

FY 2014-15 Supplemental Capital Construction Request

Public Safety

Acquisition and Renovation of Arvada CBI Lab Space to Comply with House Bill 13-1020

Motion:

Approve the supplemental request for additional state funding from the Department of Public Safety for the Acquisition and Renovation of Arvada CBI Lab Space to Comply with House Bill 13-1020 project (\$1,265,332 CCF).

GENERAL INFORMATION

2015-115

1. Which supplemental criterion does the request meet?

Unforeseen Contingency

The department requests additional funds for renovation of the Colorado Bureau of Investigation (CBI) forensic laboratory in Arvada, because the initial cost estimate completed during the feasibility study was substantially less than the direct construction costs developed by the contracted construction firm. The department was appropriated \$7,200,000 CCF in the 2014 Long Bill for the project. The increase in construction costs for the project is \$4,022,154. However, the department plans to offset this amount with a \$2,756,822 transfer from its FY 2014-15 operating budget, resulting in a net request of \$1,265,332.

2. Which projects will be restricted to fund the supplemental request?**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: HB 14-1336

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$7,200,000	\$1,265,332	\$0	\$8,465,332
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REASON FOR SUPPLEMENTAL REQUEST

The Department of Public Safety (DPS) submitted a FY 2014-15 capital budget request to renovate the Kipling Complex for a new forensic laboratory needed to process additional sexual assault kits, pursuant to House Bill 13-1020. In March 2014, prior to the passage of the 2014 Long Bill, the CDC approved a change in the project scope to purchase existing lab space in Arvada rather than to retrofit the Kipling Complex. House Bill 14-1387 authorized the department to acquire real property for the new lab space. The Arvada lab was purchased on July 18, 2014, for \$3,675,000. In December 2014, DPS submitted a separate FY 2014-15 supplemental request to redesign and configure recently vacated space on two floors of the Kipling Complex. In January 2015, DPS submitted a second FY 2014-15 supplemental request related to the renovation of the Arvada lab, because the initial cost estimate was substantially less than the direct construction costs developed by the contracted construction firm.

The department contracted with an architecture firm to provide a feasibility study and to estimate construction costs. The architecture firm contracted with a specialized third-party construction firm, which estimated construction costs to be \$2.8 million. Using this information, the department contracted with a separate construction firm to serve as the Construction Manager and General Contractor (CMGC) for the project. Meanwhile, the architecture firm moved forward with more detailed design documents. In September 2014, CBI was informed that the direct construction costs were now estimated at \$5.8 million. The department says it inquired why the cost estimate in the initial feasibility study was substantially less, and it was suggested that the initial feasibility study significantly underestimated the costs for Heating, Ventilation, & Air Conditioning (HVAC), plumbing, and electrical needs for the

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forensic lab.

In response to this new information, the department says it asked the architecture firm to re-evaluate and redesign the renovation to be within the \$2.8 million budget. In November 2014, CBI was informed that it was not possible to design a forensic lab that would meet the International Organization for Standardization (ISO) accreditation and best practices in the Arvada building within the \$2.8 million direct construction budget originally anticipated.

Using more detailed design documents developed by the CMGC, the total revised cost for construction at the Arvada lab is estimated to be \$7.5 million. After the \$3,675,000 for the purchase of the building, \$3,525,000 remains for construction purposes from the \$7.2 million appropriation in FY 2014-15. This results in a budget shortfall of \$4,022,154 for construction on the project. The department has submitted a FY 2014-15 supplemental operating budget request to the Joint Budget Committee (JBC) to transfer \$2,756,822 from its existing General Fund appropriation to the Capital Construction Fund, resulting in a net supplemental request of \$1,265,332. The operating surplus is due to a lesser volume of sexual assault kits and a lower per kit pricing than initially estimated.

The department says if the supplemental request is not approved, it will not be able to complete the Arvada building's renovation as required. It also says CBI will not have the appropriate space to operate the needed DNA equipment to analyze an increased number of sexual assault kits, pursuant to HB 13-1020. Additionally, the department says CBI will not have adequate space to accommodate the needed personnel and equipment for one of three state toxicology labs required by House Bill 14-1340. It also says the lack of ISO-accredited forensic lab space will have a negative impact on CBI's ability to produce timely forensic analysis, potentially impacting public safety and successful court resolutions.

SUMMARY OF PROJECT

The project will renovate a recently purchased forensic laboratory in Arvada to meet ISO accreditation and best practices. The laboratory will be used by CBI for forensic testing, including the testing of sexual assault kits expected to be submitted due to the requirements of HB 13-1020. It will also house one of three State Toxicology labs. Specifically, the work includes renovation of the HVAC, plumbing, and electrical systems in the building.

QUESTIONS / OUTSTANDING ISSUES

All responses to staff questions were incorporated into the project write-up.