to reduce cost over time .

BUILDING CONDITION

Renewal Cost	$65.2M

O&M Investment



Capitol Complex buildings are in poor condition, requiring a significant investment in building infrastructure in addition to funding for space renovations

1. Includes 7 key Capitol Complex buildings, MDT HQ, and all office leases.

Key Paradigm Shifts

The CPMP remains aligned to the four key shifts to successfully adapt spaces that align with recent change and the modern needs of Montana's workforce and citizens.

KEY PARADIGM SHIFTS FOR MONTANA

CREATE A SAFE AND HEALTHY ENVIRONMENT

The state will build and sustain a positive, healthy in-person work culture.

This requires action to address building condition safety, mental well-being, and desire for connection.

DEVELOP A VARIETY OF WORKSPACES

The state will create the right space for the varied workstyles and types of work.

This requires action to rearrange spaces and create the right mix of offices, workstations, and meeting rooms to meet modern ways of working.

STRATEGICALLY RIGHT-SIZE SPACE

The state will focus and invest in strategic locations on the Capitol Complex and downtown Helena.

This requires action to determine the right buildings for the population and the spaces no longer required in the State's footprint to enable a right-sized and strategically located real estate portfolio.

MODERNIZE SPACES

The state will create spaces that are appealing, up-to-date, and fit the needs of workers and the public.

This requires action to determine the top priority spaces for renovation and those which are past useful life.

Guiding Principles Inform Agency Relocations

The CPMP also remains aligned to the following guiding principles which remain the framework for agency relocations to ensure near-term decisions are aligned with long-term goals.

CONSOLIDATE IN PLACE

As telework is rolled out across the enterprise and eligible employees begin working regularly at alternative worksites, **agencies no longer require the same footprint of administrative office space** to support their organizational goals.

Right-sizing space to meet organizational need will **improve utilization** and **enhance employee experience.**

CENTRALIZE DEPARTMENTS

With a new, optimized space need, agencies can re-evaluate occupied locations and **identify consolidation opportunities** and **relocate employees to key locations.**

Centralizing employees will **enable collaboration** across the agency and **increase operational efficiencies**.

PRIORITIZE KEY LOCATIONS

Key strategic locations should be determined based on **enterprise-wide goals, agency need and mission**. Agency feedback and current occupancy data has informed an **initial list of key locations:**

- Key Administrative Capitol Complex Buildings
- MDT Headquarters
- 301 S Park
- 1225 Cedar Street
- 340 N Last Chance
- 1625 11th Ave
- 1539 11th Ave

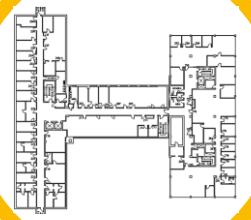
LEASE EXPIRATION TIMING

With termination options assumed to be unavailable, **allowing near-term leases to expire will enable immediate realization of cost avoidance**.

Additional factors including future occupancy at current locations as well as available relocation options at time of lease expiration should be considered when determining action upon expiration date. Short-term extensions may provide flexibility in the interim as space is renovated or made available to accommodate FTEs.

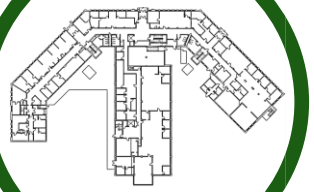
Building Renewals and Proposed Renovations

Key metrics including utilization opportunity, current condition, renewal cost, and renovation cost were compared across Capitol Complex buildings to determine the most cost-effective candidates for renovation.



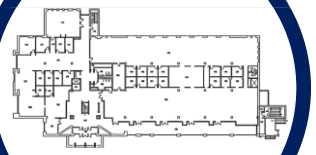
MITCHELL

RSF for Renovation:	96,626
Renovation Cost:	$5,028,366
Renewal Cost:	$14,672,338
Total Project Cost:	$19,700,704



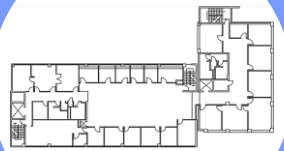
COGSWELL

RSF for Renovation:	73,175
Reno Cost:	$3,799,661
Renewal Cost:	$16,441,134
Total Project Cost:	$20,240,795



METCALF

RSF for Renovation:	70,541
Renovation Cost:	$3,670,917
Renewal Cost:	$4,934,654
Total Project Cost:	$8,605,571



WALT SULLIVAN

RSF for Renovation:	38,432
Renovation Cost:	$1,999,981
Renewal Cost:	$5,272,132
Total Project Cost:	$7,272,113

Project Outcomes

KEY STATS

$41.3M

reduction in **deferred maintenance backlog** on the Capitol Complex.

$14.5M

investment in **Capitol Complex** mid-scale **renovations.**

63%

of the total renewal cost for the **Capitol Complex addressed.**

72%

of square footage in key **Capitol Complex buildings fully renovated.**

Executive Summary

State of Montana: Remote & Office Workspace Study Long Range Building Program Request

This proposal brings together findings from the MT ROWS project and insights from Departments to present a high impact scenario aligned to the MT ROWS Paradigm Shifts and Guiding Principles. The scenario balances opportunities presented from telework implementations and workplace renovations with the need to invest in Montana's state-owned facilities and reduce the deferred maintenance backlog in order to bring state employees onto the Capitol Complex from leased locations in Helena.

The scenario incorporates strategic enterprise-wide colocations as agencies relocate from leased space into state-owned space and key leased locations. While key leases will remain, occupancy may change given agency location needs and colocation opportunities aligned to the broader enterprise vision. This results in some instances of agencies moving out of less strategic leases and into locations that the State has identified as mission critical or crucial for agency needs and citizen accessibility.

Key to the success of this scenario are the renovations and 100% renewal of four Capitol Complex buildings including Cogswell, Mitchell, Walt Sullivan, and Metcalf. The total project cost is $55,182,476. Renovation and renewal costs per building are outlined below:

RENOVATION COSTS	
Cogswell	$ 3,799,661
Mitchell	$ 5,028,366
Walt Sullivan	$ 1,999,981
Metcalf	$ 3,664,213
Total Renovation Cost	**$ 14,492,222**

RENEWAL COSTS	
Cogswell	$ 16,441,134
Mitchell	$ 14,672,338
Walt Sullivan	$ 5,272,132
Metcalf	$ 4,934,654
Total Renewal Cost	**$ 41,320,258**

Completing the projects outlined in this proposal enables the consolidation of 13 leases totaling 218,969 square feet. The total rent obligation over 10 years is $37,307,818 - a significant portion of which can be avoided by releasing leases and consolidating employees into State-owned space. The total project cost summary is outlined in the table to the right:

PROJECT COST SUMMARY	
Total Renovation Cost	$ 14,492,222
Total Renewal Cost	$ 41,320,258
Total Project Cost	***$ 55,182,480***
Contingency Allowance	$ 4,187,520
Total Investment	**$ 60,000,000**
16-Yr Lease Cost Avoidance	$63,172,820
Break-even Point	Year 16

PRIORITY CD-05

STATE CAPITOL BUILDING IMPROVEMENTS

DEPARTMENT OF ADMINISTRATION
$26,316,458

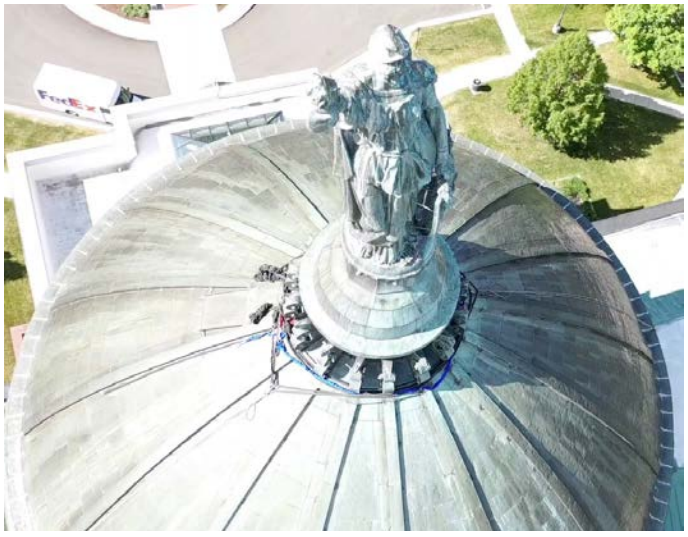
The Montana State Capitol, locally known as the "Peoples House", is Montana's grandest public space. Completed in two phases in 1902 and 1912, it stands as a symbol of progress for the state of Montana and its government. Restorative maintenance is necessary to ensure this iconic Montana landmark is preserved for future generations.

Except for the interior restoration completed in the 2000s, historically preservation of the Capitol has been reactive and piecemeal. A comprehensive condition assessment of the building was performed in 2020 by Hennebery Eddy Architects. The assessment detailed the building's deficiencies, enabling prioritization, planning, packaging and estimates for future improvements projects. The assessments were summarized:

- Priority 1 (Roof)
- Priority 2 (Exterior)
- Priority 3 (Interior & Systems)

Documented as the highest priority in the condition assessment, this request proposes to complete Priority 1 (Roof) which address long-term deferred maintenance and past piecemeal repair methods applied to roof systems and components that shield the Capitol Building structure, interior finishes, occupants, and irreplaceable artwork from weather infiltration.

The most prominent roof component, the copper-clad dome, exhibits extensive hail damage, deteriorated solder seams, and a history of incompatible repairs. A full replacement of the copper sheet metal system is recommended, including panel bands at the drum, pediments, cornices, and ornament. "Montana", the statue atop the dome, and the standing seam copper roofs suffers deterioration



and damage. The statue must be removed for restoration and reinstalled with strengthened attachments and the standing seam copper roofs replaced. The remaining original skylights are at the end of their service life. The east and west wing skylights have unsupported brick and/or granite infill walls. The infill walls should be supported, and the skylights replaced to restore the potential for future daylighting. The membrane roofing systems exhibits adhesion problems, holes, sealant failure, and improper flashing at all areas except for the recently replaced west wing and should be replaced, matching the specifications of the west wing roof. On the east wing where membrane roofing wraps up the back of the granite and sandstone parapets, failing materials and moisture infiltration require installation of a new roof and termination detail. To meet current code, any of these parapets taller than 2'-6" will require to be upgraded with out-of-plane bracing.

Like the parapets, the sandstone masonry at the dome base is in fair to poor condition. The composition of the stone itself is the root cause of the decline. Given the extensive surface deterioration and universally failing past repairs to the sandstone, full replacement or a hybrid of repair and replacement should be considered to address continued systemic deterioration. Additionally, the granite veneer on the west elevator penthouse should be retrofitted with steel reinforcing and roof-to-wall connections installed throughout the entire roof system as part of a voluntary seismic upgrade to address potential life safety hazards.

Funding authorization for this request will initiate the momentum to complete the restorative maintenance of the "Peoples House". Restoration of the dome, roof and skylight systems, sandstone, and granite will ensure the Montana State Capitol remains an iconic landmark for Montanans well into the future.

FUNDING	
LRBP Cash	$26,316,458
TOTAL	**$26,316,458**

ESTIMATED PROJECT COSTS	
Construction Costs	$23,684,813
Consultant Services	$2,631,645
TOTAL	**$26,316,458**

PRIORITY CD-20

OLD BOARD OF HEALTH RENOVATION (LEGISLATIVE STAFF SPACE)

DEPARTMENT OF ADMINISTRATION
$3,500,000

This project will extensively renovate the Old Board of Health building on the Capitol campus for the purposes of accomodating legislative staff needs.

The prominent Helena firm of Link & Haire (which was also responsible for the capitol's wings) designed this new home for the Board of Health. Completed in 1920, the three-story building has a total area of 8,000 square feet and features a restrained revivalist style that combines elements of Italian Renaissance Revival and Neoclassical Revival. It was the second building on the campus to house a government department outside the capitol building.

The OBH building has had minor updates and is overdue for a major renovation. The building lacks an elevator, and all 3 floors are not ADA accessible. The mechanical, electrical, plumbing and fire alarm systems are outdated and need to be replaced. The current floor plan is not conducive to modern office work.
The renovation will update the mechanical, plumbing, and electrical systems and a new fire alarm will be installed. The original layout

will be reconfigured to maximize usable space on all floors. The addition of an elevator along with larger restrooms will ensure the entire building is ADA accessible. Exterior envelope components such as roofing, windows, masonry, foundation, etc. will be evaluated to determine what components need repairing/replacing and updated.

FUNDING	
LRBP Cash	$3,500,000
TOTAL	**$3,500,000**

ESTIMATED PROJECT COSTS	
Construction Costs	$3,150,000
Consultant Services	$350,000
TOTAL	**$3,500,000**

PRIORITY CD-27

5 LAST CHANCE GULCH ATRIUM RENOVATION

DEPARTMENT OF ADMINISTRATION
$15,558,029

The Montana Department of Corrections (DOC) is the third largest department in Montana state government. The Central Services Building located at 5 Last Chance Gulch in downtown Helena houses the administrative departments of DOC. This project will provide comprehensive space planning and a complete interior renovation to the four levels of the building, maximizing staff occupancy, and improving interagency function and efficiency of DOC administrative services.

The state-owned Central Services Building houses the Director's Office and other administrative bureau and division offices for Montana Department of Corrections, and the Montana Board of Crime Control. Overall, the building is in good condition and recently received a new roof and a boiler system upgrade. In conjunction with the Remote Office Work Study (R.O.W.S), the proposed renovation plans to infill the open atrium at two levels and masterplan all four levels of the building which will result in overall improved organizational efficiency, privacy, and maximized building occupancy.

Improvements to the organization of each floor level will be based on the floor plate layout, bureau and departmental needs, adjacency program requirements, privacy, security, and occupancy. Infill of the open atrium or "donut hole" at two floor levels will increase the available net floor area and permit more efficient layout options of each floor. The physical separation created between floors by eliminating the open 3-story atrium will improve interior layout flexibility, privacy, heating & cooling, lighting, and acoustics of each level. Per agency program requirements additional offices and conference rooms will be constructed and new systems furniture installed in open office areas (currently there is no room for any additional cubicles and the existing cubicles are outdated and replacement parts are unavailable). At each floor level, existing toilet rooms will be updated and renovated, and improved access for persons with disabilities will be provided. All interior finishes (ceiling tile, paint, vinyl wall covering, flooring, etc.) will be "refreshed" throughout the building. As an integral part of the renovation, the remainder of HVAC system upgrades will be completed.

FUNDING	
LRBP Cash	$15,558,029
TOTAL	**$15,558,029**

ESTIMATED PROJECT COSTS	
Construction Costs	$14,002,226
Consultant Services	$1,555,803
TOTAL	**$15,558,029**

PRIORITY AO CD-10

FEDERAL SPENDING AUTHORITY

DEPARTMENT OF ADMINISTRATION
$5,000,000

Federal Spending Authorization is needed by the DOA to address pressing issues and funding that becomes available from multiple departments of the federal government between legislative sessions.

Examples include energy conservation, seismic retrofits, and other beneficial upgrades that can be performed to state-owned buildings. Federal appropriations can involve grants, funding opportunities from various programs, and the like. DOA's recent experience with the American Rescue Plan Act (ARPA) and the Infrastructure, Investment, and Jobs Act (IIJA) have demonstrated the need to receive this authorization to take advantage of available federal funding more quickly.

The purpose of this authorization is to receive legislative consent for projects that will exceed the limitation on construction found in §18-2-102 MCA when federal funds become available between legislative sessions.

Project types could be design-only, major maintenance, energy upgrades, new construction, renovations, ADA, and code compliance upgrades or other elements necessary to complete the projects.

Projects that utilize this authorization do not require support of additional programs or increased operations and maintenance costs to the State. Any programmatic or O&M costs shall be the responsibility of the agency for whom DOA performs the project.

The DOA received $5 million of federal spending authority 10-years ago during the 62nd legislative session.

FUNDING	
Authority	$5,000,000
TOTAL	**$5,000,000**

ESTIMATED PROJECT COSTS	
Construction Costs	$4,500,000
Consultant Services	$500,000
TOTAL	**$5,000,000**

PRIORITY AO CD-11

ENERGY IMPROVEMENTS, STATEWIDE

DEPARTMENT OF ENVIRONMENTAL QUALITY
$3,700,000

The State Buildings Energy Conservation Program (SBECP), operated by the Department of Environmental Quality (DEQ), was established by the 1989 Legislature to reduce operating costs in state facilities by identifying and funding cost effective resource efficiency improvements. Statutory authority is Title 90, Chapter 4, part 6, MCA.

The program was started with one-time-only federal grant funding and then from 1993-2007 the state sold general obligation (G.O.) bonds and used the bond proceeds to pay for resource efficiency improvements. These bonds continue to be repaid from the resulting project cost savings.

- In the 2011 biennium, general fund and one-time-only federal funding were utilized for energy improvement projects and enabled the establishment of the current revolving fund program.
- During the 2017 Special Legislative Session, a one-time transfer of $450,000 was moved from the state-funded Energy Conservation and Capital Projects account to the general fund to help backfill budget shortfalls.
- Resource efficiency improvements include replacing old inefficient boilers, upgrading inefficient lighting, increasing ventilation system efficiency, insulating buildings, providing more effective temperature controls, and installing water conserving fixtures.
- Projects are designed so the cost savings meet or exceed the project investment. Project repayments revolve into an account for reinvestment into new projects.
- DEQ provides technical assistance on project development and works with facility staff to ensure that cost savings are maintained.
- During fiscal years 2022 and 2023, the SBECP has and/or intends to invest approximately $1,876,745 into five projects resulting in estimated utility cost savings of $171,146 per year. (Montana School for Deaf and Blind, Helena Job Service, Montana Heritage Center, Montana Women's Prison, and UM Western)

Agencies may often lack funding in their operating budgets to make these large-scale system improvements and SBECP funding supplements operational budgets or long-range funds to complete system upgrade projects resulting in improved energy efficiency, improved system control and operation, and increased comfort.

Improving state facilities by funding energy efficiency projects through the SBECP results in utility consumption reduction, and the resulting utility budget savings revolve back into the account over time to fund future cost reduction efforts. This SBECP $3.7 million authorization request is available to all State agencies and the Montana University System.

FUNDING	
Authority	$3,700,000
TOTAL	**$3,700,000**

ESTIMATED PROJECT COSTS	
Construction Costs	$3,330,000
Consultant Services	$370,000
TOTAL	**$3,700,000**