

FY 2018-19 Supplemental Capital Construction Request

Public Health and Environment *Replace Mechanical System, Laboratory Building*

Motion:

Approve the emergency supplemental request from the Department of Public Health and Environment for state funds to upgrade or replace mechanical systems in the Laboratory Building (\$1,421,454 CCF).

GENERAL INFORMATION

2019-096

1. Which supplemental criterion does the request meet?

Emergency

Failure of the aging mechanical systems in the Laboratory Building poses a threat to the health, life, and safety of the building occupants and the Colorado residents it serves.

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

None.

3. Has the request been approved by OSPB and CCHE?

Yes

PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION

The appropriation to be amended was authorized in the following bill: N/A 00-0000

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$0	\$1,421,454	\$0	\$1,421,454
	\$0	\$1,421,454	\$0	\$1,421,454

REASON FOR SUPPLEMENTAL REQUEST

The project has been requested as a Level II controlled maintenance project during the last two budget cycles, but has not received funding. The department explains that the systems to be replaced are at the end of their useful life, and around-the-clock use of the systems has caused them to deteriorate at a faster rate than typical building systems. Further, system deterioration increases the chance of failure, which would jeopardize not only department employees but also the public, since a failure would interrupt such public safety functions as diagnostic and newborn screening for illnesses and genetic conditions, monitoring for outbreaks and bioterrorism agents, environmental testing, and partnering with other testing labs and governmental jurisdictions. The department explains that submitting the project again through the normal controlled maintenance process would push the project out another 18 months, increasing the potential for a catastrophic system failure.

SUMMARY OF PROJECT

The two-phase project upgrades or replaces components of various mechanical systems in the Laboratory Building, where the department performs laboratory certifications, environmental chemistry and microbiology services, breath-alcohol testing, and newborn screening. The department says the systems are at the end of their design life for the facility type, repairs are increasing, and manufacturers no longer support certain hardware. This year's request for Phase I replaces high-priority components in terms of potential failure, including air valve pneumatic actuators and variable air volume actuators, and upgrades the building's direct digital control system. Phase II will replace the

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steam boiler, hot water boilers, expansion tank, chillers, cooling towers, condenser water pumps, rooftop unit components, and air compressor.

QUESTIONS / OUTSTANDING ISSUES

1. Since this project was submitted as a controlled maintenance project for FY 2019-20 and scored as a Level 2 project (ie, not funded), did the department attempt to subsequently secure funding from the Office of the State Architect-managed Emergency Fund for Controlled Maintenance to pay for this project?

The department had a conversation with the Office of the State Architect prior to the submission of the emergency supplemental. At that time, the Office of the State Architect determined that they did not have sufficient funds within the Emergency Fund to contribute to fund this project.

2. Section 24-75-111 (4)(b), C.R.S., requires the state controller to restrict an appropriation to a department in the subsequent fiscal year when an overexpenditure is allowed. This often takes the form of the department reducing funding for a pending capital project. Has the department identified an appropriation that it plans to restrict in order to fund this supplemental request?

The department does not have an appropriation established for this project nor can it identify an appropriate source to over expend and subsequently restrict.

3. Since it appears the emergency supplemental request is seeking to fund Phase 1 of the project, will the department seek future controlled maintenance funding for phase 2 of the project?

The department, in conjunction with discussions with the Office of the State Architect and Office of State Planning and Budgeting, does plan to seek future controlled maintenance funding for phase 2 of the project with the expectation that it will be prioritized as a level 1 project.