

JOINT BUDGET COMMITTEE



INTERIM SUPPLEMENTAL BUDGET REQUEST FY 2022-23

CAPITAL CONSTRUCTION

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:
ANDREA UHL, JBC STAFF
JUNE 20, 2024

JOINT BUDGET COMMITTEE STAFF
200 E. 14TH AVENUE, 3RD FLOOR • DENVER • COLORADO • 80203
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<https://leg.colorado.gov/agencies/joint-budget-committee>

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INTERIM SUPPLEMENTAL REQUESTS

DOC ARKANSAS VALLEY CORRECTIONAL FACILITY CRITICAL LIVING UNIT SHOWER DRAIN IMPROVEMENTS (CAPITAL RENEWAL) (SCOPE REDUCTION)

	REQUEST	RECOMMENDATION	
TOTAL		\$0	\$0
FTE		0.0	0.0
General Fund		0	0
Cash Funds		0	0
Federal Funds		0	0

Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.? [The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.] **NO**

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**
 [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: This request was submitted to the CDC on March 7, 2024 and approved by the CDC on March 21, 2024. Therefore, JBC staff does not agree that this request is “due to unforeseen circumstances arising while the General Assembly is not in session”. However, given the practical impossibility that the General Assembly could have addressed this issue at that point in the legislative session, JBC staff feels it is appropriate to consider this item as an interim supplemental request pursuant to Section 24-75-111.5, C.R.S. resulting from an unforeseen contingency.

DEPARTMENT REQUEST: The Department of Corrections requests a non-monetary scope reduction to the Arkansas Valley Correctional Facility Critical Living Unit Shower Drain Improvements (capital renewal) project in the FY 2022-23 Long Bill due to inflation and supply chain and labor shortages that resulted in the failure to secure a contract bid that could complete the entire scope of the project within the existing appropriation. The request reduces the scope of the project from shower, drain, and toilet reconfiguration and replacement in six inmate living units to four.

CDC APPROVAL: The Capital Development Committee approved the request on March 21, 2024.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the non-monetary scope change as requested.

STAFF ANALYSIS:

The Department of Corrections is requesting a scope change to reduce the number of inmate living units that will be completed with the existing \$12,402,937 FY 2022-23 appropriation in H.B. 22-1329 (Long Bill) from six to four. Due to high construction inflation, material supply chain shortages, and labor shortages, the cost of the project has risen substantially since it was originally approved in 2022. The Department was unable to secure a successful bid on the project that would cover the entire

scope of six inmate living units. Upgrades for the remaining two living units will be resubmitted as a new project request in the FY 2025-26 budget cycle.



COLORADO
Department of Corrections
Office of Finance & Administration
Facility Management Services
1250 Academy Park Loop
Colorado Springs, CO 80910

23 May 2024

Joint Budget Committee
Colorado State Capitol
200 East Colfax Avenue
Denver, Colorado 80203

RE: JBC Capital Renewal Project Re-scoping Considerations for the Department of Corrections

Dear Committee Members -

Please accept this as the Department of Corrections request for consideration of project re-scoping allowing the contract award and re-submittal of the remainder of the previously funded capital renewal project. The Department would like to award the partial scope to complete two-thirds of the original project scope. This request was approved by the Capital Development Committee (CDC) on 21 March 2024 with approval documentation forwarded to the Joint Budget Committee. The initial request document and the CDC document are attached for reference.

Impacts that compromised the scope and budget included:

- A robust construction market with record inflation
- Material supply chain shortages
- Labor shortages
- Failed bid (*not enough monies to cover project scope when at the bid table*)

The impacted project detail is as follows:

- HB22-1329 Capital Renewal Project -Arkansas Valley Correctional Facility Critical Living Unit Shower Drain Improvements - \$12,402,937.
 - Scope of project is shower, drain, toilet reconfiguration and replacement for the 6 inmate Living Units.
 - Available Funds to Bid - \$10,508,173 (does not include contingency).
 - Professional Opinion of Probable Costs allowed for Base Bid to be only 4 of the 6 Living Units.
 - Low Bid received on 15 February 2024 - \$9,930,000 with a scope of 4 living units.
 - Alternates 1-6 - \$4,733,946 with a scope of the last 2 Living Units and required additional components to replace pressure reducing valves.
 - Alternates were unable to be accepted due to available project fund constraints.
 - The Department would like to award the partial scope of four living units and submit the last two living units as a FY25|26 Phase II project to finish and complete the project. Refer to the attached drawing for scope.

Thank you for your consideration and please do not hesitate to contact our office should questions, concerns or comments arise regarding this project scope modification.

Sincerely,

Rhonda Boger-Linder
Assistant Director of Facility Management Services

Attachments: CDOC CDC Request Documents dated 07 March 2024
CDC Approval Letter to JBC dated 21 March 2024

cc: Andre Stancil, CDOC Executive Director | Merideth McGrath, CDOC Deputy Executive Director | Ashley Clark, CDOC Director of Finance & Administration | Mitch Karstens, CDOC Deputy Director of Finance & Administration | Nicole Updegrove, Governor's Office | Nora Owen, OSPB Budget & Policy Analyst | Tammy Pacheco, OSPB Capital Construction Budget Analyst | Lonnie Weaver, CDOC Budget & Business Operations Manager | Tana Lane, State Architect | Project File

Jared Polis, Governor | M. Andre' Stancil, Executive Director

Attachment A: Letter from the DOC to JBC



Sen. Nick Hinrichsen, *Chair*
Sen. Kyle Mullica
Sen. Cleave Simpson



Capital Development Committee

State Capitol Building, Room 029
Denver, Colorado 80203-1784
(303) 866-3521

Rep. Tammy Story, *Vice Chair*
Rep. Marc Catlin
Rep. Mandy Lindsay



March 21, 2024

Representative Shannon Bird, Chair
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Representative Bird,

On March 21, 2024, the Capital Development Committee (CDC) considered one supplemental request submitted pursuant to Section 24-75-111.5, C.R.S. *The CDC approved the request on votes of 6-0.* Table 1 summarizes the request. A description of the approved request is attached.

Table 1
Capital Development Committee Recommendation
Regarding Supplemental Request

Department Name	Project Title	Project Short Description	Cost
Department of Corrections	Critical Living Unit Shower Drain Replacement, Arkansas Valley Correctional Facility (Capital Renewal)	The capital renewal project upgrades all plumbing fixtures in the living units at the Arkansas Valley Correctional Facility. Due to project cost inflation, the department seeks to reduce the scope of the project for the FY 2022-23 appropriation, and will request additional funding during the next budget cycle to complete the project under a second phase.	\$0

If you have any questions or concerns about the CDC's recommendation, please call Bo Pogue, Legislative Council Staff, at 303-866-5390.

Sincerely,

Senator Nick Hinrichsen
Chair, Capital Development Committee

c: Capital Development Committee Members
Joint Budget Committee Members
Adrian Leiter, Governor's Office of State Planning and Budgeting

Tammy Pacheco, Governor's Office of State Planning and Budgeting
Rhonda Boger-Linder, Department of Corrections
Andrea Uhl, Joint Budget Committee Staff
Capital Development Committee Staff

FY 2022-23 Supplemental Capital Construction Request

Corrections

Critical Living Unit Shower Drain Replacement, Arkansas Valley Correctional Facility (Capital Renewal)

MOTION

Approve the supplemental request from the Department of Corrections for a reduced project scope for the Critical Living Unit Shower Drain Replacement, Arkansas Valley Correctional Facility (Capital Renewal) project.

GENERAL INFORMATION

2021-023

1. Which supplemental criterion does the request meet?

Unforeseen Contingency

Construction inflation caused the project costs to rise to the point that the department was unable to successfully get a bid on the project due to insufficient funding for the current scope.

2. Which projects will be restricted to fund the supplemental request?

No emergency restriction is required because no additional state funds are sought under the current request.

3. Has the request been approved by OSPB and CCHE?

Yes

PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION

The appropriation to be amended was authorized in the following bill: HB22-1329

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Costs</u>
CCF	\$12,402,937	\$0	\$0	\$12,402,937
Totals	\$12,402,937	\$0	\$0	\$12,402,937

REASON FOR SUPPLEMENTAL REQUEST

Due to high construction inflation, material supply chain shortages, and labor shortages the costs of the project have risen substantially since it was originally approved in 2022. The department was unable to get a successful bid on the project because the previously approved funding will no longer cover the original project scope. The department requests that the project scope be reduced to cover the shower, drain, and toilet reconfiguration and replacement in four living units instead of six. The remaining two units will be submitted during the FY 2025-26 capital cycle as Phase II of this request.

SUMMARY OF PROJECT

The Department of Corrections is requesting state funds to upgrade all plumbing fixtures in the living units at the Arkansas Valley Correctional Facility) near Ordway under the capital renewal approach.

QUESTIONS / OUTSTANDING ISSUES

None.



COLORADO
Department of Corrections
Office of Finance & Administration
Facility Management Services
1250 Academy Park Loop
Colorado Springs, CO 80910

07 March 2024

Capital Development Committee
Colorado State Capital
200 East Colfax Avenue
Denver, Colorado 80203

RE: CDC Meeting Project Re-scoping Considerations for the Department of Corrections

Dear Committee Members -

Please accept this as the Department of Corrections request for consideration of project re-scoping allowing the contract award and re-submittal of the remainder of the previously funded capital renewal project. The Department would like to award the partial scope to complete two-thirds of the original project scope.

Impacts that compromised the scope and budget included:

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The impacted project detail is as follows:

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Thank you for your consideration and please do not hesitate to contact our office should questions, concerns or comments arise regarding this project scope modification.

Sincerely,

Rhonda Boger-Linder
Assistant Director of Facility Management Services

cc: Andre Stancil, CDOC Executive Director | Merideth McGrath, CDOC Deputy Executive Director | Ashley Clark, CDOC Director of Finance & Administration | Mitch Karstens, CDOC Deputy Director of Finance & Administration | Lonnie Weaver, CDOC Budget & Business Operations Manager | Tana Lane, State Architect | Melissa Brensing, CDOC FMS Architecture & Planning Manager | Project File

Jared Polis, Governor | M. Andre' Stancil, Executive Director

Attachment C: Letter from DOC to CDC



STATE OF COLORADO

REPRESENTATIVES
SHANNON BIRD, CHAIR
EMILY SIROTA
RICK TAGGART



STAFF DIRECTOR
CRAIG HARPER

SENATORS
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JEFF BRIDGES
BARBARA KIRKMEYER

JOINT BUDGET COMMITTEE
LEGISLATIVE SERVICES BUILDING
200 EAST 14TH AVENUE, 3RD FLOOR
DENVER, CO 80203
TELEPHONE 303-866-2061
<http://leg.colorado.gov/agencies/joint-budget-committee>

June 20, 2024

Mr. Robert Jaros
State Controller
Department of Personnel
1525 Sherman Street, 5th Floor
Denver, CO 80203

Dear Mr. Jaros:

The Joint Budget Committee has considered an interim supplemental request submitted by the Department of Corrections under the provisions of S.B. 15-208 for a scope change to the appropriation for FY 2022-23 for the Critical Living Unit Shower/Drain and Toilet Room Improvements, Arkansas Valley Correctional Facility (Capital Renewal) appropriation. This includes a project scope reduction and renaming to "Critical Living Unit Shower/Drain and Toilet Room Improvements, Arkansas Valley Correctional Facility, PHASE I (Capital Renewal)".

Pursuant to Section 24-75-111.5 (2)(a), C.R.S., the Committee authorizes the change of scope to reduce the project from six inmate living units to four. The JBC will sponsor a supplemental appropriations bill during the 2025 legislative session that reflects this adjustment.

Capital Construction, Part II State Agencies, (1) Capital Renewal and Recapitalization, (B) Department of Corrections JBC Approved Adjustments to FY 2022-23 Appropriation
Project Change of Scope
Critical Living Unit Shower/Drain and Toilet Room Improvements, Arkansas Valley Correctional Facility, PHASE I (Capital Renewal)

If you have any questions or concerns, please contact Andrea Uhl of our staff at 303-866-4956.

Sincerely,

Representative Shannon Bird, Chair
Joint Budget Committee

cc:

Capital Development Committee Members

Tana Lane, Office of the State Architect

Mark Ferrandino, Director, Office of State Planning and Budgeting

Tammy Pacheco, Office of State Planning and Budgeting

Bo Pogue, Capital Development Committee Staff

Craig Harper, Staff Director, Joint Budget Committee

Andrea Uhl, Joint Budget Committee Staff