

# FY 2018-19 Emergency Supplemental Capital Construction Request

## Human Services

*Hawkins Building L2 Unit, Colorado Mental Health Institute at Pueblo*

### Motion:

Approve the emergency supplemental request from the Department of Human Services for state funds, offset by transfers from other department-administered line items, to construct the Hawkins Building L2 Unit on the Colorado Mental Health Institute at Pueblo campus (\$1,600,000 CCF).

## GENERAL INFORMATION

2018-031

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

Unforeseen Contingency

Bids for the project's security systems component came in higher than expected due to the structure of the bid, and bids for the overall project were higher due to unanticipated cost escalation resulting from a robust construction market.

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

The department plans to repurpose funds in two underutilized line items associated with mental health and substance abuse programming to offset the costs of this supplemental.

### 3. Has the request been approved by OSPB?

Yes

## PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION

The appropriation to be amended was authorized in the following bill: SB 17-254

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$5,420,468	\$1,600,000	\$0	\$7,020,468
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## REASON FOR SUPPLEMENTAL REQUEST

The department says bids for the project were higher than expected for the following reasons:

- The department received only one bid for the security portion of the project, which includes security electronics and detention equipment, and the bid carried a cost of almost three times the original estimate. The department explains that security systems is a niche market.
- Savings realized by rebidding portions of the project were largely offset by increased subcontractor workload.
- Escalation costs were upwards of twice initial estimates, which the department attributes to Colorado's strong construction market.

The department plans to offset costs for the project with \$0.6 million in moneys appropriated to the Jail Based Behavioral Health Services line item, and \$1.0 million in moneys appropriated to the Rural Treatment Programs for People with Co-occurring Disorders Services line item. The department explains that it is seeking to repurpose moneys from the first source because initiating programming with county jails has been delayed, jail participation has been lower than anticipated, and counties that recently elected new sheriffs have delayed participation. The department is seeking to repurpose moneys from the second source because it was able to arrange for a residential

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substance use treatment facility on the Western Slope to be brought online through a partnership at a cost savings for the current fiscal year.

### SUMMARY OF PROJECT

The project builds an 11,475 square foot addition to the Hawkins Building, formerly known as the High Security Forensics Institute, on the CMHIP campus. The addition adds a 24-bed wing to the building in order to increase the department's capacity to treat pretrial detainees and to relocate the patients housed on the E2DW unit. The additional bed capacity will help the department meet the terms of a settlement agreement arising out of a federal lawsuit. The settlement agreement requires the department to admit defendants ordered to undergo inpatient competency evaluation or restoration within 28 days after being ready for admission. The department says failure to complete the project will impact its ability to meet the terms of the settlement agreement.

### QUESTIONS / OUTSTANDING ISSUES

None.