

COVER PAGE

Department of Personnel and Administration

FY 2019-20 CAPITAL CONSTRUCTION REQUESTS (LISTED IN OSPB PRIORITY ORDER)

NOT RECOMMENDED FOR FUNDING BY OSPB:

- Parking Lot Renovation, 1881 Pierce Street

TOTAL: FY 2019-20 CAPITAL CONSTRUCTION STATE-FUNDED REQUEST AMOUNT = **\$ 5,195,202**

FY 2019-20 CONTROLLED MAINTENANCE REQUESTS (7)

RECOMMENDED FOR FUNDING BY OSPB:

LEVEL I:

- Emergency Controlled Maintenance Account
- Rehabilitate Elevator, 1570 Grant Building
- Replace Fire Suppression Water Lines, Centennial Building

LEVEL II:

- Replace Main Electrical Switch Gear and Motor Control Center, 1881 Pierce

NOT RECOMMENDED FOR FUNDING BY OSPB:

LEVEL II:

- Replace Short Tunnel Roof, Capitol

LEVEL III:

- Refurbish Freight Elevator, Centennial Building
- Upgrade/Replace HVAC Systems, 690 and 700 Kipling

HISTORY OF STATE FUNDING

- **\$52.9 million** has been appropriated on behalf of capital projects at DPA since FY 2014-15. This represents **5.3 percent** of the total amount appropriated on behalf of all capital construction and controlled maintenance projects during this period.
- **\$15.9 million** was appropriated in FY 2018-19, including \$12.8 million authorized through Senate Bill 17-267 for controlled maintenance.

INVENTORY OF GENERAL FUND SUPPORTED FACILITIES

- The General Fund supported inventory of DPA facilities totals **2,067,485 GSF**. This total represents **4.2 percent** of the entire General Fund supported inventory of state buildings.

RECENT CDC VISITS

- No visits in the last five years.

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PROGRAM PLAN STATUS

2009-174

Approved Program Plan? Date Approved:

PRIORITY NUMBERS

Prioritized By	Priority	
DeptInst	1 of 1	
OSPB	61 of 62	Not recommended for funding.

PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2019-20	FY 2020-21	Future Requests	Total Cost
CCF	\$0	\$5,195,202	\$0	\$0	\$5,195,202
Total	\$0	\$5,195,202	\$0	\$0	\$5,195,202

ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2019-20	FY 2020-21	Future Requests	Total Cost
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$316,702	\$0	\$0	\$316,702
Construction	\$0	\$4,435,000	\$0	\$0	\$4,435,000
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$443,500	\$0	\$0	\$443,500
Software Acquisition	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$5,195,202	\$0	\$0	\$5,195,202

PROJECT STATUS

This is the first request for funding as a capital renewal project. Portions of the project were requested for funding as controlled maintenance for FY 2008-09 and FY 2011-12. For FY 2015-16, DPA requested \$5.7 million in state funds for the renovation of three parking lots, including 1881 Pierce Street, 690 and 700 Kipling Street, and North Campus at 1001 East 62nd Avenue.

PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Personnel and Administration (DPA) is requesting state funds to reconstruct the existing 420-space parking lot at the 1881 Pierce Street property in Lakewood, which is leased from DPA by the Department of Revenue's Division of Motor Vehicles. This is a capital renewal request. The capital renewal approach focuses on upgrading building systems, infrastructure, and the basic building components within existing academic buildings on a building-by-building basis, rather than project by project. The project will increase parking capacity and improve drainage, lighting, and accessibility. The project also modernizes the parking lot to accommodate accessibility requirements, including van-accessible parking spaces and ramps. Specifically, the project will:

- add 374 new parking spaces;
- reconstruct the parking areas with new highway standard pavement;
- relocate the drainage collection system away from center drive lanes to areas with less traffic;

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- improve drainage detention areas to eliminate ponding in parking areas;
- construct new sidewalks and landscaping; and
- replace the existing lighting with more energy-efficient fixtures.

Finally, the project also provides the necessary infrastructure for future electric vehicle charging stations that can be used by employees and the public. The building will operate at normal capacity during construction. A temporary gravel parking lot will be constructed on-site to accommodate any displaced parking spaces during the reconstruction.

Cost assumption. The cost assumption is based on calculations provided by a professional engineer hired by the department in 2014 and updated for inflation in 2018. As a capital renewal request, the project is not required to comply with the requirements of the Art in Public Places or High-Performance Certification programs.

PROJECT JUSTIFICATION

According to the department, the parking lot at 1881 Pierce Street does not have enough parking spaces to serve the Division of Motor Vehicle's customers, is unsafe for employees and members of the public, and does not meet the requirements of the federal Americans with Disabilities Act. The department says that more than 125 vehicles per day are forced to use on-street parking when the parking lot is full. In October 2018, 37.0 FTE with the division's training and support teams were relocated to 1881 Pierce Street, which has created additional parking issues at the property.

Over the past several years, multiple workers' compensation claims have been filed due to tripping and falling hazards in and around the parking lot, resulting in at least \$300,000 being paid out for these claims. The department also claims that the parking lot is unsafe for visitors and that it presents many challenges for individuals with disabilities. Finally, the department says the existing lighting in the lot is inefficient and presents a safety hazard for employees and visitors leaving at night.

PROGRAM INFORMATION

The 1881 Pierce Street property is part of the Capitol Complex within DPA and serves as the state's headquarters for the Division of Motor Vehicles. Annual visitation has increased from 94,243 in FY 2015-16 to 102,844 in FY 2017-18. In addition to driver license services, the facility also provides title, registration, and other motor vehicle services for the state.

PROJECT SCHEDULE

	Start Date	Completion Date
Design	June 2019	April 2020
Construction	May 2020	May 2022
Equipment		May 2022
Occupancy		May 2022

SOURCE OF CASH FUNDS

This project is not funded from cash sources.

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OPERATING BUDGET

The department estimates that the project will result in annual operating budget savings of about \$22,000 per year from new energy efficient lighting.

STAFF QUESTIONS AND ISSUES

1. In the past, portions of this project have been listed on a five-year projection of need as controlled maintenance or capital renewal. Why is the project now being submitted as capital construction? Are there other programmatic elements of the request?

DPA has typically submitted this request as a capital renewal project, and was planning to do so again this year. However, it was the interpretation of the Office of the State Architect that because several programs had relocated to the 1881 Pierce location resulting in a larger parking demand, that this was not a maintenance project but rather a capital construction project under the classification of "change in programming."

2. According to Table 3 in the request, the total cost of \$4,751,702 already includes a contingency of \$670,417. Since contingency is already included, why was an additional contingency of \$443,500 added to the budget request? Assuming this is duplicative, could the total budget request be reduced from \$5,195,202 to \$4,751,702?

The Capital Complex Architect's Office conducted market research in advance of making this capital request. The estimates that were provided as part of this market research identified a vendor's contingency that should be considered part of the base estimate as a means to cover the vendor for unknowns, accuracy, and inflation factors. Sometimes vendors incorporate this into their base estimates, other vendors include it as a separate line item. Either way, these costs are part of the bid and both methods are appropriate.

When the project is actually solicited, it is likely that costs included with the bids will include a contingency for the vendor. Removing this contingency will, in all likelihood, short the project budget.

The second contingency is the state's standard ten percent project contingency for renovation, which we add for budgeting purposes on all capital budget requests to account for things such as the length of time that passes between estimates and state funding cycles, and volatility of construction material costs. These contingencies are not duplicative and neither should be removed.

3. What project alternatives have been considered? Has the department considered building a parking garage on site? If so, what is the estimated cost? Has the department considered relocating to another building?

The Department of Revenue has made substantial investments in the 1881 Pierce facility and continues to affirm their commitment to keeping several programs housed within that facility. DPA believes that a parking garage would not be a cost effective solution. Based on information from March 2017, median construction costs for a new parking structure is approximately \$19,700 per space. There will be 623 parking spaces at the Pierce location, which would make the estimated cost for a parking structure approximately \$12.3M.