



Capital Development Committee

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Fire Protection System Replacement, Denver Reception and Diagnostic Center (Capital Renewal)

2026-012

Project Status

This is a new, never-before-requested project.

**Table 1
Prioritization**

Prioritized By	Priority	Notes
Department of Corrections	1 of 9	
Office of State Planning and Budgeting	2 of 6	Recommended for funding.

**Table 2
Prior Appropriation and Request Information**

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
CCF	\$0	\$21,333,662	\$0	\$0	\$21,333,662
CF	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$21,333,662	\$0	\$0	\$21,333,662

**Table 3
Itemized Cost Information**

Category	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$2,381,749	\$0	\$0	\$2,381,749
Construction	\$0	\$10,545,167	\$0	\$0	\$10,545,167
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$6,467,322	\$0	\$0	\$6,437,322
Contingency	\$0	\$1,939,424	\$0	\$0	\$1,939,424
Total	\$0	\$21,333,662	\$0	\$0	\$21,333,662

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Fire Protection System Replacement, Denver Reception and Diagnostic Center
(Capital Renewal)

2026-012

Program Plan Status

Approved Program Plan: N/A

FCI: 69

Project Description/Scope of Work

The Department of Corrections (DOC) is requesting state funds to fully replace the fire protection systems, including the fire suppression and detection systems, at the Denver Reception and Diagnostic Center (DRDC). This is a capital renewal project. The capital renewal approach focuses on upgrading building systems, infrastructure, and the basic building components within existing buildings on a building-by-building basis, rather than project by project. The scope of the project includes:

- fully replacing fire alarm systems in all DRDC buildings, including installing new fire alarm control panels, initiating devices, occupant notification units, and fire sprinkler interfaces;
- fully replacing the fire suppression system at the center, including the incoming water service flange, backflow devices, piping and valves, sprinkler heads, and associated infrastructure; and
- addressing deficiencies in ADA and code compliance.

Cost assumption. Cost estimates are based on an independent study conducted by an engineering firm in April 2024. DOC Facility Management Services escalated all costs by 9.9 percent to inflate to May 2025, 35.3 percent to inflate to April 2026, and an additional prorated 19.1 percent for each month compounded to account for anticipated mid-point of construction. Inflation factors were calculated using the RSMeans Data, Building Cost Index. As a capital renewal project, it is exempt from Art in Public Places and Higher Performance Certification Program requirements.

Table 4
Project Schedule

Project Component	Start Date	Completion Date
Design	June 2025	March 2025
Construction	June 2025	June 2028
Occupancy		July 2028

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Department of Corrections

Fire Protection System Replacement, Denver Reception and Diagnostic Center
(Capital Renewal)

2026-012

Project Justification

The department says the age and deterioration of the fire protection systems at DRDC present a life-safety hazard for offenders, staff, and the public, and require DOC personnel at the facility to conduct 24/7 fire watch operations. The fire protection systems at DRDC date to the center's construction 33 years ago, while the National Fire Protection Association recommends replacement of fire alarm systems every 10-15 years.

The fire protection systems at the center are comprised of three mismatched systems. These systems have failed to keep up with governing codes, require frequent maintenance and repair, and use parts and software patches are difficult to source. Specific system deficiencies include:

- missing smoke detectors;
- smoke detectors, sprinkler heads, and fire notification pull switches installed in improper places;
- areas with improper or no sprinkler coverage, and corroded or damaged sprinkler heads with improper spray patterns;
- improperly installed fire protection system wiring with missing indicator panels;
- fire alarm and fire suppression system control panels that are not working or missing;
- dissimilar piping types causing pipe erosion, leakage, and rust, which leads to insufficient air pressure; and
- malfunctioning master controls that have been switched over to manual operation.

In addition to creating life-safety and security risks, the overall condition of the fire detection and suppression systems has led the Denver Fire Department to impose a permanent fire watch in some areas at DRDC. This requires DOC personnel to visually inspect the center every 30 minutes, 24 hours per day, which the department says burdens personnel at the understaffed facility and places the department under potential liability. DOC notes that there is no other property in its inventory that is able to perform the functions of DRDC should the state of the fire protection systems result in the facility being taken offline.

Program Information

Opened in 1991, DRDC is a 347,192-square foot facility constructed at the Level V security level with a capacity of 638 male, female, and youth inmates of all security levels in single- and double-bunked wet cells. DRDC performs intake for all offenders sentenced to DOC and includes an infirmary, a special-needs medical unit for offenders needing long-term care, and the department's dialysis unit.

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Fire Protection System Replacement, Denver Reception and Diagnostic Center
(Capital Renewal)

2026-012

Operating Budget

The project has no projected impact on state operating costs.

Staff Questions and Issues

CDC staff raised concerns about DOC inflation factor during the FY 2024-25 budget cycle. Inflation for DOC projects remains significantly higher than for other projects for the FY 2025-26 budget cycle. See attached memo for further details.

1. The Operating Budget Impact section of the submission documents speaks to the necessity of the project, but not necessarily the potential for the project to drive the operating budget. Does the department expect the project to increase or decrease its operating budget, perhaps by reducing service calls, utility costs, etc.?

The department does not expect a decrease in utility costs, staffing or operating maintenance budget. However, the Department does expect an increase in cost avoidance. The department utilizes maintenance and/or security staff to perform a fire watch every 30 minutes within the Facility, when a fire protection system is not functioning. Upon completion of the project the staff will no longer be required to perform "other duties as assigned", in this case a 30-minute fire watch, maintenance staff will go back to working on deferred maintenance items which will help reduce deferred maintenance becoming an emergency repair condition. The completed project will impact the DRDC Facility Condition Index (FCI) with an increase of 2% (Existing FCI of 69% to 71% upon project completion), remaining significantly below the 85% goal, with numerous remaining aging infrastructure items to address.



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FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

**Department of Corrections
Electronic Security System Replacement,
Colorado State Penitentiary (Capital Renewal)**

2021-004

Project Status

This is the sixth request for funding. Funding was first requested for the project for FY 2020-21.

**Table 1
Prioritization**

Prioritized By	Priority	Notes
Department of Corrections	2 of 9	
Office of State Planning and Budgeting	Not prioritized	Not recommended for funding.

**Table 2
Prior Appropriation and Request Information**

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
CCF	\$0	\$8,955,324	\$0	\$0	\$8,955,324
CF	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$8,955,324	\$0	\$0	\$8,955,324

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections
Electronic Security System Replacement,
Colorado State Penitentiary (Capital Renewal)

2021-004

Table 3
Itemized Cost Information

Category	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$1,262,863	\$0	\$0	\$1,262,863
Construction	\$0	\$4,289,066	\$0	\$0	\$4,289,066
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$2,589,274	\$0	\$0	\$2,589,274
Contingency	\$0	\$814,121	\$0	\$0	\$814,121
Total	\$0	\$8,955,324	\$0	\$0	\$8,955,324

Program Plan Status

Approved Program Plan: No

FCI: 60

Project Description/Scope of Work

The Department of Corrections (DOC) is requesting state funds for a capital renewal project to upgrade the electronic security control system and the man-down system at the Colorado State Penitentiary (CSP) in Canon City. The capital renewal approach focuses on upgrading building systems, infrastructure, and the basic components within existing buildings on a building-by-building basis, rather than the project-by-project approach used for controlled maintenance. These systems control and restrict movement, support the door-control system, monitor and maintain secure conditions, observe and prevent incidents, and provide communication throughout the facility. A man-down system detects distress incidents and sends an alert to a monitoring center. The upgraded systems will meet the new DOC standard, as exemplified by systems recently installed at three other DOC facilities. Upgrading the electronic security control system and man-down system includes:

- installing mouse-driven controllers;
- providing lockable, vented locations for servers and human-machine interface terminals;
- replacing current networking equipment with 1-gigabyte industrial grade, dual redundant fiber networking equipment; and
- backing up all power with uninterruptible power supplies (UPS) systems, which can operate for at least 15 minutes until generators come back online.

Cost assumption. Cost estimates are based on an independent study conducted by an engineering firm in May 2019. DOC Facility Management Services escalated all costs by 9.9

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections
Electronic Security System Replacement,
Colorado State Penitentiary (Capital Renewal)

2021-004

percent to inflate to May 2025, 35.3 percent to inflate to April 2026, and an additional prorated 19.1 percent for each month compounded to account for anticipated mid-point of construction. Inflation factors were calculated using the RSMeans Data, Building Cost Index. As a capital renewal project, it is exempt from the Art in Public Places and High Performance Certification Program requirements.

Table 4
Project Schedule

Project Component	Start Date	Completion Date
Design	June 2025	April 2026
Construction	May 2026	June 2028
Occupancy	July 2028	

Project Justification

DOC explains that the existing systems are old, outdated, and, in the case of the man-down system, completely non-functional. A majority of the replacement parts for the systems are no longer available. If the systems are not replaced, maintenance will be expensive. According to the department, unreliability in the current systems may hamper emergency control, delay alarming and annunciation of violent incidents, and delay response time to areas with direct staff and offender contact. In FY 2023-24, the facility experienced over 120 significant computer issues with door locks requiring 8 CPUs to be replaced, and the dangerous conditions were both fueled and exacerbated by a large number of staffing vacancies. Since the security systems are used to protect staff, the public, and offenders, failure presents a high life-safety risk, and the department is unable to move CSP's population to another facility in the event of failure.

DOC argues that the change of facility mission from administrative segregation to more open offender movement and increased rehabilitation efforts at CSP has led to increased direct contact between offenders and staff. This increased contact has raised safety and security concerns in managing the facility's population, and the reliability of the security systems is a critical life-safety issue. DOC further argues that a failure of the system would require CSP to greatly reduce offender movement, meaning recreation and programming time would be limited, and may lead to increased litigation due to loss of access to these programming opportunities.

The department explains that, due to the age and increasing difficulty in obtaining parts and service for the existing systems, a complete replacement is warranted over continued piecemeal repairs. DOC also says that phasing the project would be more expensive, create inconsistencies in the final project, and disrupt programming.

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections
Electronic Security System Replacement,
Colorado State Penitentiary (Capital Renewal)

2021-004

Program Information

CSP is a 458,906-GSF, Level V (high custody) prison located on the East Canon City Prison Complex in Canon City, Fremont County. The facility has a capacity of 756 single-bunked cells for male offenders. The facility was constructed in two phases, with 500 cells opening in 1993, along with the central mechanical plant and support functions, and 256 additional cells opening in 1998.

Operating Budget

The department expects the project to reduce service calls needed for system repairs and reduce the number of additional staff required to be on duty to cover for the failing systems.

Staff Questions and Issues

CDC staff raised concerns about DOC inflation factor during the FY 2024-25 budget cycle. Inflation for DOC projects remains significantly higher than for other projects for the FY 2025-26 budget cycle. See attached memo for further details.



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FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Critical Living Unit Shower Drain Replacement,

2021-023

Arkansas Valley Correctional Facility (Capital Renewal)

Project Status

This is the fourth request for funding; funding was first requested for the project for FY 2020-21. The project received an appropriation for FY 2022-23 as a single-phase project. In March 2024, the Capital Development Committee approved a nonmonetary supplemental request to reduce the scope of the project due to inflation, with the department intending to return to request funding for a second project phase to complete the original scope. The FY 2022-23 appropriation improved four of six living units; this request will improve the remaining two living units.

**Table 1
Prioritization**

Prioritized By	Priority	Notes
Department of Corrections	3 of 9	
Office of State Planning and Budgeting	Not prioritized	Not recommended for funding.

**Table 2
Prior Appropriation and Request Information**

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
CCF	\$12,402,937	\$17,237,855	\$0	\$0	\$29,640,792
CF	\$0	\$0	\$0	\$0	\$0
Total	\$12,402,937	\$17,237,855	\$0	\$0	\$29,640,792

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

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

2021-023

Table 3
Itemized Cost Information

Category	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$1,749,039	\$1,411,653	\$0	\$0	\$3,160,692
Construction	\$7,530,718	\$8,845,445	\$0	\$0	\$16,376,163
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$1,995,640	\$5,413,679	\$0	\$0	\$7,409,319
Contingency	\$1,127,540	\$1,567,078	\$0	\$0	\$2,694,618
Total	\$12,402,937	\$17,237,855	\$0	\$0	\$29,640,792

Program Plan Status

Approved Program Plan: N/A

FCI: 51

Project Description/Scope of Work

The Department of Corrections (DOC) is requesting state funds for the second phase of a two-phase project to upgrade all plumbing fixtures in the living units at the Arkansas Valley Correctional Facility (AVCF) near Ordway under the capital renewal approach. The capital renewal approach focuses on upgrading building systems, infrastructure, and the basic components within existing state-owned buildings on a building-by-building basis, rather than the project-by-project basis used for controlled maintenance. Phase I designed the project and upgraded the plumbing in four of the facility's six living units, and this year's request for Phase II will complete the project.

The project will replace the entirety of the drain and plumbing lines within the living units. These cells are "dry," meaning they do not contain washroom facilities, and they will remain so. As a result, inmates at the facility use communal sinks, toilets, and showers. The project brings these areas into compliance with minimum fixture and shower drainage requirements and includes:

- converting cells adjacent to current washroom areas to shower and toilet space to meet minimum area requirements;
- converting single-bunk cells to double bunks to maintain current capacity upon loss of adjacent cells;
- installing a programmable controller system to prevent over-usage or improper usage of sinks, toilets, and showers; and

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Critical Living Unit Shower Drain Replacement, Arkansas Valley Correctional Facility 2021-023
(Capital Renewal)

- upgrading toilet and shower exhaust systems to remedy lack of ventilation.

A previously funded controlled maintenance project updated and replaced AVCF's electrical infrastructure. Currently, the showers in the living units drain above the electrical room and, due to deterioration of the system, leak into the newly installed electrical equipment. This project will renovate the current facilities to relocate the shower water supplies so they no longer pose a risk to the electrical system.

Cost assumption. The cost assumption was determined through recommendations from an engineering firm and an architecture firm, which evaluated the cost to repair and/or replace the utility water lines at AVCF. The cost assumption was updated in the bidding process, which produced a failed bid due to insufficient funds driven by inflation. The project accounts for inflation using the four-year average of inflation from the Engineering News Record, Building Cost Index. As a capital renewal request, the project is exempt from the Art in Public Places and High Performance Certification Program requirements.

Table 4
Project Schedule

Project Component	Start Date	Completion Date
Design	Complete	Complete
Construction	October 2023	June 2028
Occupancy		July 2028

Project Justification

According to the department, significant degradation and increasing difficulty in locating and patching leaks in the system warrant a complete replacement over continued piecemeal repairs. Water leaks from shower drains into the restroom areas, under the floor, and behind walls, causing damage to other building systems. Water heaters are showing corrosion at piping connections, and plumbing fixtures are of a type that may be fashioned into weapons, posing a safety hazard. Maintenance staff report a need for continuous grout repair and as many as three to five shower blockages daily as a result of excess humidity and intentional offender overuse.

The shower and toilet areas have not been renovated since the facility opened in 1987, and the current ratio of fixtures to offenders does not meet the standards set out by the Colorado Department of Public Health and Environment and the International Building and Plumbing Code. The arrangement is also not ADA compliant, nor does it meet the standards of the American Correctional Association, which accredits the facility. Moreover, the department says

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Critical Living Unit Shower Drain Replacement, Arkansas Valley Correctional Facility 2021-023
(Capital Renewal)

that not funding the request will result in the premature failure of the newly installed electrical system in the facility.

Program Information

AVCF is located about 50 miles east of Pueblo near Ordway, and it was constructed in 1987 as the first major adult facility built outside of the Canon City area. The facility is comprised of 16 buildings totaling 371,534 square feet and sits on 460 acres. The medium security, Level III facility has a capacity of 1,105 beds, and hosts a number of educational and vocational programs. The facility also hosts several programs conducted by Colorado Correctional Industries.

Operating Budget

According to the department, this project will result in reduced service calls needed for repairs, as well as savings from premature electrical equipment replacement due to water damage.

Staff Questions and Issues

CDC staff raised concerns about DOC inflation factor during the FY 2024-25 budget cycle. Inflation for DOC projects remains significantly higher than for other projects for the FY 2025-26 budget cycle. See attached memo for further details.

1. The original price tag for the project was to be \$12.4 million in a single phase. How did the project's cost escalate to \$29.6 million over two phases? Put another way, the first phase of the project covered four living units for \$12.4 million, while the second phase covers two living units for \$17.2 million. What accounts for this?

The department sought, requested and received project re-scoping allowing the contract award and re-submittal of the remainder of the previously funded capital renewal project. This allowed the department to award the partial scope to complete two-thirds of the original project scope. This request was approved by the CDC on 21 March 2024 with approval documentation forwarded to the Joint Budget Committee.

Impacts that compromised the scope and budget included:

- *A robust construction market with record inflation*
- *Material supply chain shortages*
- *Labor shortages*

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Critical Living Unit Shower Drain Replacement, Arkansas Valley Correctional Facility 2021-023
(Capital Renewal)

- *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 was unanimously approved by the CDC and supported by OSA 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.*



Capital Development Committee

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FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Primary and Secondary Electrical Replacement,
Fremont Correctional Facility (Capital Renewal)

2024-027

Project Status

This is the third request for funding for the project. The department first requested funding for the project for FY 2023-24.

**Table 1
Prioritization**

Prioritized By	Priority	Notes
Department of Corrections	4 of 9	
Office of State Planning and Budgeting	Not prioritized	Not recommended for funding.

**Table 2
Prior Appropriation and Request Information**

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
CCF	\$0	\$41,867,516	\$0	\$0	\$41,867,516
CF	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$41,867,516	\$0	\$0	\$41,867,516

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections
Primary and Secondary Electrical Replacement,
Fremont Correctional Facility (Capital Renewal)

2024-027

Table 3
Itemized Cost Information

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$5,530,286	\$0	\$0	\$5,530,286
Construction	\$0	\$21,315,685	\$0	\$0	\$21,315,685
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$11,215,407	\$0	\$0	\$11,215,407
Contingency	\$0	\$3,806,138	\$0	\$0	\$3,806,138
Total	\$0	\$41,867,516	\$0	\$0	\$41,867,516

Program Plan Status

Approved Program Plan: No

FCI: 60

Project Description/Scope of Work

The Department of Corrections (DOC) is requesting state funds to replace the primary and secondary electrical systems at Fremont Correctional Facility. This is a capital renewal project. The capital renewal approach focuses on upgrading building systems, infrastructure, and the basic building components within existing buildings on a building-by-building basis, rather than project-by-project. The department says the current systems are old, overloaded, and presenting safety issues.

The project will replace electrical distribution and related systems, which are at or beyond their useable life and insufficient for the current building population. Specifically, the one-phase project will:

- convert electrical delivery from overhead lines to underground distribution, both around and within the facility perimeter;
- install a new primary loop;
- replace overhead transformers with pad-mounted units;
- replace three-way switches and three-way junctions with sectionalizer switches with room for growth;
- replace existing power meters;
- replace distributional equipment, including switchboards, transformers, and power panels;
- provide new distributional feeders; and
- equip each building with a surge protector device.

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections
Primary and Secondary Electrical Replacement,
Fremont Correctional Facility (Capital Renewal)

2024-027

Cost assumption. Cost estimates are based on an independent study conducted by an engineering firm in 2021. DOC Facility Management Services escalated all costs by 9.9 percent to inflate to May 2025, 35.3 percent to inflate to April 2026, and an additional prorated 19.1 percent for each month compounded to account for anticipated mid-point of construction. Inflation factors were calculated using the RSMeans Data, Building Cost Index. As a capital renewal project, it is exempt from Art in Public Places and High Performance Certification Program requirements.

Table 4
Project Schedule

Project Component	Start Date	Completion Date
Design	June 2025	July 2026
Construction	August 2026	June 2028
Occupancy	July 2028	October 2028

Project Justification

The department says the electrical systems at Fremont supply power to all life-sustaining, security, and life-safety systems at the facility. Most of the existing electrical systems are 25-67 years old, and were installed when the facility's offender population was 900; the facility currently houses 1,602 offenders. The changes in population size and increased power usage during this time puts strain on the systems.

Existing emergency panels are overloaded and not all have access to generator backup for mission-critical systems, requiring the facility to shed electrical distribution when power outages occur. Batteries that back up critical systems are expensive and require replacement every two-to-three years. In addition, the configuration of the primary distribution network cannot differentiate between power used by Fremont Correctional Facility and that used by Colorado Correctional Industries facilities. The lack of surge protector devices puts equipment at risk and poses a fire hazard. DOC explains that new and increased program opportunities for offenders is one driver of increased power use. Further, an aging offender population relies upon medical equipment such as CPAP machines, and unreliable electric service jeopardizes these medical services.

DOC says the upgrading the electrical systems is a backbone project and the first step needed for future projects including fire alarm replacement, HVAC replacement, ADA improvements, elevator repair, and roof replacement. Failure of the electrical system may touch off a cascade of failures in other systems, such as door controls and fire protection panels.

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections
Primary and Secondary Electrical Replacement,
Fremont Correctional Facility (Capital Renewal)

2024-027

According to the department, this capital renewal project cannot be phased into small controlled maintenance projects, and the only alternative is to continue with piecemeal repairs. This results in high maintenance costs and risks disruption to operations, including educational and justice programs for offenders.

Program Information

Fremont Correctional Facility was initially constructed as two facilities, the first built in 1957 and the second built in 1980. These facilities were merged in 1991. Fremont now consists of 48 buildings, the most recent of which was constructed in 1998, and houses 1,665 Level III offenders. The facility provides services including education programs, J-Cap, restorative justice, legal access, and normalization initiatives.

Operating Budget

The department expects the project to reduce operating costs based on fewer in-house service calls, fewer service calls to vendors, and reduced repair material needs.

Staff Questions and Issues

CDC staff raised concerns about DOC inflation factor during the FY 2024-25 budget cycle. Inflation for DOC projects remains significantly higher than for other projects for the FY 2025-26 budget cycle. See attached memo for further details.



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FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Wastewater Treatment Facility Improvements, Trinidad

2025-041

Correctional Facility (Capital Renewal)

Project Status

This is the second request for funding for the project. Funding was first requested for the project for FY 2024-25.

**Table 1
Prioritization**

Prioritized By	Priority	Notes
Department of Corrections	5 of 9	
Office of State Planning and Budgeting	Not prioritized	Not recommended for funding.

**Table 2
Prior Appropriation and Request Information**

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
CCF	\$0	\$22,430,162	\$0	\$0	\$22,430,162
CF	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$22,430,162	\$0	\$0	\$22,430,162

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Wastewater Treatment Facility Improvements, Trinidad Correctional Facility (Capital
Renewal)

2025-041

Table 3
Itemized Cost Information

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$4,231,503	\$0	\$0	\$4,231,503
Construction	\$0	\$10,143,499	\$0	\$0	\$10,143,499
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$6,016,054	\$0	\$0	\$6,016,054
Contingency	\$0	\$2,039,106	\$0	\$0	\$2,039,106
Total	\$0	\$22,430,162	\$0	\$0	\$22,430,162

Program Plan Status

Approved Program Plan: No

FCI: 60

Project Description/Scope of Work

The Department of Corrections (DOC) is requesting state funds to expand and update the wastewater treatment facility at Trinidad Correctional Facility. This is a capital renewal project. The capital renewal approach focuses on upgrading building systems, infrastructure, and the basic building components within existing buildings on a building-by-building basis, rather than project by project.

The project will modernize the wastewater treatment system in alignment with contemporary code, future-proof it for anticipated water quality policy changes, and establish redundancy that allows for future maintenance without disrupting prison operations. The project adds a second aeration basin and a second digester basin, repairs the existing basins, replaces the blower, and makes HVAC improvements. The project also replaces rudimentary systems that monitor processes and control valves with modern technology, connects the wastewater facility to the main prison complex with fiber optics, and installs a nonpotable irrigation system.

Cost assumption. Estimates were provided by an independent engineering firm, and the project accounts for inflation. As a capital renewal project, it is exempt from Art in Public Places and High Performance Certification program requirements. The department will employ sustainability strategies where applicable.

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Wastewater Treatment Facility Improvements, Trinidad Correctional Facility (Capital Renewal)

2025-041

Table 4
Project Schedule

Project Component	Start Date	Completion Date
Design	June 2025	March 2026
Construction	July 2026	June 2028
Occupancy	July 2028	October 2028

Project Justification

The project addresses three primary issues. First, the existing wastewater treatment system contains aging and outdated components that face escalating maintenance time and costs. Second, the treatment facility lacks recommended redundancy, particularly its aeration basin and clarifier. Without backup systems, the treatment facility cannot be cleaned or maintained without loss of service, and any potential future problem puts the correctional facility at risk. Finally, the phasing-in of more stringent wastewater regulations is likely to impact the treatment facility in coming years, and this project will future-proof the treatment systems to new requirements. DOC says without the project, the facility will be unable to process waste, leading to health and safety issues and federal Environmental Protection Agency violations.

Program Information

Opened in 2001, Trinidad Correctional Facility is a Level II, male facility with a capacity of 508 offenders. The wastewater treatment facility is 25 years old and supports sewage systems for all buildings at the correctional facility.

Operating Budget

The department anticipates savings from reduced staff overtime, materials, and third-party service calls required to keep the wastewater treatment system running.

Staff Questions and Issues

CDC staff raised concerns about DOC inflation factor during the FY 2024-25 budget cycle. Inflation for DOC projects remains significantly higher than for other projects for the FY 2025-26 budget cycle. See attached memo for further details.

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Wastewater Treatment Facility Improvements, Trinidad Correctional Facility (Capital
Renewal)

2025-041

1. How did the department manage to reduce the overall cost of the project from last year's submission?

In FY 2024-25 the initial line item "WWTF Headworks - Washer/Compactor" from the study was mistakenly entered as \$1,045,000. Upon review for the FY 2025-26 submittal, this error was caught and updated to match the study to be \$92,000. The compounding inflation and other miscellaneous factors were also reduced due to this update. This revised number was utilized in the FY 2025-26 submittal.



Capital Development Committee

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Fire Alarm Improvements,

Fremont Correctional Facility (Capital Renewal)

2025-014

Project Status

This is the second request for funding. The project was first requested for FY 2024-25.

**Table 1
Prioritization**

Prioritized By	Priority	Notes
Department of Corrections	6 of 9	
Office of State Planning and Budgeting	Not prioritized	Not recommended for funding.

**Table 2
Prior Appropriation and Request Information**

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
CCF	\$0	\$15,951,352	\$0	\$0	\$15,951,352
CF	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$15,951,352	\$0	\$0	\$15,951,352

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections
Fire Alarm Improvements, Fremont Correctional Facility (Capital Renewal)

2025-014

Table 3
Itemized Cost Information

Category	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$1,744,134	\$0	\$0	\$1,744,134
Construction	\$0	\$8,352,352	\$0	\$0	\$8,352,352
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$4,404,744	\$0	\$0	\$4,404,744
Contingency	\$0	\$1,450,123	\$0	\$0	\$1,450,123
Total	\$0	\$15,951,353	\$0	\$0	\$15,951,353

Program Plan Status

Approved Program Plan: No

FCI: 60

Project Description/Scope of Work

The Department of Corrections (DOC) is requesting state funds to replace the fire alarm system across the Fremont Correctional Facility's 48-building complex. This is a capital renewal project. 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 bring the fire alarm system up to code, improving safety and staff efficiency. The system components to be replaced include control panels, annunciators, wiring, fiber optic infrastructure, and fire alarm devices.

Cost assumption. Cost estimates are based on an independent study conducted by a third party in 2022. DOC Facility Management Services escalated all costs by 9.9 percent to inflate to May 2025, 35.3 percent to inflate to April 2026, and an additional prorated 19.1 percent for each month compounded to account for anticipated mid-point of construction. Inflation factors were calculated using the RSMeans Data, Building Cost Index. As a capital renewal project, it is exempt from Art in Public Places and High Performance Certification Program requirements.

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections
Fire Alarm Improvements, Fremont Correctional Facility (Capital Renewal)

2025-014

Table 4
Project Schedule

Project Component	Start Date	Completion Date
Design	June 2025	June 2026
Construction	July 2026	June 2028
Occupancy	July 2028	October 2028

Project Justification

The existing fire alarm system is aging and has been pieced together over years with parts from multiple manufacturers. Not all control panels can communicate with the existing network, and when components fail, finding replacement parts that are compatible with the existing system is difficult and time consuming. If the system fails, the facility will require additional staff time to organize a fire watch. A fire watch would require DOC personnel to visually inspect the facility every 30 minutes, 24 hours per day, which the department says would burden personnel at the understaffed facility and places the department under potential liability.

Program Information

The facility is a Level III, 1,664-bed facility that houses medium and close custody offenders. Built in 1957, the complex contains 48 buildings including 8 living units. It houses the second largest number of offenders and houses DOC's only sex offender treatment program and drug and alcohol specialist treatment program.

Operating Budget

DOC expects some minor operating savings due to fewer service calls and repairs.

Staff Questions and Issues

CDC staff raised concerns about DOC inflation factor during the FY 2024-25 budget cycle. Inflation for DOC projects remains significantly higher than for other projects for the FY 2025-26 budget cycle. See attached memo for further details.



Capital Development Committee

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Electronic Security System Replacement,

Arkansas Valley Correctional Facility (Capital Renewal)

2020-010

Project Status

This is the sixth request for funding for the project. Funding was first requested for the project for FY 2019-20. The department did not request funding for the project for FY 2023-24.

**Table 1
Prioritization**

Prioritized By	Priority	Notes
Department of Corrections	7 of 9	
Office of State Planning and Budgeting	Not prioritized	Not recommended for funding.

**Table 2
Prior Appropriation and Request Information**

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
CCF	\$0	\$28,374,454	\$0	\$0	\$28,374,454
CF	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$28,374,454	\$0	\$0	\$28,374,454

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Electronic Security System Replacement, Arkansas Valley Correctional Facility
(Capital Renewal)

2020-010

Table 3
Itemized Cost Information

Category	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$3,068,123	\$0	\$0	\$3,068,123
Construction	\$0	\$13,347,958	\$0	\$0	\$13,347,958
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$9,378,878	\$0	\$0	\$9,378,878
Contingency	\$0	\$2,579,495	\$0	\$0	\$2,579,495
Total	\$0	\$28,374,454	\$0	\$0	\$28,374,454

Program Plan Status

Approved Program Plan: No

FCI: 60

Project Description/Scope of Work

The Department of Corrections (DOC) is requesting state funds for a capital renewal project to upgrade the door control, intercom, and paging systems at the Arkansas Valley Correctional Facility in Ordway. The capital renewal approach focuses on upgrading building systems, infrastructure, and the basic components within existing buildings on a building-by-building basis, rather than the project-by-project approach used for controlled maintenance. The department says failures and outages in these systems create security and life-safety risks for offenders, staff, and the public. The scope of the project includes:

- replacing the intercom, paging system, and associated hardware with a new digital system featuring modern interfaces and controls for improved communication among staff and between staff and offenders;
- replacing the paging horns for improved offender signaling in the yards;
- updating touchscreen door control systems and associated hardware and software to improve network speed, connectivity between buildings, and long-term reliability;
- integrating the existing video system with the new door control system;
- installing new uninterruptable power systems for each security equipment room;
- replacing doors in the shower area and the exterior of housing units; and
- installing electronic locks or motors at select gates and doors.

Cost assumption. Cost estimates are based on an independent study conducted by an engineering firm in November 2022. DOC Facility Management Services escalated all costs by

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Electronic Security System Replacement, Arkansas Valley Correctional Facility
(Capital Renewal)

2020-010

9.9 percent to inflate to May 2025, 35.3 percent to inflate to April 2026, and an additional prorated 19.1 percent for each month compounded to account for anticipated mid-point of construction. Inflation factors were calculated using the RSMMeans Data, Building Cost Index. The project accounts for inflation. As a capital renewal project, the project is exempt from the Art in Public Places and High Performance Certification Program requirements.

Table 4
Project Schedule

Project Component	Start Date	Completion Date
Design	June 2025	April 2026
Construction	May 2026	June 2028
Occupancy	July 2028	

Project Justification

DOC explains that the existing communications and door control systems are outdated and need to be replaced, and operation and maintenance of these systems is becoming increasingly difficult. Staff must visually inspect the door each time to verify if the door is properly functioning. The doors of the day halls do not always lock because different security systems do not work together. When door failure occurs, this leaves only one working security envelope along with a non-lethal electric fence. By contrast, other facilities have up to nine security envelopes, along with the non-lethal electric fence. The intercom systems have daily issues and operation is very inconsistent. System failure has the potential to endanger the lives of staff, offenders, and the public while putting the facility at risk of closure, since these systems are responsible for controlling and restricting movement, monitoring and maintaining secure conditions, observing and preventing incidents, and providing communication throughout the facility.

According to the department, a significant portion of the communications and door control systems are over 37 years old and original to the facility. In response to system failures, many system components have been removed, replaced, or relocated, leaving the systems in an unreliable condition. As service and repair requests have mounted, the DOC contracted with a security engineering firm to assess the security systems. The resulting report recommends systems replacement based on age, poor conditions, and lack of availability of replacement parts. Sourcing parts has been difficult and time-consuming for the department, and failure to do so in a timely manner creates the potential for taking these critical systems out of service until the parts can be acquired. The department notes that replacing the security systems before they completely fail will avoid costs for replacement in an emergency situation.

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Electronic Security System Replacement, Arkansas Valley Correctional Facility
(Capital Renewal)

2020-010

Program Information

Opened in 1987, Arkansas Valley Correctional Facility is a Level III prison in Ordway, Crowley County that houses up to 1,105 male offenders within six cell houses. The facility sits on 460 acres and is comprised of 18 buildings totaling 373,416 GSF. The facility operates over 40 clinical, educational, and Colorado Correctional Industries programs with an additional 22 faith and citizens programs.

Operating Budget

The department expects the project to reduce service calls needed for system repairs, along with the number of staff required to be on duty to cover for the failing system.

Staff Questions and Issues

CDC staff raised concerns about DOC inflation factor during the FY 2024-25 budget cycle. Inflation for DOC projects remains significantly higher than for other projects for the FY 2025-26 budget cycle. See attached memo for further details.



Capital Development Committee

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Electrical Distribution Infrastructure Replacement,

East Canon City Prison Complex (Capital Renewal)

2022-004

Project Status

This is the fourth request for funding for the project. Funding for the project was first requested for FY 2021-22.

**Table 1
Prioritization**

Prioritized By	Priority	Notes
Department of Corrections	8 of 9	
Office of State Planning and Budgeting	Not prioritized	Not recommended for funding.

**Table 2
Prior Appropriation and Request Information**

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
CCF	\$0	\$29,510,506	\$0	\$0	\$29,510,506
CF	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$29,510,506	\$0	\$0	\$29,510,506

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Electrical Distribution Infrastructure Replacement, East Canon City Prison Complex
(Capital Renewal)

2022-004

Table 3
Itemized Cost Information

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$4,656,101	\$0	\$0	\$4,656,101
Construction	\$0	\$15,010,186	\$0	\$0	\$15,010,186
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$7,161,446	\$0	\$0	\$7,161,446
Contingency	\$0	\$2,682,773	\$0	\$0	\$2,682,773
Total	\$0	\$29,510,506	\$0	\$0	\$29,510,506

Program Plan Status

Approved Program Plan: N/A

FCI: N/A

Project Description/Scope of Work

The Department of Corrections (DOC) is requesting state funds to replace the East Canon City Prison Complex's (ECCPC) electricity distribution infrastructure. This is a capital renewal project. The capital renewal approach focuses on upgrading building systems, infrastructure, and the basic building components within existing buildings on a building-by-building basis, rather than project by project.

The project will replace an aging and outdated electricity distribution system. The existing system has a single-point supply with overhead distribution. The proposed replacement system will have two power supply points that distribute electricity via an underground loop network, serving all critical facilities and offender housing units. The project further reconfigures the existing standby generators at the Centennial Correctional Facility to support the entire complex in the event of power loss at a primary supply point.

Cost assumption. Cost estimates are based on an independent study conducted in 2019. DOC Facility Management Services escalated all costs by 4.5 percent to inflate to May 2024, 9.9 percent to inflate to May 2025, 35.3 percent to inflate to 2026, and an additional prorated 19.1 percent for each month compounded to account for anticipated mid-point of construction. Inflation factors were calculated using the RSMeans Data, Building Cost Index. As a capital renewal project, is exempt from Art in Public Places and Higher Performance Certification Program requirements.

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Electrical Distribution Infrastructure Replacement, East Canon City Prison Complex
(Capital Renewal)

2022-004

Table 4
Project Schedule

Project Component	Start Date	Completion Date
Design	June 2025	April 2026
Construction	August 2026	June 2028
Occupancy	July 2028	October 2028

Project Justification

The department says that the existing systems are old and outdated. The overhead distribution system is in average-to-below-average condition and will likely require repairs in coming years including to poles, transformers, fuses, the lightning arrester, and overhead switches. The main transmission lines are close to full capacity, and the majority of power distribution is conducted by overhead power lines, which are vulnerable to environmental events. The complex is vulnerable to power outages; the entire complex is currently served from one power source, and many facilities lack emergency power. Loss of power jeopardizes the complex's life-sustaining, security, and life-safety systems that are used to protect and safeguard staff, the public, and offenders. In March 2024, a storm dropped heavy, wet snow on the complex, resulting in a six-hour power outage and damage to two miles of power lines and associated infrastructure.

Adding a second power source will protect the complex from power outages, and the underground loop network will eliminate the overhead lines' vulnerability to strong winds, ice, and lightning. When complete, ECCPC will have a consistent and standardized electrical system, improving operations and maintenance. If the systems are not replaced, the department expects to incur additional maintenance costs as the systems continue to age.

Program Information

ECCPC is a 5,400-acre site with 244 buildings across six prisons and other facilities, including:

- Colorado State Penitentiary;
- Centennial Correctional Facility;
- Arrowhead Correctional Center;
- Skyline Correctional Center;
- Fremont Correctional Facility;
- Four Mile Correctional Facility;
- multiple corrections support facilities;
- multiple Colorado Correctional Industries facilities; and

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Electrical Distribution Infrastructure Replacement, East Canon City Prison Complex
(Capital Renewal)

2022-004

- the International Correctional Management Training Center.

These facilities range from security Level I to Level V and house 5,024 male offenders. Electricity infrastructure impacts all components of the complex's functions, including offender housing, offender programs and jobs, food service, laundry, clinical services, recreation, security, administration, and support services.

Operating Budget

The department says that the project will result in fewer service calls and mitigate repairs on the degrading system. The project will not require correctional housing units to be vacated during construction.

Staff Questions and Issues

CDC staff raised concerns about DOC inflation factor during the FY 2024-25 budget cycle. Inflation for DOC projects remains significantly higher than for other projects for the FY 2025-26 budget cycle. See attached memo for further details.



Capital Development Committee

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections

Support Building Roof Replacement,

Limon Correctional Facility (Capital Renewal)

2025-015

Project Status

This project was first requested for funding in FY 2024-25. It is a restructuring of a previously-funded controlled maintenance request, but is considered a different project due to the change from controlled maintenance to capital renewal and the difference in scope. Portions of this project were initially funded in FY 2017-18 as a three-phase controlled maintenance project by [Senate Bill 17-267](#). That project addressed roofs across multiple buildings. Construction inflation caused the scope to be value engineered and the Support Building roof went unfinished. This is the second request to finish this scope of work.

**Table 1
Prioritization**

Prioritized By	Priority	Notes
Department of Corrections	9 of 9	
Office of State Planning and Budgeting	Not prioritized	Not recommended for funding.

**Table 2
Prior Appropriation and Request Information**

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
CCF	\$0	\$6,003,911	\$0	\$0	\$6,003,911
CF	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$6,003,911	\$0	\$0	\$6,003,911

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections
Support Building Roof Replacement, Limon Correctional Facility (Capital Renewal)

2025-015

Table 3
Itemized Cost Information

Category	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$404,304	\$0	\$0	\$404,304
Construction	\$0	\$3,095,646	\$0	\$0	\$3,095,646
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$1,958,151	\$0	\$0	\$1,958,151
Contingency	\$0	\$545,810	\$0	\$0	\$545,810
Total	\$0	\$6,003,911	\$0	\$0	\$6,003,911

Program Plan Status

Approved Program Plan: No

FCI: 54

Project Description/Scope of Work

The Department of Corrections (DOC) is requesting state funds to replace the roof of the Support Building at Limon Correctional Facility. This is a capital renewal project. The capital renewal approach focuses on upgrading building systems, infrastructure, and the basic building components within existing buildings on a building-by-building basis, rather than project-by-project. The project will replace failing infrastructure on a key operational building at the facility. The project scope includes replacing the roof for the entire building.

Cost assumption. Cost estimates are based on 2019 bid information from the previous controlled maintenance project and updated in March 2024. DOC Facility Management Services escalated all costs by 9.9 percent to inflate to May 2025, 35.3 percent to inflate to April 2026, and an additional prorated 19.1 percent for each month compounded to account for anticipated mid-point of construction. Inflation factors were calculated using the RSMeans Data, Building Cost Index. The project accounts for inflation. As a capital renewal project, it is exempt from Art in Public Places and Higher Performance Certification Program requirements.

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Corrections
Support Building Roof Replacement, Limon Correctional Facility (Capital Renewal)

2025-015

Table 4
Project Schedule

Project Component	Start Date	Completion Date
Design	June 2025	February 2026
Construction	March 2026	June 2028
Occupancy	July 2028	

Project Justification

The Support Building roof, which is original to the building, is 33 years old and at the end of its useful life. The need to replace the roof was identified for FY 2017-18. The existing roof leaks, causing damage to property and equipment and requiring maintenance staff time to patch and repair water damage. The building houses programs that impact the entire facility, including education, job training, food service, laundry, and physical plant infrastructure. Loss of use of building spaces is expected to impact safety and program deployment, and potentially require relocating offenders to a different facility.

Program Information

Limon Correctional Facility is a mixed custody, Level IV facility housing 966 male offenders in 6 living units. It opened in 1991 and includes educational, job training, and Colorado Correctional Industries programs. The Support Building houses critical facility infrastructure, including water, heat, sewage treatment, and building maintenance systems. In addition, the building includes education, job training, food service, and laundry functions.

Operating Budget

The department says replacing the roof will result in a reduction operating costs due to less maintenance staff time dedicated to roof repair, repair materials, and replacement of equipment damaged due to leaks.

Staff Questions and Issues

CDC staff raised concerns about DOC inflation factor during the FY 2024-25 budget cycle. Inflation for DOC projects remains significantly higher than for other projects for the FY 2025-26 budget cycle. See attached memo for further details.



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Memorandum

December 12, 2024

TO: Capital Development Committee
FROM: Matt Bishop, Senior Fiscal and Environmental Analyst, 303-866-4796
SUBJECT: Inflation Accounting in Department of Corrections Capital Budget Requests

Summary

In the past two budget cycles, the Department of Corrections' (DOC) estimate of construction inflation has been too high due to calculation errors. CDC staff recommends that any project that the legislature chooses to fund receive appropriations that better reflect anticipated costs.

Construction Inflation

The budget process for construction projects takes time: project costs are estimated and become budget requests typically in April each year, appropriations are made the following April, and capital projects typically take multiple years to complete. The Office of the State Architect (OSA) advises state agencies to inflate cost estimates to the estimated midpoint of construction, to ensure that projects are adequately funded over the lifetime of their construction. Some project cost estimates are made several years before they receive funding, as a project may be requested for several budget cycles before receiving an appropriation. State agencies and institutions of higher education have broad latitude to develop their own estimates of inflation for each project that consider the type of equipment required, the construction timeline, and local market conditions.

Open records requirements: Pursuant to Section 24-72-202 (6.5)(b), C.R.S., research memoranda and other final products of Legislative Council Staff are considered public records and subject to public inspection unless: a) the research is related to proposed or pending legislation; and b) the legislator requesting the research specifically asks that the research be permanently considered "work product" and not subject to public inspection. If you would like to designate this memorandum to be permanently considered "work product" not subject to public inspection, or if you think additional research is required and this is not a final product, please contact the Legislative Council Librarian at (303) 866-4011 within seven days of the date of the memorandum.



Recent Funding History

For the FY 2024-25 budget cycle, capital budget requests from DOC included high inflation escalation factors, even after accounting for the high-inflation environment resulting from pandemic-era supply chain issues. CDC staff consulted with the department and OSA to evaluate the unusually high inflation figures. CDC staff ultimately determined that the high values were the result of calculation errors and proposed new figures to correct the calculation, including a detailed explanation of its methodology. To date, DOC has not meaningfully updated its estimate. However, the DOC project that was funded in the FY 2024-25 Long Bill accounted for the corrected inflation based on the CDC's recommendation.

For the FY 2025-26 budget cycle, DOC projects included similarly high inflation escalation factors, despite consultation with CDC staff. Table 1 shows the department's inflation estimates.

Table 1
DOC Inflation Escalation Factors

Year	Annual Inflation
2024	9.875%
2025	35.50%
2026	19.10%
2027	19.10%

Department Response

CDC Staff: In last year's requests, we identified an error in how inflation was calculated that led to substantial overestimates in DOC project costs. This year's submissions include inflation estimates that look similar to the erroneous estimates. Can you please share how the inflation estimates were calculated?

DOC Response: Last year's request unfortunately had an error in calculations that occurred by 2% higher than it should have been. The inflation factor was recalculated using the lower inflation factor and each project was resubmitted to the Office of the State Architect (OSA) and to the Office of State Planning & Budget (OSPB).

Inflation factors previously utilized did not compensate for actual inflation impacts (i.e. - labor shortages, material supply chain shortages, a robust Colorado construction market, increased delivery charges) but only utilized trending inflation impacts. Utilizing trending inflation has resorted in several appropriated project funding shortages when the projects were bid (i.e. – SCF



Steam Condensate Replacement, AVCF Critical Living Unit Shower Drain Replacement), requiring the Department to request CDC, OSA and OSPB permission to re-scope the projects allowing the contract to be awarded and allow for the second phase to be included in a future submittal completing the project's initial scope.

The following steps were utilized for each FY 2025-26 proposed project submittal. The organization of the calculations aligns with the required budget submittal requirements. The description and category breakdown used to calculate each project budget are as follows:

1. Professional services - calculated using a percentage of the Construction Improvement Total (CIT). This includes the survey, geotechnical, architectural/engineering services, code review, inspections, advertisements, printing and administration.
2. Project base costs for material and labor - are taken directly from the specific projects third party professional services study.
3. Miscellaneous expenses were calculated as follows:
 - a. Site location factor - calculated as a percentage of the project base costs based upon location. Note the Department has 19 locations throughout the State.
 - b. Secure facility environment factor - a percentage of the project base costs on labor only (50% of project base costs), solely based upon the type of project and its impact to the correctional facility.
 - c. City and/or County applicable taxes (based on the current tax rate) - calculated on materials only during construction.
 - d. Additional long lead time factors - calculated based on specific disciplines of the project base costs for materials only.
 - e. Additional prevailing wages - calculated for work starting after April 2024 for electrical items.
 - f. Addition of prevailing wage apprenticeships for electrical and mechanical on labor - calculated for work starting after April 2024 (upon prevailing wage implementation) for all items.
 - g. Additional contractor tracking of prevailing wages - calculated on labor for work starting after April 2024 for all items.
 - h. Additional 1% accessibility allowance requirement per OSA instructions - calculated on base construction costs.
 - i. Additional infectious disease process factors - calculated for work starting after April 2024.



4. Contractor's costs which includes contractor's general conditions & bonds - calculated at 10% of the project base costs and miscellaneous expenses.
5. Contractor's overhead and profit - calculated at 15% of the project base costs, miscellaneous expenses, and the contractor's costs.
6. Project Contingency - calculated at 10% of the sum of professional services and the Construction Improvement Total.
7. All costs were then escalated by DOC Facility Management Services by 9.875% to inflate to April 2025, 35.3% to inflate to April 2026, and an additional prorated 19.1% for each month compounded to account for anticipated mid-point of construction to reach our budget number for this submittal. These factors for the previous years were calculated using the four-year average estimate of trending inflation from the RSMeans Data, Building Cost Index. The factor for the current additional year was calculated using the four-year average real history of inflation from the industry standard RSMeans Data, Building Cost Index.
8. HB-1286 Energy Benchmarking is NOT reflected in Project Funding Request Budget.

Recommendation

CDC staff recommends that any DOC projects that the legislature approves for funding in the FY 2025-26 Long Bill receive appropriations that better align with inflation data. CDC staff is nonpartisan, and as such, does not make recommendations on the merit of any particular project. This recommendation is a technical adjustment limited to correcting a calculation error, and otherwise employs DOC's data and methodology. OSPB recommends funding for only one DOC project for FY 2025-26. Table 2 shows the costs as submitted by DOC for that project and those same costs recalculated using construction inflation data forecasted by Legislative Council Staff, as an example.

Table 2
Revised Project Costs

Project	DOC Estimate	CDC Staff Estimate
Fire Protection System Replacement, Denver Reception and Diagnostic Center (Capital Renewal)	\$21,333,662	\$14,265,654