

# FY 2017-18 Supplemental Capital Construction Request

## Western State Colorado University Paul Wright Gymnasium Steam Heating System Replacement

### Motion:

Approve the supplemental request from Western State Colorado University to increase cash funds spending authority on behalf of the Paul Wright Gymnasium Steam Heating System Replacement project by \$557,876.

### GENERAL INFORMATION

2018-012

#### 1. Which supplemental criterion does the request meet?

Other

The project cost is significantly higher than the original estimates provided by an engineering firm. The university has bid the project twice in an effort to reduce the project cost.

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

An emergency restriction is not necessary because the project is funded from a cash fund source and because, if approved, the supplemental spending authority is anticipated to be granted during the 2018 legislative session.

#### 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: SB 17-254

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$1,000,000	\$0	\$0	\$1,000,000
CF	\$148,750	\$557,876	\$0	\$706,626
	\$1,148,750	\$557,876	\$0	\$1,706,626

### REASON FOR SUPPLEMENTAL REQUEST

The university is seeking additional cash funds spending authority to address the higher-than-anticipated cost to replace the steam heating system at the Paul Wright Gymnasium. Funding was originally appropriated through the 2017 Long Bill from savings on another capital project. The university first bid the project in July 2017. Only one firm bid the project and the bid exceeded the amount appropriated. The university learned that the bid process was complicated by limited workforce availability in the few months between receiving the appropriation and when a new heating system needed to come on line (no later than October 1).

Following receipt of the first bid, the university decided to delay and rebid the project in hopes of reducing the overall cost. It also identified some ways to value engineer the project, such as using university staff to abate asbestos, ordering boilers directly from the supplier in order to avoid overhead costs, and revising the pipe work plan to reduce labor costs. The project was rebid in January. One additional firm bid the project. While the overall bid amount from the new firm was less than the amount bid by the first firm, the cost still exceeded the amount appropriated on behalf of the project. Therefore, the university is seeking authority to spend cash reserves to pay the additional costs. The university is concerned the any further delay in the project will exacerbate the risk of system failure.

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## Western State Colorado University

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## SUMMARY OF PROJECT

The project replaces the heating system in the 84,521-square-foot Paul Wright Gymnasium. The existing heating system was damaged by exposure to salt contamination from the pool heating system in 2008. The resulting corrosion has caused several heat exchangers to fail and has damaged the steam piping system. The project converts the steam heating system to a hydronic heat delivery system and installs new boilers, piping, cabinet unit heaters, and controls. The university estimates that steam pipe failure is guaranteed within the next three years.

## QUESTIONS / OUTSTANDING ISSUES

None.