

# COVER PAGE

## Department of Corrections

### ***FY 2016-17 CAPITAL CONSTRUCTION REQUEST***

#### ***RECOMMENDED FOR FUNDING BY OSPB:***

- Correctional Industries – Miscellaneous Small Projects (*cash-funded*)

***TOTAL: FY 2016-17 CAPITAL CONSTRUCTION STATE-FUNDED REQUEST AMOUNT = \$0***

### ***FY 2016-17 CONTROLLED MAINTENANCE REQUESTS (10)***

#### ***RECOMMENDED FOR FUNDING BY OSPB:***

##### ***LEVEL I:***

- Improve Fire Suppression Systems, CCF, Ph 1 of 2 (\$782,647)

#### ***NOT RECOMMENDED FOR FUNDING BY OSPB:***

##### ***LEVEL I:***

- Improve Perimeter Security, DRDC and DWCF, Ph 1 of 1 (\$1,870,550)
- Fire Alarm System Replacement and Fire Suppression Improvements, LCF, Ph 1 of 1 (\$798,180)

##### ***LEVEL II:***

- Replace Fire Alarm System, AVCF, Ph 1 of 1 (\$634,780)
- Replacement of Chiller and HVAC Controls, TCF, Ph 1 of 1 (\$590,958)
- Primary Electrical System Improvements, CTCF, Ph 1 of 4 (\$987,939)
- Critical Roof Replacement, SCF, Ph 2 of 2 (\$744,098)

##### ***LEVEL III:***

- Replace Boiler and Combustion Controls, FCF, Ph 1 of 1 (\$844,376)
- Replace Roof, CCF, Ph 1 of 1 (\$1,055,043)
- Freezer Cooler Equipment Repair and Replacement, CDOC, Ph 1 of 2 (\$698,474)

### ***HISTORY OF STATE FUNDING***

- **\$109.4 million** has been appropriated on behalf of capital projects at the department since FY 2011-12. This represents **12.5 percent** of the total amount appropriated on behalf of all capital construction and controlled maintenance projects during this period.
- **\$7.5 million** was appropriated in **FY 2015-16**.

### ***INVENTORY OF GENERAL FUND SUPPORTED FACILITIES***

- The General Fund supported inventory of department facilities totals **6,448,635 GSF**. This total represents **13.9 percent** of the entire General Fund supported inventory of state buildings.

**COVER PAGE (Cont.)**  
**Department of Corrections**

***RECENT CDC VISITS***

- Trinidad Correctional Facility (October 2015)
- San Carlos Correctional Facility (June 2015)
- Centennial Correctional Facility (June 2015)
- Sterling Correctional Facility (June 2015)
- Buena Vista Correctional Facility (October 2014)
- Rifle Correctional Center (September 2013)
- Denver Reception and Diagnostic Center and Denver Women's Correctional Facility (May 2013)

# Fiscal Year 2016-17 Capital Construction Request

## Corrections

*Correctional Industries – Miscellaneous Small Projects*

### PROGRAM PLAN STATUS

1998-016

Approved Program Plan?

Date Approved:

### PRIORITY NUMBERS

**Prioritized By**      **Priority**

Dept/Inst      N/A of 1

OSP/B      N/A of 46      Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$6,178,063	\$660,000	\$0	\$0	\$6,838,063
CFE	\$3,371,000	\$0	\$0	\$0	\$3,371,000
FF	\$806,917	\$0	\$0	\$0	\$806,917
<b>Total</b>	<b>\$10,355,980</b>	<b>\$660,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,015,980</b>

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$395,092	\$42,200	\$0	\$0	\$437,292
Construction	\$9,360,637	\$503,990	\$0	\$0	\$9,864,627
Equipment	\$320,000	\$80,000	\$0	\$0	\$400,000
Miscellaneous	\$14,000	\$0	\$0	\$0	\$14,000
Contingency	\$266,251	\$33,810	\$0	\$0	\$300,061
Software Acquisition	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$10,355,980</b>	<b>\$660,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,015,980</b>

### PROJECT STATUS

This is an ongoing request. Cash funds spending authority has been granted for the project each year for the last 20 years. Attachment A lists projects funded under this line item in recent years.

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Corrections (DOC) is requesting cash funds spending authority for various small projects to support the operation of Colorado Correctional Industries (CCi). This is an ongoing request that allows the department to expand CCi where needed to accommodate new business or to maintain current operations. CCi creates work opportunities for offenders, which in turn offsets the costs of incarceration and provides on-the-job training to foster rehabilitation. The department lists the following as projects on its short-term planning list for possible funding in FY 2016-17:

- expansion of production space used by CCi at the East Canon City Prison Complex; and
- other projects identified in the future based on level of need.

# Fiscal Year 2016-17 Capital Construction Request

## Corrections

### *Correctional Industries – Miscellaneous Small Projects*

The department notes that project selection has not yet taken place, and it will make a final selection in FY 2016-17. It will delay final selection in order to best respond to production needs in an ever-changing business environment, and the selections are subject to change. Construction will be performed by the CCI Heavy Equipment and Construction Program.

**Cost assumption.** The cost assumption is based on departmental staff estimates and past program capital costs. The DOC budgets 8 percent of project costs for professional services. The project is not required to meet the Art in Public Places or High Performance Certification Program requirements.

#### PROJECT JUSTIFICATION

The department says the CCI Miscellaneous Small Projects line item furthers the CCI objectives of instilling a work ethic in offenders and equipping more offenders with usable job skills. According to the department, CCI generates funds to help offset DOC General Fund costs. For example, supervision of offenders working on CCI initiatives is provided by CCI staff who are paid with cash funds earned by CCI businesses. This request also allows CCI to develop future business ventures, says DOC.

The department notes that it has historically listed each of the projects anticipated to be undertaken in its annual capital requests, but it says that market changes continually require that products be changed, upgraded, discarded, or replaced. This requires the department to change the capital projects that support these products. The projects described in this year's request are on the department's short-term planning list. Market changes influence the department's decision about which projects to undertake, says DOC. These market changes in turn influence requirements for the physical plant that supports production.

#### PROGRAM INFORMATION

CCI produces inmate-manufactured goods that are sold to individuals and local, state, and federal agencies and retailers. The revenue generated by CCI is used for the ongoing costs of the program's operation, including personnel, raw materials, inmate pay, and indirect costs. In addition, CCI pays for maintenance and upgrades to the physical plant and for the capital needs of existing and new programs. For FY 2014-15, CCI gross revenue was about \$64 million, including canteen revenue, and CCI paid approximately \$1.1 million in staff wages and in utility costs.

The East Canon City Prison Complex, site of a potential small capital construction project in FY 2016-17, is comprised of six correctional facilities, four of which conduct CCI programs, producing a wide variety of goods and services ranging from fish farming and processing to metal fabrication to livestock breeding and processing.

#### PROJECT SCHEDULE

The department plans to identify a project or projects for funding in FY 2016-17. All associated work is projected to be completed within the fiscal year, no later than June 2017.

#### HIGH PERFORMANCE CERTIFICATION PROGRAM

No state funds were requested for the project, so it is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program.

#### SOURCE OF CASH FUNDS

The source of cash funds is revenue generated by CCI manufacturing operations. CCI manufacturing operations are implemented pursuant to Article 24 of Title 17 of the Colorado Revised Statutes. The department allocates \$660,000 annually for program-related capital construction, with the remainder being allocated to operating costs. Although the department estimates the amount of CCI funds that will be allocated for capital needs each year, these amounts are subject to change if additional operating expenses arise.

# Fiscal Year 2016-17 Capital Construction Request

## Corrections

*Correctional Industries – Miscellaneous Small Projects*

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### OPERATING BUDGET

This project has no projected impact on state operating costs.

### STAFF QUESTIONS AND ISSUES

None.

**Department of Corrections  
Five-Year Projection of Need  
FY 2016-17 through FY 2020-21**

Project Title	Fund Source	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Totals
<i>Current Year Request(s)</i>							
Correctional Industries – Miscellaneous Small Projects	CCF	\$0	\$0	\$0	\$0	\$0	\$0
	CF	660,000	660,000	660,000	660,000	660,000	\$3,300,000
<i>Out Year Request(s)</i>							
ADA and Cell Improvements, Arkansas Valley Correctional Facility (Capital Renewal Project)	CCF	0	0	0	8,827,086	0	\$8,827,086
	CF	0	0	0	0	0	\$0
ADA, Cell, Security, and Roof Improvements, Territorial Correctional Facility (Capital Renewal Project)	CCF	0	0	0	7,700,000	0	\$7,700,000
	CF	0	0	0	0	0	\$0
Denver Reception and Diagnostic Center - Centennial Correctional Facility Population Swap	CCF	0	9,094,164	0	0	0	\$9,094,164
	CF	0	0	0	0	0	\$0
Electrical Distribution Replacement and Protection, East Canon City Prison Complex	CCF	0	0	0	TBD	0	\$0
	CF	0	0	0	0	0	\$0
Food Services Building Renovation, Sterling Correctional Facility (Capital Renewal Project)	CCF	0	0	4,500,000	0	0	\$4,500,000
	CF	0	0	0	0	0	\$0
Gymnasium Expansion and Renovation, Fremont Correctional Facility	CCF	0	0	0	0	1,939,140	\$1,939,140
	CF	0	0	0	0	0	\$0
Hot and Chilled Water Piping Replacement, Arkansas Valley Correctional Facility (Capital Renewal Project)	CCF	0	6,000,000	0	0	0	\$6,000,000
	CF	0	0	0	0	0	\$0
Hot Water Loop Replacement, Limon Correctional Facility (Capital Renewal Project)	CCF	0	4,287,531	0	0	0	\$4,287,531
	CF	0	0	0	0	0	\$0
Mental Health Building, Sterling Correctional Facility	CCF	0	0	0	0	1,917,868	\$1,917,868
	CF	0	0	0	0	0	\$0
Perimeter Security Improvements, Delta Correctional Center	CCF	0	0	3,711,514	0	0	\$3,711,514
	CF	0	0	0	0	0	\$0
Programs Building Addition, Trinidad Correctional Facility	CCF	0	0	2,457,133	0	0	\$2,457,133
	CF	0	0	0	0	0	\$0
Progressive Care Living Unit, Skyline Correctional Center	CCF	0	7,165,316	0	0	0	\$7,165,316
	CF	0	0	0	0	0	\$0
South Recreation Yards and Program Space Addition, Centennial Correctional Facility	CCF	0	0	0	0	153,900	\$153,900
	CF	0	0	0	0	0	\$0
<i>Total: State Funds</i>		0	26,547,011	10,668,647	16,527,086	4,010,908	\$57,753,652
<b>Grand Total: All Fund Sources</b>		<b>\$660,000</b>	<b>\$27,207,011</b>	<b>\$11,328,647</b>	<b>\$17,187,086</b>	<b>\$4,670,908</b>	<b>\$61,053,652</b>