

# Fiscal Year 2024-25 Capital Construction Request

Personnel and Administration  
Kipling Campus Chiller Replacement (Capital Renewal)

## PROGRAM PLAN STATUS

2025-013

Approved Program Plan

No

Date Approved:

## PRIORITY NUMBERS

Prioritized By

Priority

DPA

1 of 3

OSPB

11 of 62

Recommended for funding.

## PRIOR APPROPRIATIONS AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>Future Requests</u>	<u>Total Costs</u>
CCF	\$0	\$3,717,529	\$0	\$0	\$3,717,529
<b>Total</b>	\$0	\$3,717,529	\$0	\$0	\$3,717,529

## ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$295,582	\$0	\$0	\$295,582
Construction	\$0	\$3,110,861	\$0	\$0	\$3,110,861
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$311,086	\$0	\$0	\$311,086
<b>Total</b>	\$0	\$3,717,529	\$0	\$0	\$3,717,529

## PROJECT STATUS

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

# Fiscal Year 2024-25 Capital Construction Request

## Personnel and Administration *Kipling Campus Chiller Replacement (Capital Renewal)*

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Personnel and Administration (DPA) is requesting state funds to replace three chillers at the Kipling Campus complex, which houses the Office of Information Technology's (OIT) Data Center. 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 the three chillers with more efficient water-cooled chillers, reducing the likelihood of a chiller failure and the associated impacts to OIT's data storage and service provision. The new chillers will be more energy efficient and environmentally friendly.

Cost assumption. DPA hired an engineering contractor to provide a cost estimate for the project. DPA added in considerations for contingency and additional design costs. The project accounts for inflation. As a capital renewal request, the project is exempt from the Art in Public Places and High Performance Certification Program requirements.

### PROJECT JUSTIFICATION

DPA maintenance staff report periodic failures of chiller equipment monthly, as well as difficulty obtaining replacement parts in a timely manner. The department explains that the risk of data loss and service interruptions increases if the current chillers malfunction or fail and the Data Center becomes too hot. A 2023 vendor evaluation warned that the equipment is near its end of life, there are safety concerns with water from the cooling towers freezing in the winter, the system's energy efficiency is decreasing, and maintenance costs continue to grow. While the chillers are less than 20 years old, the need to run them at full capacity 24/7 has shortened their life span.

The department explains that the current chillers depend on R22 refrigerant, which is now banned from production and import by the Environmental Protection Agency. It is difficult and expensive for the department to acquire recycled R22. While alternative refrigerants are an option, they reduce the system's efficiency. There is also an environmental danger if the chiller system fails and releases R22.

If the chillers fail, the department estimates that temporary cooling costs would be between \$10,000-\$30,000 per month. The department also points out the incalculable costs associated with a loss of work productivity and service provision across the state if OIT equipment is damaged due to a chiller failure. The department says the project will also benefit the law enforcement building's cooling system, since it branches off of the OIT Data Center system.

Project alternatives. An outside contractor provided an analysis of two different replacement options: air-cooled and water-cooled chiller systems. Both options were more efficient than the current chillers, but DPA chose the water-cooled system, which is 50 percent more efficient at cooling than the air-cooled system and will require fewer structural modifications to the facility.

### PROGRAM INFORMATION

DPA Capitol Complex Facilities Management manages the grounds and the buildings of the Kipling Campus, which includes OIT's Data Center. The OIT Data Center is a 24/7 facility that houses equipment supporting OIT's statewide operations. OIT supports numerous departments and state functions, including the Department of Human Services hospitals, youth services centers, and veteran's community living centers; Department of Public Safety fire & life safety responses; wildfire response; and Department of Corrections facility operations.

### PROJECT SCHEDULE

	Start Date	Completion Date
Design	September 2023	December 2024
Construction	January 2025	June 2027

# Fiscal Year 2024-25 Capital Construction Request

**Personnel and Administration**  
*Kipling Campus Chiller Replacement (Capital Renewal)*

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## SOURCE OF CASH FUNDS

This project is not funded from cash sources.

## OPERATING BUDGET

The project has no projected impact on state operating costs.

## STAFF QUESTIONS AND ISSUES

Responses have been incorporated into the write-up.

# Fiscal Year 2024-25 Capital Construction Request

Personnel and Administration  
Capitol Complex Renovation and Footprint Reduction

## PROGRAM PLAN STATUS

2024-024

Approved Program Plan

Yes

Date Approved:

December 31, 2015

## PRIORITY NUMBERS

Prioritized By	Priority
DPA	2 of 3
OSPB	Not Prioritized

Recommended for funding from cash sources.

## PRIOR APPROPRIATIONS AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2024-25	FY 2025-26	Future Requests	Total Costs
CCF	\$0	\$0	\$0	\$73,949,436	\$73,949,436
CF	\$61,960,926	\$17,300,000	\$17,300,000	\$34,600,000	\$131,160,926
<b>Total</b>	<b>\$61,960,926</b>	<b>\$17,300,000</b>	<b>\$17,300,000</b>	<b>\$108,549,436</b>	<b>\$205,110,362</b>

## ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2024-25	FY 2025-26	Future Requests	Total Cost
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$6,934,251	\$30,000	\$628,307	\$3,145,520	\$10,738,078
Construction	\$31,104,173	\$17,121,785	\$21,381,771	\$111,055,230	\$180,662,959
Equipment	\$0	\$0	\$1,076,716	\$1,606,580	\$2,683,296
Miscellaneous	\$311,042	\$171,218	\$223,819	\$880,552	\$1,586,631
Contingency	\$3,110,417	\$856,089	\$1,069,089	\$4,402,761	\$9,438,356
<b>Total</b>	<b>\$41,459,883</b>	<b>\$18,179,092</b>	<b>\$24,379,702</b>	<b>\$121,090,643</b>	<b>\$205,109,320</b>

## PROJECT STATUS

This is the second request for funding. Funding for the project was first requested, and received, in FY 2023-24. This year's request is a continuation of Phase I.

Total appropriations. \$14,759,883 in cash funding was requested and received in FY 2023-24 as part of the capital construction section of the Long Bill. The project also received \$26,721,314 in FY 2022-23 as part of Senate Bill 22-239 and \$20,479,729 in FY 2023-24 as part of Senate Bill 23-306.

Discrepancies in itemized costs. The project submission from the Department of Personnel and Administration (DPA) included discrepancies between the appropriation information and the itemized cost information. CDC Staff has reflected these discrepancies in this write-up and included the explanation from DPA in the Staff Questions and Issues section below.

Prepared by Legislative Council Staff

# Fiscal Year 2024-25 Capital Construction Request

## Personnel and Administration Capitol Complex Renovation and Footprint Reduction

### PROJECT DESCRIPTION / SCOPE OF WORK

DPA is requesting cash funds spending authority for the continuation of Phase I of a four-phase project to renovate buildings in the Capitol Complex. The project will contribute to the Governor's initiative to reduce the state's footprint by one million square feet over five years by allowing state agencies to consolidate into renovated buildings and vacate leased space.

Phase I includes design services for the Capitol Annex, the 1570 Grant Building, and the Centennial Building. It renovates the Capitol Annex and makes security improvements to allow the Colorado State Patrol, the General Assembly, and the Executive Branch to occupy the space. Building interiors will be demolished to the core shell, except for historically protected areas. Specific improvements include:

- replacing windows;
- replacing the HVAC system;
- remodeling elevator lobbies, hallways, and the seventh-floor hearing room;
- reconfiguring the layout to be more energy efficient;
- abating asbestos;
- installation of gender-neutral restrooms, wellness rooms, and a shower room;
- replacing the electrical system; and
- replacing the remaining plumbing piping.

Phase II relocates another agency into the Capitol Annex and renovates the 1570 Grant Building. Phase III sets aside resources for the General Assembly to renovate legislative spaces in the Capitol Complex, including the State Capitol, as required by Senate Bill 22-239. Phase IV renovates the Centennial Building.

Cost assumption. The Office of the State Architect's statewide planning consultant provided cost estimates, which account for inflation at 5 percent. The project complies with Art in Public Places and High Performance Certification Program requirements.

### PROJECT JUSTIFICATION

The project is consistent with the Governor's initiative to reduce the state's footprint and Senate Bill 22-239, which sets aside cash funds for Capitol Complex renovation projects. The renovations are expected to decrease operating costs from improved buildings systems (e.g. HVAC, windows), and allow the state to reduce leased space.

Regarding Phase I, the Capitol Annex is rated in poor condition, with a Facility Condition Index (FCI) of 36. The FCI is a measure of the cost of remedying building deficiencies compared to a building's current replacement value, and the state architect's target FCI for all buildings is 85. The project is expected to increase the building's FCI to 89.

### PROGRAM INFORMATION

The Capitol Complex comprises approximately 1.3 million square feet, mostly in Denver. DPA manages housekeeping, grounds maintenance, and property management on behalf of building users.

### PROJECT SCHEDULE

	Start Date	Completion Date
Design	October 2022	March 2024
Construction	April 2024	May 2025
Equipment	May 2025	July 2025
Occupancy	June 2025	September 2025

# Fiscal Year 2024-25 Capital Construction Request

## Personnel and Administration

*Capitol Complex Renovation and Footprint Reduction*

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### SOURCE OF CASH FUNDS

The source of cash funds for this project is the Capitol Complex Renovation Fund, which was created by Senate Bill 22-239 and consists of annual depreciation-lease equivalent (ADLE) payments from existing, state-funded capital projects. \$14.8 million will come from ADLE payments and \$2.5 million will come from Capitol Complex Mater Plan-transferred funds, as laid out in Senate Bill 23-306.

### OPERATING BUDGET

Improvements to building systems are expected to reduce state operating costs. These savings have not been estimated.

### STAFF QUESTIONS AND ISSUES

1. In the submission documents, the total itemized costs (\$18,179,701) are greater than the total funds requested (\$17,300,000). This is also true for the outyears. Could you provide an explanation about why the itemized costs are greater than the actual amount being requested? Will it hinder the timely completion of the work if the amount appropriated isn't enough to cover the actual costs?

DPA received a total of \$62 million over the last two fiscal years. By the end of FY 2023-24, we expect to spend \$44.1 million, which is a net of \$17.8 million.

In order to complete the Annex building renovation in FY 2024-25, we requested an additional capital appropriation of \$18.2 million. The difference noted by [CDC Staff] between the ADLE revenues and the FY 2024-25 capital request will be covered by the net fund balance (\$17.8 million).

# Fiscal Year 2024-25 Capital Construction Request

## Personnel and Administration Parking Lot Replacement (Capital Renewal)

### PROGRAM PLAN STATUS

2025-012

Approved Program Plan

No

Date Approved:

### PRIORITY NUMBERS

<u>Prioritized By</u>	<u>Priority</u>	
DPA	3 of 3	
OSPB	50 of 62	Not recommended for funding.

### PRIOR APPROPRIATIONS AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>Future Requests</u>	<u>Total Costs</u>
CCF	\$0	\$4,048,195	\$0	\$0	\$4,048,195
<b>Total</b>	\$0	\$4,048,195	\$0	\$0	\$4,048,195

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$91,432	\$0	\$0	\$91,432
Construction	\$0	\$3,553,213	\$0	\$0	\$3,553,213
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$35,532	\$0	\$0	\$35,532
Contingency	\$0	\$368,018	\$0	\$0	\$368,018
<b>Total</b>	\$0	\$4,048,195	\$0	\$0	\$4,048,195

### PROJECT STATUS

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

Note: Although the building at 1881 Pierce Street is currently leased by the Department of Revenue (DOR), that department has a separate capital budget request (Collocation and Consolidation to Auraria) to vacate the 1881 Pierce Street property. If that project is approved, this project will not benefit DOR, but the Department of Personnel and Administration's (DPA) next tenant.

# Fiscal Year 2024-25 Capital Construction Request

## Personnel and Administration *Parking Lot Replacement (Capital Renewal)*

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### PROJECT DESCRIPTION / SCOPE OF WORK

DPA is requesting state funds to reconstruct the parking lot at 1881 Pierce Street, which is occupied by DOR. 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 repave the lot and modify its configuration to optimize safety, efficiency, and accessibility for visitors and state employees. The project will:

- replace asphalt with highway-standard paving;
- install more energy efficient lighting;
- bring the lot into compliance with ADA requirements for accessible parking space placement, sizing, signage, and ramps;
- install 22 EV charging stations and infrastructure for 62 future charging stations;
- repair sidewalks in high-traffic areas;
- install drought-resistant landscaping and drip-irrigation; and
- relocate and update the drainage system and bring it up to Environmental Protection Agency and local agency requirements.

Cost assumption. Estimates for the project came from contractor bids submitted during DOR's attempt to self-fund the lot replacement in FY 2022-23. The project accounts for inflation. As a capital renewal request, the project is exempt from the High Performance Certification Program requirements. The project is also exempt from the Art in Public Places program, but has elected to include an art component.

### PROJECT JUSTIFICATION

The poor paving conditions and drainage issues present a safety, loss of use, reliability, and liability problem for DOR and DPA. The department says the accessibility and safety concerns will only get worse if the project does not get funded. Multiple worker's compensation claims have been filed due to injuries in the lot. Over a three-year period, over \$300,000 was paid out to address these claims. A complaint was also submitted with the Colorado Workers for Innovative New Solutions (WINS) union.

State facilities are required to offer ADA-compliant parking options. DPA's master plan found that most of the spots reserved for those with accessibility needs do not include an accessible aisle, as required under the ADA. There are no van spaces and there is not proper signage indicating which spots are accessible. The accessible spaces on the west side of the lot do not have ramps from the spaces to the sidewalk. On the south side, the accessible spaces do not have an accessible aisle and the ramp on the curb is an older design that does not match current standards.

The current storm water drainage system uses curb and gutter, concrete pans, and curb and grated inlets to direct runoff either into the city storm sewer or to a storm water detention area on the south end of the lot. DPA maintenance staff have reported issues with drainage on the south end of the lot, resulting in water accumulation in parking spaces.

The landscaping at the site is situated in inconvenient areas for visitors to access the building, resulting in people crossing through planter beds instead of using the sidewalk. This is both unsafe and damages the landscaping. The department says the damaged landscaping presents a poor first impression for visitors.

Project alternatives. DOR looked into self-funding the parking lot replacement, but construction bids came in \$1.2 million over budget and they could not move forward with the project.

### PROGRAM INFORMATION

1881 Pierce Street serves as DOR's headquarters and includes administration, the Colorado Lottery, the Division of Motor Vehicles, Hearings, Marijuana Enforcement Division and the Taxation Division. Both state employees and members of the public visit the building and use the parking lot.

# Fiscal Year 2024-25 Capital Construction Request

**Personnel and Administration**  
*Parking Lot Replacement (Capital Renewal)*

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## PROJECT SCHEDULE

	Start Date	Completion Date
Design	July 2024	July 2024
Construction	April 2025	August 2025

## SOURCE OF CASH FUNDS

This project is not funded from cash sources.

## OPERATING BUDGET

The department says that once the project is completed, they will not need to perform regular asphalt patching in the parking lot, which will reduce operating costs.

## STAFF QUESTIONS AND ISSUES

Responses have been incorporated into the write-up.