

# JOINT BUDGET COMMITTEE



## INTERIM SUPPLEMENTAL BUDGET REQUESTS FY 2021-22

### CAPITAL CONSTRUCTION

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

PREPARED BY:  
ANDREA UHL, JBC STAFF  
JUNE 21, 2022

JOINT BUDGET COMMITTEE STAFF  
200 E. 14TH AVENUE, 3RD FLOOR • DENVER • COLORADO • 80203  
TELEPHONE: (303) 866-2061 • TDD: (303) 866-3472  
<https://leg.colorado.gov/agencies/joint-budget-committee>

# CONTENTS

AHEC Campus-wide HVAC Infrastructure Replacement (Scope reduction).....	1
Community College of Aurora Diesel and Support Services Building.....	2
Attachments: CDC approval letter and supporting documents	

## INTERIM SUPPLEMENTAL REQUESTS

### AHEC CAMPUS-WIDE HVAC INFRASTRUCTURE REPLACEMENT (SCOPE REDUCTION)

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>
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?** [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.] **YES**

**Explanation:** This request was submitted to the CDC on March 31, 2022 as a regular supplemental and approved by the CDC on April 14, 2022. 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 in the final four weeks of the legislative session, JBC staff feels it is appropriate to consider this item as an interim supplemental request resulting from an unforeseen contingency.

**DEPARTMENT REQUEST:** The Auraria Higher Education Center requests a non-monetary scope reduction to the Campus-wide HVAC Infrastructure Replacement project in the FY 2021-22 Long Bill due to severe cost increases. The request reduces the scope of the project from nine buildings and 1,250,000 impacted square feet to three buildings and 800,000 square feet.

**CDC APPROVAL:** The Capital Development Committee approved the request on April 14, 2022.

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

**STAFF ANALYSIS:**

AHEC is requesting a scope change to reduce the number of buildings that will be completed with the existing \$20.6 million FY 2021-22 appropriation from nine to three due to extreme cost escalations driven by inflation and supply chain issues. An engineering firm was selected for the project in October 2021, and AHEC received cost estimates in January/February of 2022. At that time, costs were 180 percent over what was budgeted for the first three buildings in the project (Central Classroom, West Classroom, and North Chiller Plant).

The estimated cost to complete the first three buildings alone now adds up to approximately 80 percent of the original budget. AHEC estimates that they will be \$25.0 million short to complete all nine buildings as originally planned. The requested changes leave approximately \$2.0 million of the original appropriation available for project design for the full nine-building scope. AHEC plans to submit a request to complete the remaining buildings as its number one priority for FY 2022-23.

The Office of the State Architect has frozen the project funds and will not allow AHEC to seek bids for work on the first three buildings until the scope reduction is officially approved by the JBC.

## COMMUNITY COLLEGE OF AURORA DIESEL AND SUPPORT SERVICES BUILDING

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$4,599,586</b>	<b>\$4,599,586</b>
FTE	0.0	0.0
General Fund	0	0
Cash Funds	4,599,586	4,599,586
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?** [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.] **YES**

**Explanation:** This request was approved by the CDC on April 14, 2022. 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 in the final four weeks of the legislative session, JBC staff feels it is appropriate to consider this item as an interim supplemental request resulting from data that was not available when the original appropriation was made.

**DEPARTMENT REQUEST:** The Community College of Aurora (CCA) requests an increase of \$4,599,586 cash funds to increase the scope of the Diesel and Support Services Building project to include additional space for a partnership with BuildStrong Academy.

**CDC APPROVAL:** The Capital Development Committee approved the request on April 14, 2022.

**STAFF RECOMMENDATION:** Staff recommends that the Committee approve the request.

---

**STAFF ANALYSIS:**

The Diesel and Support Services Building project received an appropriation of \$6,188,439 Capital Construction Funds and \$3,207,440 cash funds in the FY 2021-22 Long Bill. The project constructs a 22,250 square foot Diesel and Support Services Building, co-locating the Community College of Aurora's Diesel Power Mechanics, Campus Facilities, and Information Technology Departments from other facilities currently located on the CentreTech and Lowry campuses.

The Community College of Aurora has identified a new opportunity to partner with BuildStrong Academy, a nonprofit training organization created to solve the construction industry's need for skilled workers, on the existing Diesel and Support Services Building project. With the requested increase, CCA and BuildStrong Academy will create a new training and educational space for students and industry partners that includes four additional homebuilding laboratories, three classrooms, storage space, and office suites. The new building will allow BuildStrong Academy to double its training capacity from 500 to 1,000 students annually.

The total project cost if approved will be \$13,995,465, including \$6,188,439 Capital Construction Fund and \$7,807,026 cash funds. The additional cash funds will come from a variety of sources, including:

- An American Rescue Plan Act (ARPA) grant from Arapahoe County
- Individual donations
- Community College of Aurora Reserves
- Community College of Aurora Foundation

Sen. Tammy Story, *Chair*  
Rep. Janice Rich  
Rep. Donald Valdez

Rep. Edie Hooton, *Vice-Chair*  
Sen. Rhonda Fields  
Sen. Jerry Sonnenberg



## Capital Development Committee

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



April 14, 2022

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

Dear Representative McCluskie:

On April 14, 2022, the Capital Development Committee (CDC) considered two regular supplemental requests, one submitted pursuant to Section 24-75-111, C.R.S., and one submitted pursuant to Section 24-75-111.5, C.R.S. *The CDC approved the requests as submitted.* Table 1 summarizes the requests. Descriptions of the approved requests are attached.

**Table 1**  
**Capital Development Committee Recommendation**  
**Regular Supplemental Request**

Department Name	Project Title	Project Short Description	Cost	Vote
Community College of Aurora	Diesel and Support Services Building	The request is for additional cash funds spending authority to expand the building to include more training and education space.	\$4,599,586 CF	6-0
Auraria Higher Education Center	Campus-wide HVAC Infrastructure Replacement	The request is for a reduction in scope for the project from nine buildings to three buildings due to increases in project costs.	n/a	6-0

If you have questions or concerns, please call Bo Pogue, Legislative Council Staff, at (303) 866-5390.

Sincerely,

Senator Tammy Story  
Chair, Capital Development Committee

c: Capital Development Committee Members  
Joint Budget Committee Members  
Jeanni Stefanik, Governor's Office of State Planning and Budgeting  
Vanessa Reilly, Governor's Office of State Planning and Budgeting  
Patrick Broadhead, Colorado Community College System  
Colleen Walker, Auraria Higher Education Center  
Ashlee Pate, Department of Higher Education  
Andrea Uhl, Joint Budget Committee Staff  
Amanda Bickel, Joint Budget Committee Staff  
Capital Development Committee Staff

# FY 2021-22 Supplemental Capital Construction Request

**Community College of Aurora**  
*Diesel and Support Services Building*

<b>MOTION</b>	Approve the supplemental request from Community College of Aurora to increase cash funds spending authority for FY 2021-22 for the Diesel and Support Services Building project (\$4,599,586 CF).
---------------	---

## GENERAL INFORMATION

2018-085

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

Unforeseen Contingency

A new partnership opportunity between Community College of Aurora's (CCA) Diesel and Support Services project and the BuildStrong Academy of Colorado emerged after the approval of the initial appropriation.

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

No emergency restriction is required because this is a regular supplemental. Further, additional state funds are not sought under the 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:

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Costs</u>
CCF	\$6,188,439	\$0	\$0	\$6,188,439
CF	\$3,207,440	\$4,599,586	\$0	\$7,807,026
Totals	\$9,395,879	\$4,599,586	\$0	\$13,995,465

## REASON FOR SUPPLEMENTAL REQUEST

CCA is requesting additional cash funds spending authority to expand the Diesel and Support Services Building to include a new training and education space to provide construction and diesel power mechanics training in partnership with BuildStrong Academy of Colorado. The expansion will include adding four additional homebuilding laboratories, three classrooms, storage space, and office suites. The additional space will allow BuildStrong Academy of Colorado to double their annual training capacity from 500 students to 1,000 students.

## SUMMARY OF PROJECT

The project constructs a 22,250-GSF Diesel and Support Services Building. The project will collocate CCA's Diesel Power Mechanics, Campus Facilities, and Information Technology Departments from other facilities currently located on the CentreTech and Lowry campuses. The new building will include faculty offices, meeting rooms, student collaboration space, equipment labs, classrooms, a machine shop, a hydraulics lab, a tool room, an engine/transmission lab, a welding lab, and storage rooms for the Diesel Power Mechanics program. It will also provide new offices and other space for the Campus Facilities Department, which includes maintenance, custodial, grounds, shop/equipment, tool, mail/receiving, locker room, and other storage areas.



## FY 2021-22 Supplemental Capital Construction Request

Community College of Aurora  
*Diesel and Support Services Building*

### MOTION

Approve the supplemental request from Community College of Aurora to increase cash funds spending authority for FY 2021-22 for the Diesel and Support Services Building project (\$4,599,586 CF).

### QUESTIONS / OUTSTANDING ISSUES

1. What is the source of the additional cash funds?

Here is the breakdown for the cash portion of the CCA project:

Total Cash - \$7,807,026

- a) Arapahoe County ARPA Grant = \$3.5m
- b) Individual Direct Donations = \$2m
- c) CCA Reserves = \$1.5m
- d) CCA Foundation = \$807,026

## FY 2021-22 Supplemental Capital Construction Request

### Auraria Higher Education Center Campus-wide HVAC Infrastructure Replacement (Capital Renewal)

<b>MOTION</b>	Approve the supplemental request from the Auraria Higher Education Center to reduce the scope of the Campus-wide HVAC Infrastructure Replacement (Capital Renewal) project from nine buildings to three.
---------------	--

#### GENERAL INFORMATION

2020-055

1. Which supplemental criterion does the request meet?

New Data

Costs for the project have come in well over original projections. In response, the university has elected to reduce the scope of the project's work from nine buildings to three.

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

An emergency restriction is not required since no additional state funds are sought under the 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:

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Costs</u>
CCF	\$20,353,100	\$0	\$0	\$20,353,100
CF	\$210,000	\$0	\$0	\$210,000
Totals	\$20,563,100	\$0	\$0	\$20,563,100

#### REASON FOR SUPPLEMENTAL REQUEST

The Auraria Higher Education Center (AHEC) reports that costs for the project are now well above original projections. For instance, renovations in the Central Classroom Building under the project are now projected to cost \$7.8 million, up from an original estimate of \$3.6 million (a 118.6 percent increase), and renovation costs for the West Classroom Building are now \$6.7 million, up from \$1.8 million (a 270.0 percent increase). In response, AHEC has elected to reduce the scope of the project from nine buildings to three, at a cost of \$17.0 million, with a corresponding reduction of square footage impacted from 1,250,00 GSF to 800,000 GSF. The remaining \$3.5 million in funding will be used for project design for all nine buildings, along with other non-construction work.

# FY 2021-22 Supplemental Capital Construction Request

## Auraria Higher Education Center Campus-wide HVAC Infrastructure Replacement (Capital Renewal)

### MOTION

Approve the supplemental request from the Auraria Higher Education Center to reduce the scope of the Campus-wide HVAC Infrastructure Replacement (Capital Renewal) project from nine buildings to three.

### SUMMARY OF PROJECT

As reduced in scope, the capital renewal project replaces the HVAC systems and associated infrastructure in three campus buildings. The systems to be replaced under the project are over 40 years old with failing parts that are difficult to acquire or unavailable, resulting in uncomfortable environmental conditions and in some cases unusable buildings. Under the reduced scope, the project performs the following:

- Central Classroom — Replace the mechanical system, three air-handling units, chilled and hot water pumps, pneumatic controls, three entryway heaters, variable air valves, and restroom exhaust fans; update building automation control systems;
- North Chiller Plant — Replace chillers. The plant provides cooling for the Science Building, Auraria Library, and Arts Building; and
- West Classroom — Replace two air-handling units, chilled and hot water pumps, three unit heaters, pneumatic controls, variable air valves, and restroom exhaust fans.

AHEC explains that the project is the second of four planned capital renewal projects to revitalize shared campus spaces, including a project to replace heating and hot water infrastructure that was funded for FY 2019-20. AHEC says that its constituent institutions have pledged future energy savings and cost avoidance to an internal maintenance fund for shared facilities, including about \$200,000 annually from this project.

### QUESTIONS / OUTSTANDING ISSUES

1. Why did AHEC decide to use the remaining \$3.5 million for design of the entire original scope of the project, rather than performing renovations on one or more additional buildings?

AHEC is under contract with RMH for a total amount of \$1,960,458 for the design of the original (full) scope of the project. The \$3.5 million dollars remaining that you referenced includes these design fees of about \$2.0 million, as well as for the other costs associated with the HVAC work in Central, West, and North Chiller Plant that are not included in the Construction Costs for each building (see chart below). These other costs are for code review, construction management, commissioning, relocation, abatement, and high performance program costs associated specifically with the HVAC work that will be completed in those three buildings.

The proposed reduced scope project costs breakdown as follows:

•Construction Costs		\$18,602,642
•Central	\$6,822,155	
•West	\$5,847,185	
•North Chiller	\$4,434,309	
•Other Costs	\$1,498,993	
•Design Fees		\$1,960,458
•TOTAL		\$20,563,100

While it is true that the design fees could be reduced if we reduced the scope, AHEC believes it is most advantageous to complete the full design for the following reasons:

- AHEC already has RMH under contract for the full design;
- with construction-related escalations in costs, having the design now allows for better estimates of how much these projects will eventually cost;
- the work is essential and having the designs in hand will allow us to more easily (quickly) pursue other options to complete these projects in the next couple of years; and
- the remainder of design fees of \$1.25 million could have only covered the cost for one of the two smallest projects (Bear Creek or Facilities Annex) which have the least impact to the overall campus population.