

JOINT COMMITTEE ON CAPITAL REVIEW

Thursday, April 27, 2017

9:00 a.m.

Senate Appropriations Room 109

JLBC

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

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JOINT COMMITTEE ON CAPITAL REVIEW

Thursday, April 27, 2017

9:00 A.M.

Senate Appropriations, Room 109

MEETING NOTICE

- Call to Order
- DIRECTOR'S REPORT (if necessary).
- 1. [DEPARTMENT OF JUVENILE CORRECTIONS - Review of FY 2017 Building Renewal Allocation Plan.](#)
- 2. [ARIZONA DEPARTMENT OF ADMINISTRATION - Review of Funding Reallocation for 1740 West Adams Renovation.](#)

The Chairman reserves the right to set the order of the agenda.

4/24/17

kp

People with disabilities may request accommodations such as interpreters, alternative formats, or assistance with physical accessibility. Requests for accommodations must be made with 72 hours prior notice. If you require accommodations, please contact the JLBC Office at (602) 926-5491.



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DATE: April 25, 2017

TO: Senator Debbie Lesko, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director *RS*

FROM: Chris Gustafson, Senior Fiscal Analyst *CG*

SUBJECT: Department of Juvenile Corrections - Review of FY 2017 Building Renewal Allocation Plan

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Department of Juvenile Corrections (DJC) requests the Committee review its FY 2017 Building Renewal Allocation Plan. The FY 2017 Capital Outlay Bill (Laws 2016, Chapter 126) appropriated a total of \$1,100,000 for building renewal from the Criminal Justice Enhancement Fund.

DJC is requesting a review of the remaining \$776,300 of the department's appropriation for building renewal projects in FY 2017 for Roof Repair, Floor Covering Systems, HVAC Replacement and Shower Door Replacement at the Adobe Mountain Juvenile Facility. At its September 2016 meeting, the Committee favorably reviewed \$350,000.

This memo is similar to the one prepared for the April 5, 2017 meeting of the Joint Committee on Capital Review where the item was held. Since that time, there have been discussions on forming an interim committee on the future of the Adobe Mountain Facility.

Recommendation

The Committee has at least the following 3 options:

1. A favorable review
2. An unfavorable review.

(Continued)

Under any option, the Committee may consider the following provisions:

- A. DJC shall not use any building renewal monies for projects located in Department of Corrections occupied buildings or in currently vacant buildings.
- B. If DJC adds a new project not listed in this request, the department must submit the proposed project and expenditure plan for Committee review.
- C. DJC shall report any project reallocations above \$50,000.
- D. If an emergency arises that is not addressed by the existing expenditure plan:
 - 1. DJC shall notify the Chairman and the JLBC Staff that they plan to spend less than \$50,000 on an emergency project. DJC can proceed without Committee review.
 - 2. The Chairman can allow DJC to move forward with an emergency project of greater than \$50,000 without Committee review.
 - 3. The Chairman will notify DJC if she does not agree that the project is an emergency and that the project will require full Committee review.

An "emergency" project is defined as unforeseen, critical in nature, and of immediate time sensitivity.

Analysis

DJC requests Committee review for the following projects:

Repair Roofs

The Adobe Mountain Juvenile Facility is in need of roof repairs in various buildings on the facility. Problems include physical deterioration, exposure to the elements, structural defects and stained interior ceilings. Replacing the roof in some cases may be cheaper than repair. At the beginning of FY 2017, DJC has identified 7 roofs in need of repair or replacement. DJC has expended \$323,700 from the September 2016 review on either replacing or repairing 3 roofs and is requesting an additional \$138,000 to partially replace roofs on 4 residence halls. In total, DJC plans to use \$461,700 from the building renewal appropriation along with an additional \$48,800 in operating funds.

Replace Floor Covering

The Adobe Mountain Juvenile Facility is in need of new floor coverings, such as carpet and tile. Many floors have worn out their useful life and replacement has been deferred. The department estimates 72,000 gross square feet of floor will be replaced. The cost is \$243,500, or \$3.38 per square foot.

Replace HVAC

DJC will identify the most critical HVAC problems and repair them so as to mitigate further repairs and emergency replacement. DJC has identified 36 HVAC units that are beyond their useful life. This cost is \$262,300, or \$7,300 per unit.

(Continued)

Replace Shower Doors

The shower doors are 20 years old and humidity has caused rust and deterioration. Serrated edges pose a danger to the staff and youth. The department will replace 44 shower doors at a cost of over \$3,000 a door for a total project cost of \$132,500. The higher-than-average cost is due to federal rules on prison shower facilities which require doors of solid metal, many are built into the foundation of the building.

Below is a chart of the requested expenditures, including monies already reviewed:

<u>Repair or Replacement</u>	<u>September Review</u>	<u>April Request</u>	<u>Total</u>
Roof	\$ 323,700	\$ 138,000	\$ 461,700
Floor Covering	0	243,500	243,500
HVAC	0	262,300	262,300
Shower Doors	0	132,500	132,500
Total	\$ 323,700	\$ 776,300	\$ 1,100,000

Department Long Term Plan Submittal

At its September 2016 meeting, the Committee favorably reviewed \$350,000 of building renewal funding for DJC. At that time the Committee required that before any requests for additional funding be reviewed, DJC must submit a report to the Committee on the long-term facilities plan for the Adobe Mountain School. The report was required to include:

- 1) Projected resident population of the school for the next 3 years.
- 2) A list of the age, square footage and current status of each building on campus, including vacant buildings and the length of the vacancy.
- 3) Options for disposition of the facility, if the Adobe Mountain Facility were to close.
- 4) Given current population projections, any projected change in status or usage of buildings over the next 3 years.
- 5) Significant deferred maintenance and future building renewal projects not included in the proposed FY 2017 allocation plan.

DJC submitted a 3-page report which stated that they project that the population of DJC would most likely be 180 individuals per month for the foreseeable future. The population as of March 2017 was 167 individuals. When the Adobe Mountain Facility was constructed, it was intended to hold approximately 600 juveniles.

DJC did not include any information in their report addressing different options to dispose of the facility. Currently, a portion of the Adobe Mountain Campus is being used by the Department of Corrections for offenders under community supervision in need of additional treatment and services.

Additionally, DJC reported that 2 buildings, totaling a capacity of 88 inmates were completely vacant. The department did not specify the actual population in each of the occupied buildings. Finally, the department reported that they plan on using all available buildings in the future and identified 11 projects that required attention, but were not included in the FY 2017 building renewal allocation plan.

RS/CG:kp



ARIZONA DEPARTMENT OF JUVENILE CORRECTIONS

SAFER COMMUNITIES THROUGH SUCCESSFUL YOUTH

Douglas A. Ducey
Governor

Jeff Hood
Interim Director

March 10, 2017



The Honorable Debbie Lesko, Chairman
Joint Committee on Capital Review
1716 W. Adams St.
Phoenix, AZ 85007

Re: Review of FY 2017 Building Renewal Allocation Plan for the Arizona Department of Juvenile Corrections

Dear Senator Lesko:

The Arizona Department of Juvenile Corrections (ADJC) requests Committee review of the department's FY 2017 building renewal expenditure plan pursuant to A.R.S. § 41-1252. The FY 2017 Capital Outlay Bill (Laws 2016, 2nd Regular Session, Chapter 126) appropriated a total of \$1,100,000 for building renewal from the Criminal Justice Enhancement Fund.

At its September 2016 meeting, the Committee gave a favorable review to \$350,000 of the \$1,100,000 appropriations. Of the favorably reviewed amount, ADJC has spent \$323,700 to replace the roofs of three buildings at the Adobe Mountain School facility.

The remaining \$776,300 of the capital appropriation will replace four additional roofs, twenty HVAC systems, floors throughout the facility and all shower doors. In addition to the balance of the capital appropriation, ADJC intends to spend \$48,800 in operating monies to complete these projects.

If you have any questions regarding ADJC's building renewal plan, please call Art Smith, Budget Manager, ADJC Business and Finance Administration, at 602-542-0461.

Sincerely,

Jeff Hood

Attachments (1)

Cc: Richard Stavneak, Director, JLBC
Chris Gustafson, Senior Fiscal Analyst, JLBC
Lorenzo Romero, Director, OSPB
Taylor Pair, Budget Analyst, OSPB
Denel Pickering, Business and Finance Administrator, ADJC

**Arizona Department of Juvenile Corrections
FY 2017 Building Renewal Allocation Plan
Laws 2016, 2nd Regular Session, Chapter 126
\$1,100,000**

Shell

\$510,500: Repair or Replace Failing Roofs, Adobe Mountain

The Adobe Mountain Juvenile Facility requires replacement and/or repairs to several building roofs. Physical deterioration through the combination of wear and tear, exposure to the elements, structural defects, and deferred maintenance have contributed to evidence of leakage, punctures, tears, blistered coatings, stained interior ceilings, sagging or decaying roof structures, and more. Some types of deterioration may be very apparent, while others may require a more thorough examination by a qualified source. Neglect of exterior roofs, walls, windows and doors facilitates deterioration of building structural systems, which leads to potential mold growth, and increases risk of damage to interior contents. Further, the costs of structure damage and mold abatement can often exceed the cost of replacing a roof membrane alone. The proposed allocation will address critical needs within the campus.

Of the proposed allocation, ADJC has spent \$323,700 of monies favorably reviewed by the Committee in September 2016 to replace the roofs of the Administration building, Health building and Nova residence hall. The remaining \$186,800 will be utilized to partially replace roofs on four residence halls that have leaks in identical areas.

Interior

\$243,500: Replace Floor Covering Systems, Adobe Mountain

Floor covering replacements have been in a “deferred indefinitely” status for many years because limited building renewal monies are directed at keeping failing roofs, HVAC, electrical and plumbing systems, fire alarms, sewer and water systems operational. Many floor coverings - some as old as 20-years - have exhausted a deferred status and are in such poor condition they require immediate attention to avert or eliminate safety hazards. The expected useful life of most carpet in a typical building is five to ten-years. Conditions include floor coverings completely worn through to the floor, trapped dirt accumulation, patch maintenance, stains, unraveling seams and tears, unsuccessful duct tape repairs, and extensive rippling. Tiles are continually broken by those in custody, resulting in health and safety risks to the youth and staff. This allocation will address the most critical flooring needs throughout the campus.

**Arizona Department of Juvenile Corrections
FY 2017 Building Renewal Allocation Plan
Laws 2016, 2nd Regular Session, Chapter 126
\$1,100,000**

Major Building Service

\$262,300: Replace Failing HVAC, Adobe Mountain

An increasing number of HVAC units reach and/or exceed their life expectancy on an annual basis. These units serve various institutional housing, classroom and recreational facilities. Failure to address these systems will lead to costly repairs and pose serious health safety risks for the youth and staff housed in these buildings. This allocation will be used to address the most critical HVAC issues on campus in an effort to prevent costly repairs and emergency replacements.

Fire and Life Safety

\$132,500: Replace Shower Doors, Adobe Mountain

The Adobe Mountain Juvenile Facility requires replacement of shower doors in several units. The doors are over 20-years old and have exceeded their life expectancy. The age of the doors combined with several years of use and humidity has caused large rust spots and deterioration of the door frames. The rust presents several life safety hazards such as infection to staff or youth and cuts from serrated edges. Additionally, broken pieces of rust could be used as a weapon to harm staff, harm other youth or self-harm. This allocation will address critical life safety needs throughout the campus.



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DATE: April 25, 2017

TO: Senator Debbie Lesko, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director *RS*

FROM: Geoffrey Paulsen, Fiscal Analyst *GP*

SUBJECT: Arizona Department of Administration - Review of Funding Reallocation for 1740 West Adams Renovation

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. At the June 2016 and December 2016 JCCR meetings, the Committee favorably reviewed the Arizona Department of Administration (ADOA) building renewal project of \$4,200,000 to renovate the old Department of Health Services building at 1740 West Adams. Pursuant to a Committee provision, ADOA is requesting review of its plan to increase the project budget by another \$1,059,000 to reinforce the concrete floor slabs and structural columns inside the building. ADOA proposes using \$791,000 in cost savings from other FY 2017 Building Renewal projects and \$268,000 from its Contingency Allocation.

The building will be occupied by numerous small agencies, particularly health board "90/10's".

Recommendation

The Committee has at least the following 2 options:

1. A favorable review of the \$1,059,000 reallocation request.
2. An unfavorable review.

Under either option, the committee may consider a provision requiring ADOA to report on how they plan to address agencies with early termination penalties.

(Continued)

Background

The FY 2017 Capital Outlay Bill (Laws 2016, Chapter 126) allocated \$4,200,000 in FY 2017 from the ADOA building renewal appropriation to renovate 1740 West Adams. A.R.S. § 41-1252 requires the Committee to review expenditure plans for building renewal monies prior to expenditure. The Committee gave a favorable review of \$500,000 at its June 2016 meeting and of the remaining \$3,700,000 at its December 2016 meeting. At that time, the Committee included a provision requiring ADOA to report on the agency space allocations and project timeline by February 28, 2017.

Analysis

1740 West Adams Building Renovation

The \$4.2 million original project costs included funding for updating fire and life safety systems, HVAC, plumbing, and electrical components. In addition, the project included funds for reconfiguring the office space. After beginning demolition, ADOA discovered safety concerns with the concrete floor slab and the structural columns that were not apparent until the inside demolition had been completed. ADOA estimates an additional cost of \$1,059,000 to address these issues. With these changes, the total renovation cost will be \$67.88 per square foot.

In order to fund the budget increase, ADOA plans to reallocate \$791,000 in cost savings from other FY 2017 Building Renewal projects already completed and \$268,000 from its Contingency Allocation. See *Table 1* below for an updated overview of the overall renovation costs.

	Original	Proposed
Demolition	\$ 500,000	\$ 500,000
Architectural and Engineering Design	500,000	500,000
Building Shell/Interior Systems	1,000,000	1,000,000
Concrete Slab/Column Reinforcement	-	1,059,000
Interior Buildout	<u>2,200,000</u>	<u>2,200,000</u>
Total	\$4,200,000	\$5,259,000

Revised Agency Space Allocation and Timeline

ADOA provided an updated agency space allocations plan and project timeline to the JLBC Staff on March 6, 2017 (see *Appendix A and B*). In the updated plan, the Pharmacy Board will no longer be relocated from their state-owned space at 1616 West Adams and the Department of Health Services will no longer have any FTE positions in the building and will occupy a smaller amount of storage space. Also, ADOA has worked with agencies to address concerns such as parking, board rooms, private meeting space, and public counters. Based on our informal conversations, the 90/10 agencies still appear to have some ongoing reservations about these issues. ADOA has established a "tenant liaison group" which will work to address these concerns as well as cost-sharing plans for building security, wireless internet, and other issues as they arise.

(Continued)

The Office of Administrative Hearings will receive about 40% of the freed-up space from the changes, addressing one of the bigger space issues in the original plan. The remaining space is distributed to other agencies, particularly agencies with 1 or 2 FTE positions.

ADOA plans to relocate agencies from 2 state-owned buildings (Doubletree Road and 1400 West Washington). Additionally, 7 agencies currently occupying privately-leased space will also move to 1740 West Adams. The agencies relocating under the plan and their space allocations are listed below in *Table 2*.

Table 2	FTE	Current SQ FT	1740 W. Adams SQ FT	Change in SQ FT
Relocating from Double Tree Road:				
Arizona Medical Board	55	15,294	11,659	(3,635)
Arizona Board of Osteopath Examiners	8	2,821	1,983	(838)
Arizona State Veterinary Medical Examining Board	6	1,932	1,711	(221)
Relocating from 1400 West Washington:				
State Board of Psychologist Examiners	4	1,567	1,089	(478)
Board of Respiratory Care Examiners	4	1,512	908	(604)
Board of Massage Therapy	5	2,172	1,201	(971)
Nursing Care Institution Administrators Board	4	1,757	1,047	(710)
ADOA - Central Services Bureau/State Boards' Office	10	3,317	1,737	(1,580)
State Boards & Central Services	0	N/A	2,870	2,870
State Board of Podiatry Examiners	2	340	766	426
State Board of Optometry	2	701	759	58
State Board of Funeral Directors and Embalmers	4	1,162	920	(242)
Naturopathic Physicians Medical Board	2	619	760	141
State Board of Dispensing Opticians	1	502	678	176
Acupuncture Board of Examiners	1	354	695	341
Board of Homeopathic and Integrated Medicine Examiners	1	385	677	292
State Personnel Board	2	1,892	757	(1,135)
Office of Administrative Hearings	13	15,631	10,598	(5,033)
Board of Barbers	5	957	1,415	458
State Board for Private Postsecondary Education	5	1,292	1,298	6
Relocating from Privately-Leased Space:				
Board of Behavioral Health Examiners	15	5,760	4,230	(1,530)
State Board of Chiropractic Examiners	5	2,844	1,133	(1,711)
State Board of Dental Examiners	11	5,128	2,687	(2,441)
Board of Physical Therapy	4	978	1,162	184
Board of Cosmetology	24	6,400	6,410	10
Board of Occupational Therapy Examiners	3	1,295	1,064	(231)
State Board of Nursing	59	13,847	11,537	(2,310)

(Continued)

ADOA's updated timeline projects that all agencies will move in to 1740 West Adams in January 2018. For those agencies currently in privately-leased space, ADOA reports that most have a termination clause that permits termination without penalty if ADOA directs the agency to a state-owned facility. ADOA reports that they are currently assessing options for other leases that do not include such a termination clause, or for the agencies whose leases will end prior to the move-in date, but they have not yet finalized any plans.

RS/GP:kp

Appendix A

1740 WEST ADAMS STREET SPACE ALLOCATION PLAN

Backfill Agency	FTE	Current RSF 1/ (March 2017)	Adjusted RSF (March 2017)	Current Rent	Projected Rent (March '17)	Net Difference in Rent	Current Location	Space Type	Space Disposition	Projected Move-In Date
Health Services, Department of Medical Examiners	N/A	77,474	5,724	\$1,013,360	\$27,132	(\$986,228)	1740 W Adams	State-owned	DHS retains space in basement	January 2018
Osteopath	8	2,821	1,983	\$36,899	\$25,938	(\$10,961)	9535/3545 Doubletree Ranch Rd.	State-owned	Sell	January 2018
Veterinarian	6	1,932	1,711	\$25,271	\$22,380	(\$2,891)	9535/3545 Doubletree Ranch Rd.	State-owned	Sell	January 2018
Psychologists	4	1,567	1,089	\$20,496	\$14,244	(\$6,252)	1400 West Washington	State-owned	Renovate & backfill	January 2018
Respiratory	4	1,512	908	\$19,777	\$11,877	(\$7,900)	1400 West Washington	State-owned	Renovate & backfill	January 2018
Massage Therapy	5	2,172	1,201	\$28,410	\$15,709	(\$12,701)	1400 West Washington	State-owned	Renovate & backfill	January 2018
Nursing Care and Asst Living Admin.	4	1,757	1,047	\$22,982	\$13,695	(\$9,287)	1400 West Washington	State-owned	Renovate & backfill	January 2018
State Boards & Central Services	10	3,317	1,737	\$43,386	\$22,720	(\$20,666)	1400 West Washington	State-owned	Renovate & backfill	January 2018
ADOA - GSD	N/A	N/A	2,870	N/A	\$13,604	\$13,604	1400 West Washington	State-owned	Renovate & backfill	January 2018
Podiatry Examiners	2	340	766	\$4,447	\$10,019	\$5,572	1400 West Washington	State-owned	Renovate & backfill	January 2018
Optometry	2	701	759	\$9,169	\$9,928	\$759	1400 West Washington	State-owned	Renovate & backfill	January 2018
Funeral Directors	4	1,162	920	\$15,199	\$12,034	(\$3,165)	1400 West Washington	State-owned	Renovate & backfill	January 2018
Naturopath	2	619	760	\$8,097	\$9,941	\$1,844	1400 West Washington	State-owned	Renovate & backfill	January 2018
Dispensing Opticians	1	502	678	\$6,566	\$8,868	\$2,302	1400 West Washington	State-owned	Renovate & backfill	January 2018
Acupuncture	1	354	695	\$4,630	\$9,091	\$4,460	1400 West Washington	State-owned	Renovate & backfill	January 2018
Homeopathic physicians	1	385	677	\$5,036	\$8,855	\$3,819	1400 West Washington	State-owned	Renovate & backfill	January 2018
Personnel Board	2	1,892	757	\$24,747	\$9,902	(\$14,846)	1401 West Washington	State-owned	Renovate & backfill	January 2018
Administrative Hearings	13	15,631	10,598	\$204,453	\$138,622	(\$65,832)	1400 West Washington	State-owned	Renovate & backfill	January 2018
Barber Board	5	957	1,415	\$12,518	\$18,508	\$5,991	1400 West Washington	State-owned	Renovate & backfill	January 2018
Private Post Secondary Education	5	1,292	1,298	\$16,899	\$16,978	\$78	1400 West Washington	State-owned	Renovate & backfill	January 2018
Behavioral Health Examiners	15	5,760	4,230	\$96,019	\$55,328	(\$40,691)	3443 N. Central, Suite 1700	Private lease	Lease expires 12/31/2020 ^{2/}	January 2018
Chiropractic Examiners	5	2,844	1,133	\$47,637	\$14,820	(\$32,817)	1951 W. Camelback Rd., Suite 330	Private lease	Lease expires 4/30/2020 ^{2/}	January 2018
Dental Examiners	11	5,128	2,687	\$61,536	\$35,146	(\$26,390)	4205 N 7th Ave., Suites 207 & 300	Private lease	Lease expires 11/30/2020 ^{2/}	January 2018
Physical Therapy Examiners	4	978	1,162	\$12,225	\$15,199	\$2,974	4205 N 7th Ave. #208	Private lease	Lease expires 7/14/2018 ^{2/}	January 2018
Cosmetology	24	6,400	6,410	\$126,400	\$83,843	(\$42,557)	1721 E. Broadway	Private lease	Lease in in holdover (6/30/2016) ^{3/}	January 2018
Occupational Therapy	3	1,295	1,064	\$14,893	\$13,917	(\$975)	4205 N. 7th Avenue, Suite 305	Private lease	Lease is in holdover (11/30/2014) ^{3/}	January 2018
Nursing Board	59	13,847	11,537	\$287,325	\$150,904	(\$136,421)	4747 N. 7th St.	Private lease	Lease expires 9/30/2017 ^{4/}	January 2018
Total	255	167,933	77,475	\$2,368,422	\$941,699	(\$1,426,723)				

1/ RSF= Rentable Square Feet

2/ Termination clause permits termination if ADOA directs to state-owned facility; no penalty for early termination

3/ 30 days notice requirement as long as lease is not renewed

4/ 120 days notice required; \$91,160 lease termination penalty. ADOA intends to wait for lease termination to relocate the agency.

Appendix B

1740 W. Adams St Building Renovation Project

ID	Task Name	Duration	Start	Finish	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	
1	Pre-Design	63 days	Fri 10/28/16	Tue 1/24/17		█															
2	Pre-Design ADOA Review	11 days	Tue 1/24/17	Tue 2/7/17					█												
3	Schematic Design	16 days	Tue 2/7/17	Tue 2/28/17					█												
4	Schematic Design ADOA Review	11 days	Tue 2/28/17	Tue 3/14/17					█												
5	Design Development	15 days	Tue 3/14/17	Mon 4/3/17						█											
6	Design Development ADOA Review	11 days	Mon 4/3/17	Mon 4/17/17						█											
7	Construction Drawings	15 days	Mon 4/17/17	Fri 5/5/17						█											
8	Construction Drawings ADOA Review	11 days	Fri 5/5/17	Fri 5/19/17						█											
9	Permitting/Statutory Review	16 days	Fri 5/19/17	Fri 6/9/17						█											
10	Construction	138 days	Fri 6/9/17	Mon 12/18/17									█								
11	Substantial Completion	5 days	Mon 12/18/17	Fri 12/22/17																	█
12	Move in	28 days	Fri 12/22/17	Tue 1/30/18																	█

Project: 1740 W Adams St Build
Date: Tue 2/28/17

Task		Project Summary		Manual Task		Start-only		Deadline	
Split		Inactive Task		Duration-only		Finish-only		Progress	
Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
Summary		Inactive Summary		Manual Summary		External Milestone			

Rebecca Perrera

From: John Hauptman <John.Hauptman@azdoa.gov>
Sent: Friday, April 07, 2017 12:39 PM
To: Rebecca Perrera
Cc: Richard Stavneak; Lorenzo Romero; Kevin Donnellan; Derik Leavitt; Ryan Vergara; Ashley Beason; Nola Barnes; Ruben A Duran
Subject: 1740 W Adams Structural Repairs - BR17 Reallocation

Rebecca,

The JCCR review of the FY 2017 ADOA Building Renewal Allocation Plan includes a provision that ADOA report any change in the Building Renewal spending plan to JLBC Staff, including reallocations between projects and non-emergency use of contingency monies.

The review included the following provisions:

- ADOA notify the Chairman and the JLBC Staff that they plan to spend less than \$50,000 on an emergency project. ADOA can proceed without Committee review.
- The Chairman can allow ADOA to move forward with an emergency project of greater than \$50,000 without Committee review.
- The Chairman will notify ADOA if he does not agree that the project is an emergency and that the project will require full Committee review.

ADOA is requesting to move forward with the proposed reallocation listed below for structural repairs and reinforcement to the 1740 W. Adams office building without formal Committee review. The 1740 W. Adams renovation project is time sensitive and requires that ADOA proceed as soon as possible.

The request is as follows:

1740 W Adams Street Structural Repairs/Reinforcement- \$1,059,000

ADOA is reallocating an additional \$1,059,000 for unforeseen structural repairs and reinforcement needed at the 1740 W. Adams office building. Upon completion of schematic design, a structural analysis was conducted to determine structural load requirements. Due to the increase in live loading from the original (1972) structural drawings to proposed building layout, the concrete floor slabs and structural columns must be reinforced to comply with the 2006 International Building Code. In addition, existing condition reports provided by the project design team identified several damaged areas where horizontal cracking and honeycombing were present. These items were not visible until after the interior demolition and abatement was completed.

Due to these unforeseen conditions, additional work will be required to bring the facility in compliance with the current building code. The proposed scope of work includes demolition and expansion of the concrete footings in the basement, carbon fiber wraps for structural columns, and additional carbon fiber strips added to the bottom of concrete floor slabs where the live loading exceeds 50 pounds per square foot.

Failure to complete the required structural repairs and reinforcement would prevent completion of the 1740 W. Adams renovation. In order to avoid further delay to the construction timeline, ADOA must proceed with the repairs immediately while the project Architect is finalizing design and construction documents.

A line item breakdown of monies re-allocated for this project is shown below:

1740 W Adams Street Structural Reinforcement: Proposed Reallocations

Project Description	Original Budget Allocation	Actual Construction Cost	Funds Available for Reallocation
FY17 Replace Fire & Life Safety Systems–ASDB Tucson	\$1,500,000	\$ 1,350,000	\$150,000
FY17 Replace Fire & Life Safety Systems–DEMA Armories	\$ 500,000	\$ 400,000	\$100,000
FY17 Replace Failing HVAC–Arizona State Hospital Complex	\$ 4,300,000	\$ 3,759,000	\$541,000
Subtotal			\$791,000
FY17 Building Renewal Contingency–COSF			\$188,000
FY17 Building Renewal Contingency–General Fund			\$80,000
TOTAL			\$1,059,000

ADOA plans to reallocate \$791,000 in cost savings from the above referenced FY 2017 Building Renewal projects and \$268,000 from the FY 2017 Building Renewal Emergency and Contingency Allocation. ADOA has been able to deliver these Building Renewal projects for less than the original budget, thus making the cost savings available for reallocation.

Please let me know if you have any questions.

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