COVID-19 and Remote Workplace Implications in the State of Tennessee

Ready for Now, Preparing for the Future
Introduction

• History of the AWS Program in Tennessee

• How the Pandemic affected our plans

• Where do we go from here?
The Opportunity

- Increased productivity and flexibility for our employees
- Changing the culture of State Government
- Recruitment and retention of top talent
- Better customer service for our citizens
- More efficient use of transportation infrastructure
- Reduced square footage, therefore lower cost
Total Office Portfolio in Downtown Nashville

3.1M sf
Total Owned Area

Tennessee State Museum
122,058 SF

Supreme Court
17,257 SF

Library and Archives
65,746 SF

Andrew Johnson
230,304 SF

TN Tower
585,713 SF

State Capitol
41,465 SF

New TN State Library and Archives
166,000 SF

Davy Crockett
218,764 SF

Cordell Hull
323,837 SF

John Sevier
78,414 SF

Andrew Jackson
355,987 SF

Citizens Plaza
244,957 SF

James K. Polk
427,723 SF

Rachel Jackson
107,800 SF

220,000 sf Total Leased Area
Contributory Factors

- Consolidation of Office Space Management (FRF) (1989)
  - Centralized Space Standards for Office Space
  - Provided Common Direction for Facilities Management
- Centralization of Purchasing (CPO) (2011)
  - Ease of access for both vendors and employees
  - Broader statewide contract availability
- TEAM Act (2012)
  - Hiring based on Knowledge, Skills, Abilities, and Competencies
  - New S.M.A.R.T. based Performance Evaluation System
  - Enhanced Leadership and Learning Opportunities
- Next Gen IT and IT Centralization (2014)
  - Better management of technology resources
  - One-stop shop for assistance
  - Broader availability and use of remote work capabilities
Alternative Workplace Solutions (AWS) is a physical and cultural transformation using non-traditional workspaces to promote efficiency and flexibility.

“It’s really the idea of letting people work how they work best, for the job they are currently doing.”
Three Categories of AWS

Work from Home

Mobile Work

Free Address
What should office space look like?

- Align space design with agency culture
Agency Participation (Pre-Pandemic)

- As of January 2020, 26% of the state’s workforce was participating in AWS.
  - 10,000 employees

- As of January 2020, 18 cabinet level and 2 non-cabinet level executive branch agencies along with 3 non-executive branch agencies were participating in AWS.

- Tennessee has seen a range of reductions in space between 20% and 50% dependent on the individual agency's operational needs
COVID-19 Adjustments

• As of May 2020, 57% of the state’s workforce was working from home.

<table>
<thead>
<tr>
<th>Total Employee Count</th>
<th>38,843</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current WFH *</td>
<td>22,065</td>
</tr>
<tr>
<td>Potential Expansion of WFH</td>
<td>801</td>
</tr>
<tr>
<td>Cannot WFH</td>
<td>16,204</td>
</tr>
</tbody>
</table>

– Since COVID-19, the number of employees who have completed the required AWS trainings have doubled.
– This represents 96.5% participation of those employees that can work from home.

• As of September 2020, 46% of the state’s workforce is working from home.
  – 17,659 employees
  – Reduction is due to employees voluntarily returning to the workplace
Where we go from here

- Post-pandemic AWS implementation plan; “AWS 2.0”

- 20+ agencies eager to align real estate needs with AWS 2.0 cultural adoption

- Once real estate needs are realigned, the state will have an estimated 600,000sf of vacant space that could be repurposed or removed from the portfolio

- Opportunity to decrease real estate costs for agencies and for the enterprise
Where we go from here

• In AWS 2.0, collaboration and connection in the office will be the primary focus of space design.
Thank You

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Additional Links:
https://www.tn.gov/content/tn/cfg/alternative-workplace-solutions.html
https://youtu.be/PJReOydTkiw