

JOINT COMMITTEE ON CAPITAL REVIEW

Tuesday, June 18, 2019

10:00 a.m.

Senate Appropriations Room 109

JLBC

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
CHAIRMAN
LELA ALSTON
SEAN BOWIE
DAVID BRADLEY
RICK GRAY
SINE KERR
VINCE LEACH

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

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HOUSE OF
REPRESENTATIVES

REGINA E. COBB
VICE-CHAIRMAN
CHARLENE R. FERNANDEZ
RANDALL FRIESE
JOHN KAVANAGH
AARON O. LIEBERMAN
WARREN PETERSEN
BEN TOMA

JOINT COMMITTEE ON CAPITAL REVIEW

Tuesday, June 18, 2019

10:00 A.M.

Senate Appropriations, Room 109

MEETING NOTICE

- Call to Order
- Approval of Minutes of April 24, 2019.
- DIRECTOR'S REPORT (if necessary).
- 1. STATE DEPARTMENT OF CORRECTIONS - Review of Phase I Expenditures for Locking and Fire Safety Projects and Tucson HVAC Upgrade.
- 2. ARIZONA EXPOSITION & STATE FAIR BOARD - Review of WPA Building Roof Repair Project.
- 3. ARIZONA DEPARTMENT OF ADMINISTRATION - Review of FY 2020 Building Renewal Allocation Plan and Reallocation of FY 2019 Building Renewal Appropriation.
- 4. ***ARIZONA GAME AND FISH DEPARTMENT - Review of Headquarters Boat Storage Facility Improvements.
- 5. ***ARIZONA STATE PARKS BOARD - Review of Pedestrian Bridge Replacement at Tonto Natural Bridge State Park.

*** Consent Agenda - These items will be considered in one motion and no testimony will be taken.

The Chairman reserves the right to set the order of the agenda.

6/13/19

kp

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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

April 24, 2019

Chairman David Livingston called the meeting to order at 9:07 a.m., Wednesday, April 24, 2019 in House Hearing Room 1. The following were present:

Members:	Senator Gowan, Chairman	Representative Cobb, Vice-Chairman
	Senator Alston	Representative Fernandez
	Senator Bowie	Representative Frieze
	Senator Bradley	Representative Kavanagh
	Senator Gray	Representative Lieberman
	Senator Kerr	Representative Petersen
	Senator Leach	Representative Toma

Absent:

APPROVAL OF MINUTES

Representative Cobb moved that the Committee approve the minutes of December 18, 2018. The motion carried.

ADOPTION OF COMMITTEE RULES AND REGULATIONS

Representative Cobb moved that the Committee adopt the rules and regulations. The motion carried.

CONSENT AGENDA

The following items were considered without discussion:

(Continued)

ARIZONA EXPOSITION AND STATE FAIR BOARD (AESF) - Review of FY 2019 Capital Improvement Expenditures.

A.R.S. § 41-1252 requires the Joint Committee on Capital Review to review the scope, purpose and estimated cost for capital improvements. The FY 2019 Capital Outlay Bill (Laws 2018, Chapter 277) appropriated \$1,000,000 from the Arizona Exposition and State Fair Fund to AESF for capital improvements. AESF requested Committee review of the scope, purpose and estimated cost of 5 capital projects with a total cost of \$590,000. The JLBC Staff provided options and potential provisions:

- A. *AESF shall report to the JLBC Staff if the actual cost of any project included in the expenditure plan exceeds the estimated cost by more than 20%.*
- B. *If an emergency arises that is not addressed by the existing expenditure plan:*
 - 1. *AESF shall notify the Chairman and the JLBC Staff that they plan to spend less than \$50,000 on an emergency project. AESF can proceed without Committee review.*
 - 2. *The Chairman can allow AESF to move forward with an emergency project of greater than \$50,000 without Committee review.*
 - 3. *The Chairman will notify AESF if he does not agree that the project is an emergency and that the project will require full Committee review.*

An "emergency" project is defined as unforeseen, critical in nature, and of immediate time sensitivity.

- C. *It is the intent of the Committee to not review the \$120,000 allocation from the FY 2017 Arizona Department of Administration (ADOA) building renewal appropriation for the repair of the 1938 Works Progress Administration Civic Building until the provisions pursuant to Laws 2016, Chapter 126 are met. Statute does not permit ADOA to spend the \$120,000 until matching funds from the City of Phoenix are received. When ADOA and the Arizona Exposition and State Fair Board subsequently request review of the 1938 WPA Civic Building Project, they shall include information on how total project funds will be spent and if the repairs will be sufficient to make the building operational.*
- D. *No monies from the FY 2018 (Laws 2017, Chapter 306) or FY 2019 (Laws 2018, Chapter 277) capital appropriation may be spent on projects related to the 1938 WPA Civic Building without prior Committee review.*
- E. *On or before January 31, 2020, the Arizona Exposition and State Fair Board shall report to the JLBC Staff on the status of all capital improvement projects and capital improvement expenditures, including prior projects reviewed by the Committee.*

ARIZONA STATE PARKS BOARD (ASPB) - Review of New FY 2019 Capital Improvement Projects and Reallocation of Prior Year Capital Funding.

A.R.S. § 41-1252 requires Joint Committee on Capital Review to review the scope, purpose and estimated cost for capital improvements. The FY 2019 Capital Outlay Bill appropriated \$4,000,000 and \$1,500,000 for capital improvements to Oracle State Park and Buckskin State Park, respectively. ASPB

(Continued)

requested review of \$300,000 of new capital spending to fund the master planning process for the Buckskin State Park and Oracle State Park redevelopment projects and review of \$1,383,300 for new capital improvement projects, which are being funded from the reallocation of monies from capital projects previously reviewed by the Committee. The JLBC Staff provided options and potential provisions:

- A. *ASPB shall report any reallocations between projects in the proposed spending plan above \$100,000 (see Table 1) to the JCCR Chairman. The JCCR Chairman shall determine whether the reallocation requires further Committee review.*
- B. *ASPB shall report to JLBC Staff on or before July 31, 2019 and January 31, 2020 on the status of all capital improvement projects and capital improvement expenditures, including prior projects reviewed by the Committee.*
- C. *Upon completion of the updates to the Buckskin State Park and Oracle State Park master plans, ASPB shall submit the proposed park's master plan to the Committee, along with their timetable and projected costs.*

Table 1		
State Parks New Capital Improvement Projects		
New Capital Projects - FY 2019 Funding		
<u>Location</u>	<u>Project</u>	<u>Cost</u>
Buckskin	Master Plan Cost	\$150,000
Oracle	Master Plan Cost	150,000
Subtotal		\$300,000
New Capital Projects - Reallocated From Prior Year Funding		
<u>Location</u>	<u>Project</u>	<u>Cost</u>
Statewide	FY 2019 Cabin Installation Project	\$517,000
Kartchner	HVAC/Backup Generator	250,000
Jerome	Fire Alarm/Fire Suppression	400,000
Slide Rock	Fencing/Railfing	87,000
Statewide	Health and Safety Projects	129,300
Subtotal		\$1,383,300
Total		\$1,683,300

ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) - Review of Spreader Rack Bay Replacements and Repairs.

A.R.S. § 41-1252 requires the Joint Committee on Capital Review to review expenditure plans for all monies appropriated for capital projects. ADOT requested Committee review of its expenditure plan for its \$1,720,000 appropriation from the FY 2019 Capital Outlay Bill (Laws 2018, Chapter 277) to replace and repair spreader rack bays statewide. The JLBC Staff provided options.

Representative Cobb moved that the Committee give a favorable review with provisions as outlined in the JLBC Staff analysis, to the 3 consent agenda items listed above. The motion carried.

(Continued)

REGULAR AGENDA

RIO NUEVO DISTRICT - Review of Presentation of Projects.

Mr. Richard Stavneak, JLBC Director, stated A.R.S. § 48-4203E requires the Rio Nuevo Multipurpose Facilities District (District) to present to the Committee any construction project (or other improvement to real property) with a cost of more than \$500,000. The effective date of this new requirement was August 3, 2018. Since the effective date, the District's Board of Directors (Board) has approved and executed development agreements for 3 projects exceeding \$500,000. The District's Board has agreed to spend up to a total of \$12,400,000 on these projects. The JLBC Staff provided options and a potential provision.

Mr. Fletcher McCusker, Chairman, Rio Nuevo, responded to member questions.

Representative Cobb moved that the Committee give a favorable review of the Rio Nuevo District's presentation of projects with the following provision:

- A. The statutory provision requiring the District to present to the Committee has only been met for projects with executed development agreements currently in place.*

The motion carried.

ARIZONA STATE UNIVERSITY (ASU) - Consider Approval of Durham Language and Literature Building Renovation Financing Project.

Ms. Morgan Dorcheus, JLBC Staff, stated that A.R.S. § 15-1671 requires Committee approval of any debt financed university capital project paid for with funds from the university's Capital Infrastructure Fund (CIF). These monies are from the \$1 billion capital investment program enacted in 2017. ASU requested Committee approval of a \$65,000,000 bond issuance for the renovation of the Durham Language and Literature Building. The JLBC Staff provided options and potential provisions.

Mr. Morgan Olsen, Executive Vice President, Treasurer and Chief Financial Officer, ASU, responded to member questions.

Representative Cobb moved that the Committee approve ASU's request for the issuance of \$65,000,000 of bonds for the renovation of the Durham Language and Literature Building. Debt service on the project will be paid with monies from ASU's CIF, funded 50% with tuition revenues, and 50% with General Fund appropriations.

The approval included the following standard university financing provisions shown below:

Standard University Financing Provisions

- A. Approval by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for operations and maintenance costs when the project is complete.*
- B. ASU shall provide the final debt service schedule and interest rate for the project as soon as they are available.*

The motion carried.

(Continued)

ARIZONA STATE UNIVERSITY (ASU) - Review of Student Housing Indirect Financing Project.

Ms. Morgan Dorcheus, JLBC Staff, stated A.R.S. § 15-1682.02 requires the universities to submit indirect financing projects (also known as third-party financing) for Committee review. ASU requested Committee review of a 2-acre ground lease for the approximately \$31,000,000 development of student housing at its Polytechnic (East) Campus. The proposed facility would provide up to 390 beds. The JLBC Staff provided options and a potential provision.

Mr. Morgan Olsen, Executive Vice President, Treasurer and Chief Financial Officer, ASU, responded to member questions.

Representative Cobb moved that the Committee favorably review ASU's request to enter into a 2-acre ground lease with a private vendor for construction of a \$31,000,000 student housing development on its Polytechnic (East) Campus.

The favorable review included the following standard university financing provision:

Standard University Financing Provision

- A. *A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service, or any operations and maintenance costs when the project is complete.*

A roll call vote was requested. The motion carried by a roll call vote of 11-3-0-0. (Attachment 1)

DEPARTMENT OF PUBLIC SAFETY (DPS) - Review of Remote Housing Replacement.

Mr. Jordan Johnston, JLBC Staff, stated A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to capital projects. DPS was appropriated \$2,000,000 (\$1,200,000 from the General Fund and \$800,000 from the State Highway Fund) for the construction of 6 remote housing units by the FY 2019 Capital Outlay Bill (Laws 2018, Chapter 277).

The initial proposal from DPS for remote housing received a favorable review from the Committee in July 2018. Due to inadequate responses during the procurement process, DPS is requesting review of an alternative remote housing expenditure plan. The JLBC Staff provided options and potential provisions.

Mr. Phil Case, Comptroller, DPS, responded to member questions.

Mr. John Hauptman, General Manager Planning and Construction Services, ADOA, responded to member questions.

Representative Cobb moved that the Committee give a favorable review of DPS' revised expenditure plan.

The favorable review included the following provisions:

- A. The department shall report to the JLBC Staff on or before May 31 and November 30 of each year until the project is completed. The report shall include the status and the construction timeline of the units.*
- B. Upon completion of the procurement process, the department shall report to the JLBC Staff the cost and selected location of each unit.*

The motion carried.

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Review of FY 2019 Capitol Mall Consolidation Fund Expenditures and Capitol Mall Renovation Plan.

Ms. Rebecca Perrera, JLBC Staff, stated A.R.S. § 41-792.02 requires the Committee to review expenditure plans for monies appropriated from the Capitol Mall Consolidation Fund. ADOA requested review of an expenditure plan of \$9,000,000 to complete the renovation of 1400 W Washington.

In addition, pursuant to a FY 2019 Capital Outlay Bill footnote, ADOA submitted its report on its plans to relocate state agencies to the Capitol Mall and to renovate state buildings for Committee review. The JLBC Staff provided options and a potential provision.

Representative Cobb moved that the Committee give a favorable review of ADOA's Capitol Mall Consolidation Fund expenditure plan and Capitol Mall renovation and relocation plan with the following provision:

- A. Review is contingent on the Legislature making the FY 2019 capital appropriation non-lapsing through FY 2021.*

The motion carried.

Without objection, the meeting adjourned at 10:50 a.m.

Respectfully submitted:



Kristy Paddack, Secretary



Jack Brown, Assistant Director



Senator David M. Gowan, Chairman

JOINT COMMITTEE ON CAPITAL REVIEW

Meeting Date: 4/24/19

ITEM # 2B - ASU - Student Housing

ITEM # _____

	PRESENT	ABSENT	PASS	AYE	NAY	PRESENT	ABSENT
SEN. ALSTON	/	—		/			
SEN. BOWIE	/	—		/			
SEN. BRADLEY	/	—		/			
REP. FERNANDEZ	/	—		/			
REP. FRIESE	/	—		/			
SEN. GRAY	/	—		/			
REP. KAVANAGH	/	—		/			
SEN. KERR	/	—		/			
SEN. LEACH	/	—			/		
REP. LIEBERMAN	/	—		/			
REP. PETERSEN	/	—			/		
REP. TOMA	/	—		/			
REP. COBB	/	—			/		
SEN. GOWAN	/	—		/			
TOTALS	<u>14</u>	<u>0</u>	—	<u>11</u>	<u>3</u>	<u>0</u>	<u>0</u>

	PASS	AYE	NAY	PRESENT	ABSENT
SEN. ALSTON					
SEN. BOWIE					
SEN. BRADLEY					
REP. FERNANDEZ					
REP. FRIESE					
SEN. GRAY					
REP. KAVANAGH					
SEN. KERR					
SEN. LEACH					
REP. LIEBERMAN					
REP. PETERSEN					
REP. TOMA					
REP. COBB					
SEN. GOWAN					
TOTALS	—	—	—	—	—



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DATE: June 13, 2019

TO: Members of the Joint Committee on Capital Review

FROM: Geoffrey Paulsen, Fiscal Analyst *GP*

SUBJECT: Arizona Department of Corrections - Review of Phase I Expenditures for Locking and Fire Safety Projects and Tucson HVAC Upgrade

Request

A.R.S. § 14-1252 requires Committee review of capital projects with estimated costs exceeding \$250,000. The Arizona Department of Corrections (ADC) requests Committee review of \$17,700,000 of non-appropriated monies in FY 2020 for Phase I of ADC's project to repair or replace locks, fire alarm and suppression systems, and HVAC systems. Phase I would replace locks and fire alarm systems at several units at the Lewis prison complex. ADC also requests review of \$300,000 of federal grant funding to replace the evaporative cooling system in the Tucson complex's Rincon Unit with air conditioning.

ADC's plan has a second and third phase which would be addressed at future JLBC meetings.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may consider the following provisions:

- A. The department shall submit quarterly updates on the status and progress of the project. Updates shall be submitted on or before September 1, December 1, March 1, and June 1. The Chairman will notify ADC whether the progress reports require JCCR review. The reports shall include the progress made since the last report, the current status of the project, total expenditures, and any changes to the scope, timeline or budget of the project.

(Continued)

- B. ADC shall submit to JLBC by October 1, 2019 a report on any components of fire alarm and suppression systems in state prisons that are inoperable and an estimated cost of repairing the systems by facility. The report shall also include:
 - 1. The current cost in terms of both dollars and full-time equivalent positions of any 24-hour fire watch personnel required by inoperable systems.
 - 2. A list of the state prison units that currently use "old technology" direct evaporative cooling systems and an estimated cost to replace those systems with indirect evaporative cooling.
- C. A favorable review of the proposal does not constitute endorsement of any General Fund commitment to pay for any Phase I project costs beyond \$17.7 million.
- D. The department shall comply with American Correctional Association (ACA) standards for all locks purchased and installed as part of this project.

Key Points

- 1) Inmates have been tampering with locking systems at Lewis and Yuma prisons. These same issues may occur to a lesser extent at other prisons.
- 2) ADC proposes to replace Lewis locks and fire systems in Phase I, the Lewis evaporative cooling in Phase 2 and replace the Yuma locking/fire/evaporative cooling systems in Phase 3.
- 3) Total replacement cost for all 3 phases is \$45.9 million.
- 4) ADC is requesting review of the FY 2020 Phase 1 costs of \$17.7 million. Phase I of the project is estimated to cost \$20.7 million.
- 5) In spite of the \$3.0 million Phase I funding gap, ADC has identified \$2.0 million of non-appropriated money for Phase 2.
- 6) ADC has not identified funding sources for the remaining \$26.2 million of project costs.
- 7) ADC also plans to use \$300,000 of federal monies for an HVAC replacement of the Tucson prison unit that houses the prison high school.

Analysis

Lock, HVAC, Fire Alarm and Fire Suppression System Upgrades

Background

ADC's central office reports that they became aware of an increase in lock tampering and cell door malfunctions in the 3 close custody units in Lewis Prison in November 2017. Those units have a total inmate capacity of 2,184 inmates. ADC has indicated that these locks are nominally functional, but inmates have been able to tamper with the locking system so that it cannot fully engage. As a result, inmates are able to open the doors freely in some cases.

In January 2018, ADC began to add a pin and latch to the outside of the doors to further secure them from opening. The Buckeye Fire Marshal approved the pinning of the cell doors as a temporary fix until a permanent solution could be evaluated and implemented. ADC was required to put in place procedures for unpinning doors in the event of an emergency.

In April 2019, news reports indicated the door pinning was not sufficient as video of door tampering and staff assaults surfaced. ADC transferred more than 700 inmates out of the affected units, and ADC then ordered the emergency padlocking of the doors. The State Fire Marshal indicated the fix was not ideal,

(Continued)

but that it would accept the padlocking on a temporary basis. Additional procedures were put into place, including additional fire protection devices, adequate personnel with keys to open padlocks, and alternative methods to open the padlocks (bolt cutters).

On April 30, 2019, the Governor's Office announced that former Arizona Supreme Court Justices Rebecca Berch and Ruth McGregor would be hired to conduct an independent investigation into the security issues in the Department of Corrections. According to the news release, the investigation will assess the cause of the locking problem at Lewis and the actions taken by ADC to address it, and make recommendations for changes in policy, procedure and operations as appropriate.

ADC has indicated that the same locking system is also in place at the Yuma prison.

Project Overview

ADC has identified locks, HVAC systems, and fire alarm and suppression systems in the Lewis and Yuma prisons complexes that need replacement. The total project cost is estimated at \$45.9 million. ADC plans to complete the entire project by May 2021.

ADC plans to utilize a Construction Manager at Risk (CMAR) delivery method, which requires a construction manager to deliver a project within a Guaranteed Maximum Price (GMP). The CMAR contract will cover the purchase and installation of locks, fire systems and HVAC. Due to the scope of the contract, the CMAR is expected to include multiple GMPs. The CMAR is expected to be awarded in early July. This will allow for the purchasing of materials to begin at that time. ADC will then negotiate with the selected contractor on GMP contracts.

ADC has divided the project into 3 phases:

- Phase 1 - Lewis Prison - Replace locks, fire alarm and suppression systems (\$20,651,100) - ADC has identified \$17.7 million from non-appropriated funds for Phase I. (See *Table 1* below for detail.)
- Phase 2 - Lewis Prison – Upgrade evaporative cooling system (\$11,330,100) - ADC has identified \$2.0 million from non-appropriated funds for Phase 2.
- Phase 3 - Yuma Prison - Replace locks, fire alarm system and HVAC systems (\$13,888,300)

Prison doors have a number of "locking points" which secure the door to the frame. The current locking system in place at Lewis and Yuma is a pneumatic system with 3 locking points, which over time have been manipulated by inmates. The new systems being evaluated by ADC are 4-point locking rack and pinion systems, which ADC believes to be more secure.

ADC and ADOA report that they surveyed 47 states on locking issues. The responding states provided several potential solutions. ADC also conducted a Request for Information (RFI) in May 2019 to determine the best locking solutions available. Three vendors responded to the RFI, and ADC determined that 2 of the vendors may meet the current need. Both vendors are expected to install a demonstration of their solution at Lewis prison and ADC and ADOA will evaluate the solution before signing a contract.

(Continued)

ADC also plans to replace the fire systems at Lewis and Yuma. ADC reports that the current fire systems have been inoperable for approximately 10 years. This includes both smoke detection and smoke evacuation. To achieve fire and life safety standards, ADC employs 24-hour fire watch personnel.

ADC proposes to replace current evaporative coolers at the prisons with "indirect evaporative cooling," which does not produce the humidity of the current system and eliminates the long-term damage created by the humidity. ADC has installed these indirect cooling systems in other complexes.

Due to the size and scope of the issue, the Committee may consider Provision A, which would require ADC to provide quarterly reports to the Committee on the status and progress of the project. The Chairman would decide whether the report required Committee review.

Given the potential need for additional fire alarm and evaporative cooling upgrades at other state prisons, the Committee may also consider Provision B, which would require ADC to report by October 1, 2019 on the potential cost and timeline for these fire alarm and evaporative cooling upgrades.

The basis of the overall project cost is still unclear. ADC has also not identified funding sources for the remaining \$26.2 million of funding to complete the project. ADC has indicated that these project costs may be included in future budget requests. As a result, the Committee may consider Provision C, which states that a favorable review does not constitute endorsement of any General Fund commitment to pay for any Phase I projects costs beyond \$17.7 million.

Table 1			
Locks, HVAC, Fire Alarm and Suppression System Expenditure Plan			
	<u>Cost</u>	<u>Funding Identified</u>	<u>Funding Still Needed</u>
Phase 1 (May 2019 – October 2020)	\$ 20,651,100	\$ 17,700,000	\$ 2,951,100
Phase 2 (March 2020 – February 2021)	11,330,100	2,000,000	9,330,100
Phase 3 (July 2020 – May 2021)	<u>13,888,300</u>	-	<u>13,888,300</u>
Project Total	\$45,869,500	\$19,700,000	\$26,169,500

Current Request

ADC is requesting review of \$17.7 million, which represents the FY 2020 Phase 1 costs. ADC has allocated \$19.7 million from 3 non-appropriated funds in FY 2020 for project costs: Inmate Store Proceeds Fund (\$5.2 million), Arizona Correctional Industries Revolving Fund (\$10.5 million), and the Special Services Fund (\$4.0) million. These funds currently have sufficient balances to fund these expenditures (see *Table 2* below for detail). ADC will return to the Committee in FY 2020 for review of the remaining \$2.0 million of funding allocated for Phase 2.

(Continued)

Table 2

Proposed Fund Sources for FY 2020 Project Expenditures

<u>Fund Source</u>	<u>Revenue Source</u>	<u>Projected FY 2020 Balance ^{1/}</u>	<u>Proposed Expenditure</u>
Inmate Store Proceeds Fund	Profit resulting from the privatization of inmate stores	\$ 7,996,500	\$ 5,200,000
Arizona Correctional Industries Revolving Fund	Sale of Arizona Correctional Industries goods and services	13,506,300	10,500,000
Special Services Fund	Revenues generated by the inmate use of technology, including telephone systems, kiosks and tablets.	8,589,900	4,000,000
Total		\$30,092,700	\$19,700,000

^{1/} Prior to ADC proposal

ADC has identified Phase I costs of \$17.7 million – approximately \$800,000 for the design, \$15.7 million for replacement locks (approximately \$12,000 to \$13,000 per lock), and \$1.2 million for fire systems. The remaining \$3.0 million of costs will be identified at a later date.

ADC has said that the new locks would meet the standards set by the American Correctional Association (ACA). ADC reports that given its status as a governmental entity, it is not required to be a member of the ACA and does not adopt their standards for Arizona prisons, however it does follow most of the recommended ACA guidelines. As a result, the Committee may consider Provision D, which would require any locks purchased and installed as part of this project to comply with the ACA locking standards.

Tucson Rincon Unit HVAC Upgrade

The Tucson complex's Rincon Unit houses minors who have been tried and sentenced as adults. Because these inmates are still minors, they attend high school within the prison. ADC reports that the current building which houses the school has insufficient heating in the winter and cooling in the summer. ADC proposes to upgrade the heating and cooling systems to a modern HVAC system at a cost of \$300,000. ADC has identified \$300,000 of Federal Title I Education Funds for this project. ADC reports that the U.S. Department of Education has not yet approved the use of the funding for this purpose.

GP:kp



DOUGLAS A. DUCEY
GOVERNOR

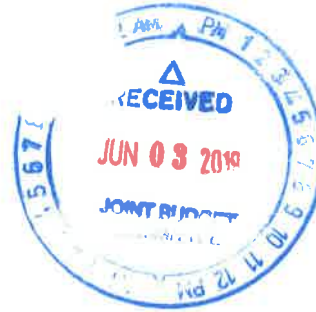
Arizona Department of Corrections

1601 WEST JEFFERSON
PHOENIX, ARIZONA 85007
(602) 542-5497
www.azcorrections.gov



CHARLES L. RYAN
DIRECTOR

May 31, 2019



The Honorable David M. Gowan, Chairman
Joint Committee on Capital Review
1716 West Adams
Phoenix, Arizona 85007

Re: Submission for review of Building Renewal Projects at ASPC-Lewis and ASPC-Yuma

Dear Senator Gowan:

The Arizona Department of Corrections (ADC) requests placement on the next meeting agenda of the Joint Committee on Capital Review (JCCR) for its review of building renewal projects at ASPC-Lewis and ASPC-Yuma. This request for review is specific to Phase I of the project. These projects are critical to the safety and security of staff and inmates and represent a necessary investment in the physical plant at the identified locations. The project scope includes replacement of locks; HVAC systems; as well as fire alarm and suppression systems.

The total estimated project cost is \$45,869,500 which will be broken down into three phases. Phase I includes the immediate replacement of locks, suppression and fire alarm systems at the ASPC-Lewis complex and the estimated cost is \$20,651,100. Phase II includes the replacement of the evaporative cooling systems at the ASPC-Lewis complex and the estimated cost is \$11,330,100. The third and final phase includes the replacement of locks, suppression, fire alarm systems and evaporative cooling systems at the ASPC-Yuma complex with an estimated cost of \$13,888,300.

Funding allocated in FY 2020 for the project is separate from the \$6,864,300 appropriated in FY 2020 from the Building Renewal Fund. ADC has allocated \$19,700,000 in FY 2020 from non-appropriated funding sources. These funds will be utilized for Phase I and Phase II expenditures as shown in the enclosed document.

Due to the critical nature of the project ADC must move forward with the entire scope of the project with urgency. Future project costs will be requested in the FY 2021 Capital Improvement Plan submission.

The Honorable David M. Gowan
May 31, 2018
Page 2

Additional detail on the project scope and cost is enclosed.

If you have any questions, please contact Michael Kearns, Division Director, ADC Administrative Services Division, at (602) 542-1160.

Sincerely,

A handwritten signature in black ink, appearing to read "CL Ryan", with a long horizontal flourish extending to the right.

Charles L. Ryan
Director

Enclosures

cc: The Honorable Regina E. Cobb, Vice-Chairman, JCCR
Matthew Gress, Director, Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee
Ryan Vergara, Senior Budget Analyst, Office of Strategic Planning and Budgeting
Geoffrey Paulsen, Fiscal Analyst, Joint Legislative Budget Committee

**Arizona Department of Corrections
ASPC Lewis and ASPC-Yuma
Replace Locks, HVAC, Fire Alarm and Suppression Systems**

In an effort to ensure a safe environment for both staff and inmates, ADC is requesting JCCR review of a critical project. Although FY 2020 costs include a small part of Phase II costs review is being requested exclusively for Phase I. The project scope includes the repair or replacement of lock, HVAC, fire alarm and suppression systems at ASPC-Lewis and ASPC-Yuma. The estimated cost of the project is \$45,869,500.

In addition to the locks and fire systems, the existing evaporative cooling units for these complexes have begun to deteriorate beyond repair. The increased moisture from these evaporative cooling systems have resulted in the continuous rusting and decay of air handling units and the supporting ductwork. Functionality and overall safety of the system is significantly reduced, making it difficult to maintain a constant supply of cooling throughout the buildings.

ADC is recommending a phased approach to address the deficiencies at each complex. The proposed schedule is outlined below:

- **Phase I: ASPC-Lewis – Repair or Replace Locks, Fire Alarm and Suppression Systems - \$20,651,100**
Phase I includes the immediate replacement of locks, suppression and fire alarm systems at the ASPC-Lewis complex including Morey, Buckley, Rast Units as well as the Stiner Detention Unit and Bachman Detention Unit. The Phase I estimated timeframe is from 5/16/2019 – 10/12/2020 (515 days).
- **Phase II: ASPC-Lewis – Repair or Replace HVAC Systems - \$11,330,100**
Phase II includes the replacement of the evaporative cooling systems at the ASPC-Lewis complex including Morey, Buckley, Rast Units as well as the Stiner Detention Unit and Bachman Detention Unit. The Phase II estimated timeframe is from 3/13/2020 – 2/23/2021 (348 days).
- **Phase III: ASPC-Yuma – Repair or Replace Locks, Fire Alarm, Suppression and HVAC Systems - \$13,888,300**
Phase III includes the replacement of locks, suppression, fire alarm systems and evaporative cooling systems at the ASPC-Yuma complex including Dakota and the Cheyenne Detention Units. The Phase III estimated timeframe is from 7/1/2020 – 5/16/2021 (319 days).

CONCEPTUAL PROJECT SCHEDULE AND CASH FLOW

Task Name	Duration	Start	Finish
ASPC Lewis/Yuma Overall	731.3 days	Thu 5/16/19	Sun 5/16/21
Phase 1 - ASPC Lewis Locks/Fire Systems	515.3 days	Thu 5/16/19	Mon 10/17/20
Preconstruction	460 days	Thu 5/16/19	Mon 5/17/20
Procure Architect	21 days	Thu 5/16/19	Wed 6/5/19
Design Phase	72 days	Mon 7/1/19	Tue 9/10/19
JCRC REVIEW - TBD	0 days	Tue 6/18/19	Tue 6/18/19
Procure CMAR	122 days	Wed 5/22/19	Fri 9/20/19
Order Lock Materials	405 days	Wed 7/10/19	Mon 8/17/20
Lewis Lock Replacements	385.8 days	Sat 9/21/19	Mon 10/12/20
Morey Unit	175.6 days	Sat 9/21/19	Sun 3/15/20
Buckley Unit	100.8 days	Thu 3/19/20	Sun 6/28/20
Rast Unit	48 days	Fri 7/3/20	Thu 8/20/20
Steiner/Bachman CDU	48 days	Tue 8/25/20	Mon 10/12/20
Complete Lewis Locks	0 days	Mon 10/12/20	Mon 10/12/20
Lewis Fire Systems Repairs/Replacement	347.5 days	Sat 9/21/19	Mon 10/12/20
Morey Unit	175.6 days	Sat 9/21/19	Sun 3/15/20
Buckley Unit	100.8 days	Thu 3/19/20	Sun 6/28/20
Rast Unit	48 days	Fri 7/3/20	Thu 8/20/20
Steiner/Bachman CDU	48 days	Tue 8/25/20	Mon 10/12/20
Complete Lewis Fire Systems	0 days	Mon 10/12/20	Mon 10/12/20
Phase 2 - Units HVAC Exp. Conversions	347.5 days	Fri 3/13/20	Tue 2/23/21
Rast Unit	161.2 days	Fri 3/13/20	Fri 8/21/20
Morey Unit	142 days	Wed 7/1/20	Thu 11/19/20
Buckley Unit	132.3 days	Fri 7/31/20	Thu 12/10/20
Steiner Detention	133.5 days	Fri 10/9/20	Fri 2/19/21
Bachman Detention	137.5 days	Fri 10/9/20	Tue 2/23/21
Phase 3 - HVAC Systems	312.3 days	Mon 10/12/20	Sun 5/16/21
Order Lock Materials	241 days	Sat 7/4/20	Mon 3/1/21
Engineering	30 days	Wed 7/1/20	Thu 7/30/20
Yuma Lock Replacements	170.3 days	Mon 10/12/20	Wed 5/12/21
Contractor Mobilize	60 days	Mon 10/12/20	Fri 12/11/20
1st Half Dakota Unit	56 days	Fri 12/11/20	Fri 2/5/21
2nd Half Dakota Unit	48 days	Fri 2/5/21	Thu 3/25/21
Cheyenne CDU	48 days	Thu 3/25/21	Wed 5/12/21
Yuma HVAC Systems Repairs/Replacement	170.3 days	Mon 10/12/20	Wed 5/12/21
Contractor Mobilize	60 days	Mon 10/12/20	Fri 12/11/20
1st Half Dakota Unit	56 days	Fri 12/11/20	Fri 2/5/21
2nd Half Dakota Unit	48 days	Fri 2/5/21	Thu 3/25/21
Cheyenne CDU	48 days	Thu 3/25/21	Wed 5/12/21
Yuma HVAC Exp. Conversions	225.3 days	Fri 8/14/20	Mon 2/1/21
Dakota Unit	171.3 days	Fri 8/14/20	Mon 2/1/21
Cheyenne CDU	170.3 days	Fri 11/27/20	Sun 5/16/21



- Notes:**
- Fire systems and locks will be completed at ASPC-Lewis in October, 2020
 - This schedule assumes contractor has complete access to at least one vacant unit throughout Phases 1 and 3 of construction
 - Phase 2, Lewis HVAC to be completed while units are occupied
 - This schedule requires \$19.7 million to be obligated in June of 2019 and \$26.2 million to be obligated in July of 2020
 - Assumes multiple Guaranteed Maximum Prices (GMP) completed under a Construction Manager at Risk (CMAR)
 - Funds must be available for obligation in order to execute each GMP
 - The proposed fire system replacement represents inmate only areas
 - Construction cost estimates and proposed timeline are based on engineering estimates/historical data and are subject to change



DOUGLAS A. DUCEY
GOVERNOR

Arizona Department of Corrections

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PHOENIX, ARIZONA 85007
(602) 542-5497
www.azcorrections.gov



CHARLES L. RYAN
DIRECTOR

May 31, 2019

The Honorable David M. Gowan, Chairman
Joint Committee on Capital Review
1716 West Adams
Phoenix, Arizona 85007

Re: Review of Building renewal Project at ASPC-Tucson Rincon Minors Unit

Dear Senator Gowan:

A.R.S. § 41-1252 C. requires review by the Joint Committee on Capital Review (JCCR) of the scope, purpose and estimated cost of projects that have an estimated total cost of more than two hundred fifty thousand dollars. Pursuant to this statute ADC requests review of a project at ASPC-Tucson Rincon Unit that will convert existing evaporative cooling to air conditioning.

ASPC-Tucson Rincon Unit houses minors who have been adjudicated as adults. The minor population attends high school within the prison unit where they are housed. The current building where the minors attend high school is cooled by evaporative cooling and has insufficient heating. The evaporative cooling does a very poor job in keeping the classrooms cool during the summer months and gets cold in the winter months. These conditions are not conducive to concentration and learning.

ADC proposes an upgrade to the existing cooling and heating systems to modern heat pump systems to provide an environment conducive to educating the minor inmate population. The project will also require changes to ductwork and electrical upgrades. The project is expected to take 60-90 days to complete and the estimated cost of the project is \$300,000. The funding plan for this project is Federal Title I Education Funds. ADC is awaiting final approval from the U.S. Department of Education to utilize the funds for the project.

May 31, 2019
The Honorable David M. Gowan
Page 2

The project breakout is as follows:

General Requirements	50,300
Metals	16,200
Thermal & Moisture Protection	6,400
Finishes	15,500
Plumbing	100
Heating, Ventilating, And Air-Conditioning (HVAC)	167,600
Electrical	40,300
Contingency	3,600
Project Total	<u>300,000</u>

If you have any questions, please contact Michael Kearns, Division Director of the Department's Administrative Services Division, at (602) 542-1160.

Sincerely,


Charles L. Ryan
Director

cc: The Honorable Regina E. Cobb, Vice-Chairman, Joint Committee on Capital Review
Matthew Gress, Director, Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee
Ryan Vergara, Senior Budget Analyst, Office of Strategic Planning and Budgeting
Geoffrey Paulsen, Fiscal Analyst, Joint Legislative Budget Committee



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

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DATE: June 13, 2019

TO: Members of the Joint Committee on Capital Review

FROM: Henry Furtick, Fiscal Analyst *HF*

SUBJECT: Arizona Exposition and State Fair Board - Review of WPA Building Roof Repair Project

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for capital projects. The Arizona Exposition and State Fair (AESF) Board requests Committee review of \$400,000 from the AESF Fund for roof repairs to the 1938 Works Progress Administration (WPA) Civic Building on the state fair grounds. This project was funded in the FY 2020 Capital Outlay Bill.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may also consider the following provisions:

- A. On or before January 31, 2020 and July 31, 2020, the AESF Board shall report to the JCCR Chairman and the JLBC Staff on the status of the WPA Civic Building roof repairs.

Key Points

- 1) The AESF Board is requesting review of \$400,000 for roof repairs to the 1938 WPA Civic Building.
- 2) The FY 2020 Capital Outlay Bill removes the requirement that the project receive matching funds from the City of Phoenix.
- 3) The roof repair will not make the WPA building usable. Additional non-roof related repairs are estimated to cost between \$1.6 million - \$2.4 million.

(Continued)

Analysis

Background

The FY 2017 Capital Outlay Bill (Laws 2016, Chapter 126) allocated \$120,000 from the Arizona Department of Administration (ADOA) building renewal appropriation to repair the 1938 WPA Civic Building on the State Fair grounds. The building is 12,200 square feet and has not been occupied since 2005. The leaking roof has caused considerable damage to the building interior. Chapter 126 stipulated that ADOA may not spend the \$120,000 unless the department receives matching monies from the City of Phoenix to repair the building and the state maintains control and ownership of the building. ADOA requested review of this funding at the June 2016 JCCR meeting. The Committee did not review the request since the statutory conditions had not been met.

The City of Phoenix approved \$200,000 for the historical preservation and renovation of the 1938 WPA Civic Building, contingent upon the state signing a conservation easement. ADOA subsequently determined it is against state policy to enter into such an agreement, resulting in an impasse with conversations ongoing.

The FY 2020 Capital Outlay Bill appropriates \$400,000 from the AESF Fund to the AESF Board for roof repairs for the WPA Civic Building on the state fair grounds. This amount is expected to be sufficient to complete the roof repairs but will not fund any building repairs to the exterior, outer shell, or interior of the WPA building. The bill also removes the FY 2016 appropriated allocation of \$120,000 for the repair to the WPA building in addition to removing the requirement that the project receive matching funds from the City of Phoenix. The roof repairs will now be funded entirely from the AESF Fund with no matching funding from the City of Phoenix. As such, the state will retain full control of the building without the need for a conservation easement.

Other Repairs

The expenditure plan represents AESF's estimated cost for roof repairs to the WPA building, however this figure does not address non-roof related repairs. The total renovation cost will vary depending on the extent to which the renovations improve the current condition of the building. In the June 2016 Committee meeting, AESF reported that the total renovation cost for the WPA building (including roof, shell, exterior, and interior) would be \$1.8 million. In May 2019, AESF provided an updated total renovation cost estimate of \$2.0 million. That amount would bring the building into a usable shell with walls, floors, doors, and ceilings repaired along with the utilities reinstalled and connected.

If the building were to be fully renovated, AESF's use concept for the building would be a multi-use space for open-air food, beverage, and entertainment venues during the State Fair. In the months the State Fair is not in operation, AESF envisions using the building as a storage facility for AESF equipment.

AESF has detected the presence of termite tubes in the roof's trussing system as well as noting that individual sections of the adobe exterior have fallen off. These issues have generated additional concerns regarding the structural soundness of the building relative to the roof repair project. Additionally, AESF has expressed concerns that, due to the condition of the building's shell and exterior walls, the roof replacement could result in the need for immediate subsequent repairs to the exterior walls and other interior loadbearing structures. AESF's estimate of \$400,000 for the roof repair project assumes that most of the roof trusses and exterior walls are still usable and do not need replacing.

(Continued)

In May 2019, ADOA provided a separate cost estimate of \$2.8 million for total renovations to the WPA building. The ADOA cost estimate was developed in-house using architectural estimates for building components and historical cost data.

Excluding the \$400,000 for the roof repairs, the remaining \$2.4 million for non-roof related repairs assumes the following:

- Complete interior demolition
- Complete plumbing overall
- Complete electrical replacement
- Complete HVAC replacement
- Complete fire alarm systems replacement
- Complete rehabilitation of exterior for historical purposes

ADOA's cost estimate also assumes a "full commercial office buildout" which would allow for the building to be used as private office space for ADOA, AESF, and other state or private entities.

Cooling Unit Repairs – Repayment to ADOA

The Committee previously gave a favorable review to AESF to spend \$800,000 on repairs to the air conditioning cooling units for the Arizona Veteran's Memorial Coliseum. The Committee approved the reallocation of \$400,000 from ADOA's FY 2018 building renewal allocation plan to be used for the cooling unit repairs under the condition that AESF pay back the \$400,000 to ADOA by no later than FY 2022, \$100,000 of which must be paid back by the end of FY 2020. AESF reports that multiple previously reviewed FY 2018 projects are expected to be completed under budget resulting in FY 2018 cost savings. AESF plans to reallocate \$260,000 of the cost savings to the \$400,000 ADOA repayment for the cooling units. The FY 2020 Capital Outlay Bill requires AESF to pay back the remaining \$140,000 by the end of FY 2020.

HF:kp



May 28, 2019

The Honorable David Gowan, Chairman
Joint Committee on Capital Review (JCCR)
Arizona State Senate
1700 W. Washington
Phoenix, AZ 85007

Re: Request for the Placement on Joint Committee of Capital Review Agenda

Dear Senator Gowan:

The Arizona Exposition and State Fair (AESF) respectfully requests a favorable review for the following capital improvement project:

1. WPA Roof Repair - \$400,000

The roof on the WPA building is substantially past expected life expectancy and leaks in many areas. A favorable review would allow the roof to be repaired and help prevent further deterioration of the structure.

AESF will utilize ADOA General Services to identify the most expedient and fiscally responsible processes to accomplish these projects, whether through bid, state contracts, or in-house labor.

If you have any questions or require additional information concerning the requests, Please contact me at 602-252-6771

Sincerely,

A handwritten signature in black ink, appearing to read "Wanell Costello".

Wanell Costello
Executive Director

CC: Richard Stavneak
JLBC Sarah Bingham
OSPB Henry Furtick, JLBC



STATE OF ARIZONA

Joint Committee on Capital Review

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BEN TOMA

DATE: June 13, 2019

TO: Members of the Joint Committee on Capital Review

FROM: Morgan Dorcheus, Fiscal Analyst MD

SUBJECT: Arizona Department of Administration - Review of FY 2020 Building Renewal Allocation Plan and Reallocation of FY 2019 Building Renewal Appropriation

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Arizona Department of Administration (ADOA) requests the Committee review its FY 2020 Building Renewal Allocation Plan.

The FY 2020 Capital Outlay Bill (Laws 2019, Chapter 264) appropriated a total of \$17,000,000 from the Capital Outlay Stabilization Fund (COSF) for building renewal. In addition, the FY 2020 Capital Outlay Bill appropriated \$5,100,000 from the Legislative, Executive and Judicial Public Buildings Land Fund for replacement of elevators and air handler units in House, Senate, and Executive Tower buildings. ADOA is requesting a review of the full \$22,100,000 appropriation in FY 2020.

The Committee favorably reviewed ADOA's FY 2019 Building Renewal Allocation Plan in its July 2018 meeting. Pursuant to a Committee provision, ADOA is also requesting review of its plan to reallocate \$2,200,000 from the FY 2019 plan.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may also consider the following provisions:

- A. ADOA shall report any reallocations between project categories as listed in *Table 1* to the JLBC Staff. If there is significant change of scope in the reallocation reported by ADOA, the JLBC Staff shall recommend ADOA request Committee review of the reallocation.

(Continued)

B. The distribution of the emergency contingency allocation of \$500,000 be addressed as follows:

1. ADOA shall notify the Chairman and the JLBC Staff that they plan to spend less than \$100,000 on an emergency project. ADOA can proceed without Committee review.
2. The Chairman can allow ADOA to move forward with an emergency project of greater than \$100,000 without Committee review.
3. The Chairman will notify ADOA if he does not agree that the project is an emergency and that the project will require full Committee review.

An "emergency" project is defined as unforeseen, critical in nature, and of immediate time sensitivity. Prior reviews also included this provision.

C. If ADOA adds a new non-emergency project category not listed in this request, the department must submit a proposed expenditure plan for Committee review.

Key Points

- 1) The FY 2020 budget appropriates \$22.1 million for building renewal projects, \$17.0 million from state agency rent funds ("COSF") and \$5.1 million from state land trust revenues.
- 2) The main uses will be:
 - HVAC, Elevator, and Sewer Replacements, \$10.9 million
 - Parking Lot Repairs, Electrical and Security Upgrades, \$5.1 million
 - Fire Alarm Replacements, \$2.6 million
 - Roof and Door Replacements, \$1.0 million
- 3) ADOA also allocates funds for preventative maintenance, floor covering replacements, ADA restroom upgrades, project management costs, and an emergency contingency.
- 4) FY 2020 budget specifically allocates \$4.1 million for replacement of Executive Tower, Senate and House elevators.
- 5) FY 2020 budget also allocates \$1.0 million to replace House and Senate air handler units.

Analysis

Building renewal appropriations provide for the major maintenance and repair of state-owned buildings. The building renewal formula takes into account the replacement value, age, and life-cycle of all structures in the ADOA building system. A total of \$22.1 million is appropriated to ADOA to fund 44% of the building renewal formula in FY 2020. (These amounts exclude Department of Corrections' facilities as they received their own building renewal appropriation.) See *Table 1* for the list of projects included in ADOA's FY 2020 Building Renewal Allocation Plan.

The following provides an overview of the amounts allocated to different categories of projects. Project categories include Fire and Life Safety, Building Shell, Major Building Services, Infrastructure, Building Interiors, Preventative Maintenance, and Americans with Disabilities Act (ADA) Accessibility. Additionally, ADOA has allocated funding for project management and contingencies.

Reasonableness of Estimates

The allocation plan represents ADOA's estimated cost of the proposed projects. ADOA estimates these

(Continued)

Table 1	
FY 2020 Building Renewal Allocation Plan	
<u>Fire & Life Safety Projects</u>	
ADOA Statewide Replace Fire and Life Safety Systems, and Arizona Historical Society Fire Sprinkler Head Replacement	\$ 2,580,000
<u>Building Shell Projects</u>	
ADOA Statewide Roof Repair and Replacement and Door Repairs	\$ 976,000
<u>Major Building Services Projects</u>	
ADOA Statewide HVAC Systems Replacement and Supreme Court Sewer Replacements	\$ 5,760,000
ADOA Replace House, Senate, and Executive Tower Elevators	\$ 4,100,000
ADOA Replace Air Handlers at House and Senate	\$ 1,000,000
<i>Subtotal</i>	<u>\$10,860,000</u>
<u>Infrastructure Projects</u>	
ADOA Statewide Replace/Repair Parking Lots, Electrical Upgrades, and Arizona Historical Society Security Upgrades	\$ 5,100,000
<u>Building Interior Projects</u>	
ADOA Statewide Replace Carpet and Floor Coverings	\$ 300,000
<u>Preventative Maintenance Projects</u>	
ADOA Capitol Mall Preventative Maintenance	\$ 800,000
<u>ADA Accessibility</u>	
ADOA Capitol Mall and DES Group Home Restrooms	\$ 180,000
<u>Other Projects</u>	
Personnel Services/ERE Costs	\$ 550,000
Building Renewal Project Scoping	250,000
Risk Management Insurance Premium	4,000
Emergency Contingency	<u>500,000</u>
<i>Subtotal</i>	<u>\$ 1,304,000</u>
TOTAL	\$22,100,000

costs based on past projects and project scoping services. ADOA uses state contracts and issues requests for quotes (RFQs) as necessary to procure vendors for each project. As a result, the project costs may change as the procurement process occurs.

The ADOA Building Renewal Allocation Plan lists potential projects within each category. ADOA states that all projects may not be funded. ADOA has indicated that they may need to add new projects not listed. In that circumstance, the JLBC Staff recommends the Committee adopt a provision requiring the department to submit any new non-emergency project categories for Committee review.

To track ADOA's actual spending decisions, the FY 2020 Capital Outlay Bill included a footnote requiring ADOA to report to the JLBC Staff on the status of all capital projects and capital expenditures on or before January 31, 2020 and May 30, 2020.

Fire and Life Safety Projects

A total of \$2.6 million will be allocated to fire and life safety system replacements statewide. ADOA has identified 7 priorities, including 6 ADOA buildings and the Arizona Historical Society (AHS) Tucson

(Continued)

Museum for fire alarm and suppression system replacement.

Fire alarm replacement has been a major building renewal priority for the past several years. ADOA has allocated approximately \$17.0 million in the last 7 years to repair or replace fire alarm systems at 52 state buildings. Fire alarm systems have a life-span of approximately 15 years.

Building Shell Projects

A total of \$976,000 will be allocated to 5 different projects. Building priorities include roof repair and replacements at multiple Capitol Mall buildings and 2 buildings used by the Department of Economic Security (DES) and Department of Public Safety (DPS). In addition, the building shell allocation will fund replacement of main entry doors at the 1688 W. Adams building (Department of Agriculture).

Major Building Services Projects

A total of \$10.9 million will be allocated to 12 different projects. Of this amount, \$5.8 million from COSF will be used for HVAC replacements at 4 ADOA buildings and 2 buildings used by DES and DPS, and replacement of a sewer at the 1501 W. Washington Supreme Court building.

In addition, \$5.1 million from the Legislative, Executive and Judicial Public Buildings Land Fund will be allocated pursuant to the FY 2020 Capital Outlay Bill, with \$4.1 million for elevator replacements at the House, Senate, and Executive Tower buildings and \$1.0 million for replacement of the air handler units at the House and Senate buildings.

Infrastructure Projects

A total of \$5.1 million will be allocated to infrastructure projects. This amount will be used to replace parking lot surfaces at Wesley Bolin Plaza, replace electrical infrastructure at 2 ADOA buildings, replace an Executive Tower generator, and upgrade lock and security systems at the AHS Tucson Museum.

Building Interior Projects

A total of \$300,000 will be allocated to replacing carpet and floor coverings statewide.

Preventative Maintenance Projects

A total of \$800,000 is allocated for planned electrical, mechanical, fire, and plumbing maintenance on the Capitol Mall.

ADA Accessibility

A total of \$180,000 is allocated for restroom retrofits and renovations on the Capitol Mall and at DES Group Homes for compliance with ADA requirements.

Other Projects

The sum of \$550,000 will be allocated to cover project management costs for FY 2020 building renewal projects. Because some of the project costs listed above were based solely on agency estimates, \$250,000 will be spent on contractors to better develop detailed scopes of work to implement projects in a cost-effective manner. A payment of \$4,000 will be paid for a Construction Insurance Premium. A total of \$500,000 is allocated for contingency.

Some of the amounts above are based on agency estimated scope and project costs, while some amounts are based on estimates from ADOA engineering studies, audits, and historical costs.

(Continued)

FY 2019 Reallocation Plan

ADOA's FY 2019 Building Renewal Allocation Plan included \$2.2 million for replacement of Executive Tower elevators. Subsequently, the FY 2020 Capital Outlay Bill appropriated \$4.1 million for replacement of elevators at House, Senate, and Executive Tower buildings. As a result, ADOA plans to reallocate \$2.2 million from the FY 2019 plan for roof replacement at the 1789 W. Jefferson building (\$1,200,000) and replacement of air handler units at the Executive Tower building (\$1,000,000).

FY 2019 Expenditures

The FY 2019 Capital Outlay Bill (Laws 2018, Chapter 277) appropriated a total of \$11.0 million from COSF for building renewal. As of June 2019, ADOA has spent \$3.1 million of the FY 2019 building renewal appropriation. Of the remaining amount, \$5.0 million has been committed but unexpended, and \$2.9 million is uncommitted and unexpended.

In addition, the FY 2019 Capital Outlay Bill appropriated \$1.0 million for demolition of the 1275 W Washington building. As of June 2019, ADOA has spent \$228,900 of the FY 2019 demolition appropriation. Of the remaining amount, \$767,200 has been committed but unexpended, and \$3,900 is uncommitted and unexpended.

MD:kp

Douglas A. Ducey
Governor



Andy Tobin
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

GENERAL SERVICES DIVISION
1110 W WASHINGTON ST • SUITE 155
PHOENIX, ARIZONA 85007
(602) 542-1796

June 3, 2019

The Honorable, David M. Gowan, Chairman
Joint Committee on Capital Review (JCCR)
Arizona State Senate
1700 West Washington Street
Phoenix, Arizona 85007



The Honorable Regina E. Cobb, Vice-Chairman
Joint Committee on Capital Review (JCCR)
Arizona House of Representatives
1700 West Washington Street
Phoenix, Arizona 85007

Dear Chairman Gowan:

Section 41-1252, Arizona Revised Statutes, provides the Joint Committee on Capital Review (JCCR) shall review the expenditure of all monies appropriated for building renewal. HB2748 of the First Regular Session of the Fifty-fourth Legislature appropriated \$17,000,000 to the Arizona Department of Administration (ADOA) to allocate to the ADOA Building System for building renewal projects.

ADOA requests JCCR review ADOA's FY 2020 ADOA Building System building renewal allocation plan for \$17,000,000.

To the extent possible, ADOA completes major maintenance and replacements to building systems before failures occur. Given the years of deferred major maintenance of an aging building infrastructure, it is difficult, if not impossible, to anticipate the timing and nature of building component failure. In the event of one or more unexpected critical breakdowns or imminent failures, ADOA may redirect all or some monies from an allocation to address critical priorities.

The Honorable David M. Gowan
The Honorable Regina E. Cobb
June 3, 2019
Page 2 of 2

If you have any questions regarding ADOA's FY 2020 ADOA Building System building renewal allocation plan please contact Nola Barnes, Assistant Director, ADOA General Services Division (GSD), at 602-542-1954.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andy Tobin', written over a horizontal line.

Andy Tobin
Director

Attachments (1)

cc: Richard Stavneak, Director, JLBC Staff
Rebecca Perrera, Fiscal Analyst, JLBC Staff
Matt Gress, Director, OSPB
Jacob Wingate, Budget Analyst, OSPB
Derik Leavitt, Assistant Director, ADOA Budget and Resource Planning
Nola Barnes, Assistant Director, ADOA/GSD
John Hauptman, General Manager, ADOA/GSD

Arizona Department of Administration (ADOA) Building System
FY 2020 Building Renewal Allocation Plan
HB2748 of the First Regular Session of the Fifty-fourth Legislature
\$17,000,000

FY 2020 Building Renewal Allocation Plan

Project Category	Allocation
Fire & Life Safety	\$ 2,580,000
Building Shell (Asset Preservation)	\$ 976,000
Major Building Services	\$ 5,760,000
Infrastructure	\$ 5,100,000
Building Interior Projects	\$ 300,000
Preventative Maintenance	\$ 800,000
ADA Accessibility	\$ 180,000
Project Scoping/Professional Services	\$ 250,000
Construction Services Project Management	\$ 550,000
Risk Management Insurance Premium	\$ 4,000
Building Renewal Emergency & Contingency Allocation	\$ 500,000
Total FY 2020 Building Renewal Appropriation	\$ 17,000,000

**Arizona Department of Administration (ADOA) Building System
FY 2020 Building Renewal Allocation Plan
HB2748 of the First Regular Session of the Fifty-fourth Legislature
\$17,000,000**

\$2,580,000 REPLACE FIRE AND LIFE SAFETY SYSTEMS to improve or eliminate an impending condition that threatens life or property in the ADOA Building System

A.R.S. § 41-793.D. requires that the Arizona Department of Administration (ADOA) should give priority to fire and life safety projects. The ADOA Building System has several fire alarm and suppression systems that have exceeded their life expectancy, are functionally obsolete and in various stages of failure, if not already failed. When fire alarm systems are out of commission for extended repair times, agencies must employ 24-hour fire watch personnel, usually on an overtime basis, to achieve fire and life safety standards. This project will upgrade fire alarm and suppression systems necessary to bring state facilities into compliance with Federal, State, and Local fire and life safety regulations. The following list of deficiencies is just a small portion of the fire and life safety work that needs to be accomplished throughout the building system.

- ADOA– Replace Fire Alarm System-1601 W Jefferson
- ADOA–Replace Fire Alarm System-1645 W Jefferson
- ADOA–Upgrade Fire Alarm Panel-1901 W Madison
- ADOA–Replace Fire Dampers-1789 W Jefferson
- ADOA–Replace Fire Alarm System-1818 W Adams
- ADOA–Replace Fire Alarm System-1030 N 32nd St
- AHS–Fire Sprinkler Head Replacement-Tucson Museum

\$976,000 BUILDING SHELL for asset protection to address deficiencies in existing roofs, exterior closures, walls, windows and/or doors in the ADOA Building System

The deficiencies being addressed represent a small portion of the deteriorating exterior systems where further repairs are not cost effective nor prevent leaks. Neglect of exterior roofs, walls, windows and doors facilitates deterioration of building structural systems, leads to potential mold growth, and increases the risk of damage to interior contents. Further, the costs of structure damage and mold abatement can often exceed the cost of replacing a roof membrane. This project is dedicated to proactively replacing failing roof and exterior systems throughout the ADOA Building System to mitigate negative impacts of interruption to mission critical functions and expensive "crisis-mode" emergency repairs and replacements. Project deficiencies include:

- ADOA–Repair Main Entry Doors-1688 W Adams
- ADOA–Repair Standing Seam Roof-1700 W Washington Capitol Museum
- ADOA–Repair or Replace Roofs-Capitol Mall Multiple
- DES–Repair or Replace Roofs-Statewide
- DPS–Repair or Replace Roofs-Statewide

Arizona Department of Administration (ADOA) Building System
FY 2020 Building Renewal Allocation Plan
HB2748 of the First Regular Session of the Fifty-fourth Legislature
\$17,000,000

\$5,760,000 MAJOR BUILDING SERVICES in the ADOA Building System

The deficiencies in this project reflect the worsening condition of HVAC, electrical, plumbing and elevator components in ADOA building system.

Many of the HVAC systems include failing chillers, air handlers and cooling towers that are original to building construction. These systems have surpassed their useful lives and can no longer meet the cooling demands of the structures they support. Many systems are so weakened that unpredictable and imminent failure conditions threaten mission critical functions of public safety and institutional operations. Replacing aged and inefficient systems with new and more efficient systems will generate energy savings, protect assets, and provide comfortable climate control in Arizona's extreme environment.

Various HVAC and energy management building controls throughout the ADOA building system are lacking and/or equipped with disparate "front-ends" requiring multiple computers, workstations, and hardware to control major building systems. Current HVAC system components are inefficient, lack interconnectivity, and are failing. Replacing and integrating multiple systems into a single processing source will provide a centralized control of HVAC and energy management systems, decrease energy consumption, reduce equipment downtime and improve allocation of personnel resources. Failure to address these aging systems could result in a shutdown of mission critical State services and increased costs for emergency procurement.

Various plumbing systems throughout the ADOA building system are original to building construction. These systems, especially the waste and vent piping are failing at an increasing rate as they continue to age. Failure to replace deteriorating piping, especially waste lines will result in further damage to ceilings, walls, flooring and mechanical and electrical building systems.

Various elevator control systems within the ADOA building system are obsolete and replacement parts are no longer available. Failure of elevators would leave buildings without passenger or freight elevator services, placing the buildings out of compliance with ADA guidelines, increase emergency repair costs and have a detrimental effect on building safety and daily operations.

Project deficiencies include:

- ADOA—Replace Air Handler Units-1616 W Adams
- ADOA—Replace Air Handler Units-1789 W Jefferson
- ADOA— Replace Cooling Towers-1601 W Jefferson
- ADOA—Replace Air Handler Units-1700 W Washington Executive Tower
- COURTS—Replace Sanitary Pipe-1501 W Washington Supreme Court
- DES—Repair or Replace Failing HVAC—Statewide
- DPS—Repair or Replace Failing HVAC—Statewide

**Arizona Department of Administration (ADOA) Building System
FY 2020 Building Renewal Allocation Plan
HB2748 of the First Regular Session of the Fifty-fourth Legislature
\$17,000,000**

\$5,100,000 INFRASTRUCTURE

This project can include existing roadways, parking lots, pedestrian paving, site electrical and mechanical utilities, water supply and distribution, sanitary and storm sewers, waste treatment, electrical distribution, site lighting, fencing, communications, and security systems such as access control, locks and camera systems. These systems have been in a “deferred indefinitely” status for many years and are in an exhausted state of deterioration. The parking lot surfaces have succumbed to long-term erosion, shifting, and settling caused by water penetration of the pavement base and extreme weather conditions exacerbated by the weight of passing traffic. In most cases, interim measures such as patch repairs and sealants are ineffective and the only option is to remove and replace the asphalt. The proposed allocation will address critical infrastructure needs throughout the ADOA Building System.

Project deficiencies include:

- ADOA–Replace SES-400 W Congress Tucson
- ADOA–Replace SES-1600 W Monroe
- ADOA–Replace Parking Lot-Wesley Bolin Plaza North Lot
- ADOA–Replace Generator-1700 W Washington Executive Tower
- AHS–Lock/Security Upgrades-Tucson Museum

\$300,000 BUILDING INTERIOR PROJECTS in the ADOA Building System

- ADOA–Replace Carpet & Floor Coverings-Statewide

\$800,000 PREVENTATIVE MAINTENANCE of ADOA Managed Facilities

ADOA plans to spend this allocation on preventative maintenance for planned electrical, mechanical, fire, and plumbing maintenance on the Capitol Mall.

\$180,000 ADA ACCESSIBILITY in the ADOA Building System

Under Title II of the Americans with Disabilities Act, people with disabilities must have an equal opportunity to participate in and benefit from state and local governments’ programs, services, and activities.

- ADOA– Restroom Retrofits-Capitol Mall
- DES–Group Home Restroom Renovation

**Arizona Department of Administration (ADOA) Building System
FY 2020 Building Renewal Allocation Plan
HB2748 of the First Regular Session of the Fifty-fourth Legislature
\$17,000,000**

\$250,000 PROJECT SCOPING/PROFESSIONAL SERVICES for ADOA Building System--Building Renewal Project Priorities (FY 2020 and Prospective FY 2021)

Due to state agency attrition, some of the building renewal requests ADOA receives for funding consideration have deficient or very broad scopes of work, no supporting documentation, and insufficient, unreliable, or aged cost estimates. The proposed allocation supports ADOA in the development and implementation of detailed scopes of work that adequately and cost effectively address the requirements of an agency project request.

\$550,000 CONSTRUCTION SERVICES PROJECT MANAGEMENT COSTS for ADOA Personnel Services or Employee Related Expenditures

Of the amount appropriated for FY 2020 Building Renewal, HB2748 of the First Regular Session of the Fifty-fourth Legislature allows ADOA to allocate up to \$275,000 in Personal Services and Employee Related Expenditures for up to 5 FTE Positions each fiscal year until the building renewal projects are completed. ADOA is allocating \$275,000 in FY 2020 and \$275,000 in FY 2021 for building renewal project management services.

\$4,000 RISK MANAGEMENT INSURANCE PREMIUM for ADOA Risk Management Construction Insurance

The ADOA General Services Division (GSD) pays a 0.34% Construction Insurance Premium from each fiscal year's building renewal appropriation to ADOA State Risk Management for Errors and Omissions (E & O) insurance premiums associated with Engineering and Architectural (A & E) services contracts. The premium is not paid for direct construction costs or reimbursable expenses.

\$500,000 BUILDING RENEWAL EMERGENCY AND CONTINGENCY ALLOCATION for ADOA Building System Statewide Priorities

ADOA will expend monies from allocation to repair or replace failed or failing HVAC, plumbing, electrical, and other building systems in mission critical structures as the need arises.

Douglas A. Ducey
Governor



Andy Tobin
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

GENERAL SERVICES DIVISION
1110 W WASHINGTON ST • SUITE 155
PHOENIX, ARIZONA 85007
(602) 542-1796

June 3, 2019

The Honorable, David M. Gowan, Chairman
Joint Committee on Capital Review (JCCR)
Arizona State Senate
1700 West Washington Street
Phoenix, Arizona 85007

The Honorable Regina E. Cobb, Vice-Chairman
Joint Committee on Capital Review (JCCR)
Arizona House of Representatives
1700 West Washington Street
Phoenix, Arizona 85007

Dear Chairman Gowan:

HB2748 of the First Regular Session of the Fifty-fourth Legislature appropriated \$4,100,000 from the Legislative, Executive and Judicial Public Buildings Land Fund in FY 2019 to replace elevators at the House of Representatives, Senate and Executive Tower buildings and \$1,000,000 in FY 2020 to replace air handler units at the House of Representatives and Senate buildings.

ADOA requests JCCR review of the full \$5,100,000 appropriation.

If you have any questions regarding ADOA's FY 2019 allocation plan please contact Nola Barnes, Assistant Director, ADOA General Services Division (GSD), at 602-542-1954.

Sincerely,

A handwritten signature in dark ink, appearing to read "Andy Tobin", written over a horizontal line.

Andy Tobin
Director
Attachments (1)

The Honorable David M. Gowan
The Honorable Regina E. Cobb
June 3, 2019
Page 2 of 2

cc: Richard Stavneak, Director, JLBC Staff
Rebecca Perrera, Fiscal Analyst, JLBC Staff
Matt Gress, Director, OSPB
Jacob Wingate, Budget Analyst, OSPB
Derik Leavitt, Assistant Director, ADOA Budget and Resource Planning
Nola Barnes, Assistant Director, ADOA/GSD
John Hauptman, General Manager, ADOA/GSD

**Arizona Department of Administration (ADOA) Building System
FY 2020 Public Building Land Fund Allocation Plan
HB2748 of the First Regular Session of the Fifty-fourth Legislature
\$5,100,000**

\$1,000,000 REPLACE CAPITOL MALL AIR HANDLER UNITS

These systems have surpassed their useful lives and can no longer meet the cooling demands of the structures they support. Many systems are so weakened that unpredictable and imminent failure conditions threaten mission critical functions of public safety and institutional operations. Replacing aged and inefficient systems with new and more efficient systems will generate energy savings, protect assets, and provide comfortable climate control in Arizona's extreme environment.

- Replace Capitol Mall AHU - 1700 W Washington, Senate
- Replace Capitol Mall AHU - 1700 W Washington, House of Representatives

\$4,100,000 REPAIR/MODERNIZE CAPITOL MALL ELEVATORS

Various elevator control systems are obsolete and replacement parts are no longer available. Failure of elevators would leave buildings without passenger or freight elevator services, placing the buildings out of compliance with ADA guidelines, increase emergency repair costs and have a detrimental effect on building safety and daily operations.

- Repair/Modernize Capitol Mall Elevators - 1700 W Washington, Senate
- Repair/Modernize Capitol Mall Elevators - 1700 W Washington, House of Representatives
- Repair/Modernize Capitol Mall Elevators - 1700 W Washington, Executive Tower

Douglas A. Ducey
Governor



Andy Tobin
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

GENERAL SERVICES DIVISION
1110 W WASHINGTON ST • SUITE 155
PHOENIX, ARIZONA 85007
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June 3, 2019

The Honorable, David M. Gowan, Chairman
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1700 West Washington Street
Phoenix, Arizona 85007

The Honorable Regina E. Cobb, Vice-Chairman
Joint Committee on Capital Review (JCCR)
Arizona House of Representatives
1700 West Washington Street
Phoenix, Arizona 85007

Dear Chairman Gowan:

The JCCR review of the FY 2019 Department of Administration (ADOA) Building System Building Renewal Allocation Plan includes a provision that ADOA report any change in the Building Renewal spending plan to JLBC Staff, including reallocations between projects and non-emergency use of contingency monies.

HB2748 of the First Regular Session of the Fifty-fourth Legislature appropriated \$4,100,000 from the Legislative, Executive and Judicial Public Buildings Land Fund in FY 2019 to replace elevators at the House of Representatives, Senate and Executive Tower Buildings at 1700 West Washington Street. ADOA previously allocated \$2,200,000 from its FY 2019 Building Renewal Allocation Plan for the replacement of the Executive Tower elevators. As a result of the new appropriation, ADOA needs to reallocate the \$2,200,000 from the FY 2019 Building Renewal Allocation Plan to other projects.

ADOA is reallocating the funds as follows:

- | | |
|----------------------------|-------------|
| 1. Building Shell | \$1,200,000 |
| 2. Major Building Services | \$1,000,000 |

The Honorable David M. Gowan
The Honorable Regina E. Cobb
June 3, 2019
Page 2 of 2

ADOA intends to replace the roof at 1789 West Jefferson Street (Building Shell) and Air Handler Units at the Executive Tower (Major Building Services) with these funds. Given the years of deferred major maintenance and aging infrastructure, it is difficult, if not impossible, to anticipate the timing and nature of building component failure. In the event of one or more unexpected critical breakdowns or imminent failures, ADOA may redirect all or some monies from an allocation to address critical priorities.

If you have any questions regarding ADOA's FY 2019 ADOA Building System Building Renewal reallocation plan please contact Nola Barnes, Assistant Director, ADOA General Services Division (GSD), at 602-542-1954.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Tobin".

Andy Tobin
Director

cc: Richard Stavneak, Director, JLBC Staff
Rebecca Perrera, Fiscal Analyst, JLBC Staff
Matt Gress, Director, OSPB
Jacob Wingate, Budget Analyst, OSPB
Derik Leavitt, Assistant Director, ADOA Budget and Resource Planning
Nola Barnes, Assistant Director, ADOA/GSD
John Hauptman, General Manager, ADOA/GSD



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
CHAIRMAN
LELA ALSTON
SEAN BOWIE
DAVID BRADLEY
RICK GRAY
SINE KERR
VINCE LEACH

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
VICE-CHAIRMAN
CHARLENE R. FERNANDEZ
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JOHN KAVANAGH
AARON O. LIEBERMAN
WARREN PETERSEN
BEN TOMA

DATE: June 11, 2019

TO: Members of the Joint Committee on Capital Review

FROM: Ben Murphy, Fiscal Analyst **BM**

SUBJECT: Arizona Game and Fish Department - Review of Headquarters Boat Storage Facility Improvements

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for any capital project with an estimated cost of more than \$250,000. The Arizona Game and Fish Department (AGFD) requests Committee review of a \$278,600 project to provide its North Phoenix headquarters' boat storage facility with a shade canopy, electrical service and resurfacing. The project would be funded through Federal Funds.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Key Points

- 1) AGFD's Headquarters boat storage facility lacks pavement, shade, and electrical services.
- 2) The department plans to address those issues through a \$278,600 project.
- 3) The project would be funded through Federal Funds.

(Continued)

Analysis

AGFD's Headquarters in North Phoenix includes a 72,600 square foot boat storage area in the northwest section of its facilities, where the department stores law enforcement patrol boats, boating education equipment, and trailers associated with watersport education and operating under the influence patrols. The area is unpaved, uncovered, and lacks electrical services.

The department proposes a \$278,600 project to improve these facilities consisting of 4 main components:

- \$138,000 for grading and surfacing of the area with a chip/seal asphalt emulsion for dust abatement and stability during inclement weather.
- \$60,500 to install chain link fencing including 2 double gates and 1 single gate.
- \$54,700 for a 3,000 square foot steel canopy structure to protect equipment from sun damage.
- \$25,400 to provide electrical services and lighting to the area to maintain charged vehicle batteries and improve visibility.

The project would be funded through Federal Funds from the Coast Guard Office of Boating Safety.

BM:kp



June 3, 2019

Senator David Gowan, Chairman
Joint Committee on Capital Review
Capitol Complex
1700 W. Washington
Phoenix, AZ 85007-2890



Re: Request for Placement on Joint Committee on Capital Review Agenda

Honorable Senator Gowan:

In accordance with A.R.S. § 41-1252 A(4), the Arizona Game and Fish Department respectfully requests to be on the next scheduled agenda of the Joint Committee on Capital Review to review the Arizona Game and Fish Department's proposal for Watercraft Program Asset Storage at our Headquarters location.

Sincerely,

A handwritten signature in black ink, appearing to read "Ty E. Gray".

Ty E. Gray
Director

cc: Representative Regina Cobb, Vice Chairman, JCCR
Richard Stavneak, Staff Director, JLBC
Matthew Gress, Director, OSPB

azgfd.gov | 602.942.3000

5000 W. CAREFREE HIGHWAY, PHOENIX AZ 85086

GOVERNOR: DOUGLAS A. DUCEY **COMMISSIONERS:** CHAIRMAN, JAMES S. ZIELER, ST. JOHNS | ERIC S. SPARKS, TUCSON | KURT R. DAVIS, PHOENIX
LELAND S. "BILL" BRAKE, ELGIN | JAMES E. COUGHNOUR, PAYSON **DIRECTOR:** TY E. GRAY **DEPUTY DIRECTOR:** TOM P. FINLEY



Arizona Game and Fish FY 2019 Capital Improvement Project
Watercraft Program Asset Storage



Project: Patrol Boat Shade Canopy, Electrical Service, Storage Lot Resurfacing and Relocation of Chain Link Watercraft Impound Lot

Category: Preservation of Assets; Capital Improvement

Need: Current storage parking for watercraft programmatic assets at the Arizona Game and Fish Department Headquarters Facility provides limited protection from outdoor elements. These assets include law enforcement patrol boats, boating education equipment, paddlesport mobile education trailers and command post trailers used for coordination and support of operating under the influence (OUI) patrols. The resulting degradation of equipment impacts multiple Department programs and reduces usability of storage areas in the fleet parking and storage lot. Sun damage to vehicle wraps presents additional expense to maintain identification of Department law enforcement and reduces the efficacy of investment in outreach and messaging. Ready deployment of assets is impacted by increased maintenance issues such as dry rot damage to trailer tires and an inability to maintain charged vehicle batteries. Such issues result in additional expense as individual parts must be replaced due to early failure.

Solution: Construction of a shade canopy for protection against sun and environmental damage. Establishment of electrical service to properly maintain and charge batteries. Grading and surfacing of north lot area with a "chip/seal" asphalt emulsion for dust abatement and to provide a stable substrate during inclement weather.

Cost Estimate:

AGFD CAPITAL IMPROVEMENT PROJECT EXPENDITURE SUMMARY

30 X 100 Steel Canopy Structure	\$54,647
Electrical Service to Canopy	\$25,436
Grading and Lot Resurfacing (Chip Seal/Slurry Seal)	\$137,947
Relocation of Chain Link Watercraft Impound Lot	\$60,522
TOTAL ESTIMATE OF PROJECT:	\$278,552

TOTAL:

\$278,551.37*

***Funding Note:** The Arizona Game and Fish Department receives no State General Funds and must operate within the revenue it generates. This project is to be funded by a federal grant of the Coast Guard Office of Boating Safety.

Impact of Not Approving this Request: The Arizona Game and Fish Department is committed to its mission of providing a safe recreational boating environment for the public, and works to maintain assets in a constant state of readiness. Without prevention measures additional maintenance costs will be incurred, unavoidable environmental damage will persist, and the longevity of Department assets will be reduced.

M. D. Merrett Incorporated

P.O. Box 3804, Carefree, AZ 85377 ~ MDMerrett@aol.com ~ (480) 575-0915 ~ (480) 575-8778 fax ~ ROC125363

April 29, 2019

Mr. Gordon Bleyl, PE
Arizona Game and Fish Department
5000 West Carefree Highway
Phoenix, Arizona 85086

PROPOSAL

Paving North Lot - 5000 W Carefree Highway, Phoenix
AGFD14-067806

Scope:

1. Regional Pavement Maintenance of Arizona, Inc. as directed by Game and Fish Department outlined in their proposal project # 70242 and attached.

Grading and Chip Seal and Cape Seal/Slurry Seal - please see notes.

TOTAL	\$118,023.88
Markup/Supervision	\$ 12,620.00
Sales tax	\$ 7,303.00
TOTAL	\$137,946.88

All permits, survey, staking, engineering, survey, as-builts and fees are excluded. Construction water to be provided by owner. Prices is good for 30 days.

Respectfully submitted,

Beth Merrett
Beth Merrett

Regional proposal # 70242



Regional Pavement Maintenance of Arizona Inc

Proposal

Project #: 70242

Date: 04/24/2019

To: MD Merrett
PO Box 3804
Carefree AZ 85377

Project: Arizona Game & Fish North Lot
5000 W Carefree Hwy
Phoenix AZ 85086

Scope of Work:

GRADING & CHIP SEAL

Install 30' X 25' X 8" depth concrete pad at entrance gate.
Supply and install two (2) inches of asphalt millings or ABC.
Scarify, grade, and compact all base material in preparation for chip seal.
Install one layer of 3/8" chip seal. Roll with 9-wheel pneumatic roller.
Excess chips will be swept from surface.
Apply SS-1h fog seal prior to striping.
Layout and stripe all pavement markings as necessary.
Based on 72,600 SF.

SUB TOTAL: 95,670.57

CAPE SEAL/SLURRY SEAL

Sweep area to remove loose chips.
Apply a Type II latex modified micro slurry seal at the rate of 20 pounds per square yard.
Roll with 9-wheel rubber tired roller.

Notes: Slurry seal will create a new 1/4" to 3/8" depth wearing surface on top of the chip seal to lock in the chips and prevent ravelling of the chip seal going forward. Tire scuffing and raveling (loose pebbles) of the new cape seal surface is normal and to be expected. Price excludes follow-up sweeping. (highly recommended) Prices exclude applicable taxes.

SUB TOTAL: 22,353.31

Job total: \$118,023.88

Proposal submitted by: Jerome Chvarak, jerry@regionalpavement.com

The above pricing, specifications, and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified. I understand a preliminary notice of lien, Pre-lien, will be filed and this notice is simply an informative notice and not a lien against the property.

Accepted by _____

Date _____

Printed Name _____

Title _____

M. D. Merrett Incorporated

P.O. Box 3804, Carefree, AZ 85377 ~ MDMerrett@aol.com ~ (480) 575-0915 ~ (480) 575-8778 fax ~ ROC125363

April 29, 2019

Mr. Gordon Bleyl, PE
Arizona Game and Fish Department
5000 West Carefree Highway
Phoenix, Arizona 85086

PROPOSAL

Canopy 30'x 110' North Lot - 5000 W Carefree Highway, Phoenix
AGFD14-067806

Scope:

1. Fabrication and installation of 30'x 100' steel canopy only as directed by the Department as proposed by Bunger Steel. Must be ordered quickly, to guarantee delivery by August delivery date. Standard paint color painted by Bunger.
2. Electric to be brought to canopy and new loop at gate proposed by K & H Electric, Inc.
3. Removal of existing concrete light pole bases, fill and compact.
4. Vacuum excavation and private utility locates.
5. Chain-link fence as shown on diagram with two double gates and one-man gate
5. Includes hard dig. Location as provided by Game and Fish drawing of north yard lot which is attached.

TOTAL	\$133,160.80
Sales tax	\$ 7,443.69
TOTAL	\$140,604.49

All permits, survey, staking, engineering, survey, as-builts and fees are excluded. Construction water to be provided by owner. Price is good for 30 days. Steel canopy takes 4 - 6 months to design, fabricate and erect.

Respectfully submitted,

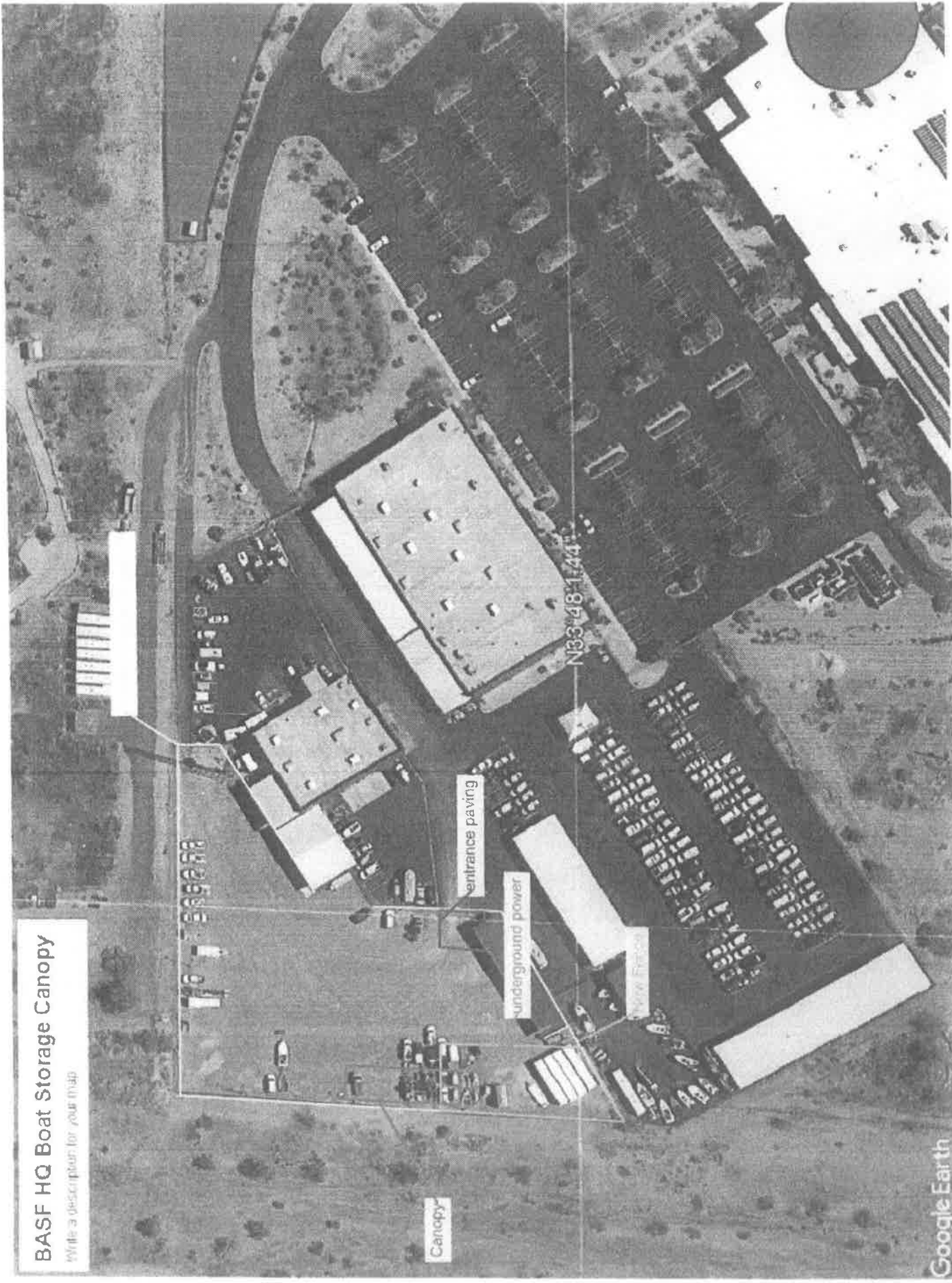
Beth Merrett

Beth Merrett

Bunger quote PF3947
K&H Electric 4/11/19

BASF HQ Boat Storage Canopy

Write a description for your map





Quote Date: 4/28/2019

Quote No.: PF3947

Job No.:

Customer:

AZ GAME AND FISH
5000 W CAREFREE HWY
CAREFREE HIGHWAY

Phone: 623-236-7478

Cell Ph:

Fax:

Email: GBLEYL@AZGFD.GOV

Customer Representative:

GORDEN BLEYL

Bunger Representative:

PAT FIELDS

Project Name and Location:

30X100X16

BUILDING #2 DUPLICATE

5000 W CAREFREE HWY

County: no permit require

Building End Use:

Permit From: no permit require

Building Category: 1

Delivery of Plans to Customer:



Pick Up

UPS To:

5000 W CAREFREE HWY

CAREFREE HIGHWAY

CONTRACT PROPOSAL

BUILDING SPECIFICATIONS

Width (Ft).....	30	Length (Ft).....	100
Eave Height Front (Ft)...	16	Eave Height Rear (Ft)....	15.38
Roof Slope Front.....		Roof Slope Rear.....	0.25:12

Peak Offset (Ft)..... 30

Bay Spacing (Ft)..... 4 at 25

Interior Frame(S)..... 5 single slope rigid frames, clear span

Left Endwall Frame..... Rigid

Left Rigid End Frame Offset..... N/A

Left Endwall Frame Lines..... By Design

Right Endwall Frame..... Rigid

Right Rigid End Frame Offset..... N/A

Right Endwall Fram Lines..... By Design

(Bearing is non-expandable Post & Beam, Rigid End Frame is non-expandable, unless noted otherwise.)

Left Endwall Girts..... Flush

Left Endwall Bracing..... Rigid Frame

Front Sidewall Girts..... Bypass

Front Sidewall Bracing..... Wind Bents

Right Endwall Girts..... Flush

Right Endwall Bracing..... Rigid Frame

Back Sidewall Girts..... Bypass

Back Sidewall Bracing..... Cable Diagonal Bracing

(Not Applicable If Building is Cover Only)

Roof Bracing..... Cable Diagonal Bracing

LOAD SPECIFICATIONS, PER CODE: IBC 18

Roof Dead Load (psf)..... 2.5

Collateral Load (psf)..... 1

Occupancy Category..... II

Roof Snow Load (psf)..... 0

Roof Live Load (psf)..... 20

Live Load Reduction..... Yes

Wind Speed (mph)..... 102

Wind Exposure..... C

Importance Factor..... 1.00

Building Type..... Partial

Seismic Zone..... B

Seismic Coefficient..... 0.280

Importance Factor..... 1.00

Rigid Frame Deflection Limits:

Vertical..... 180

Horizontal..... 60

Wall Girt Deflection Limits:

Vertical..... n/a

Horizontal..... 90

Roof Purlin Deflection Limits:

Live Load..... 180

Wind Load..... 120

CONTRACT PROPOSAL - continued**PANEL AND TRIM SPECIFICATIONS**

Roof Panel Profile.....	PBR	Panel Gauge.....	26
Roof Panel Color.....	STANDARD COLOR		
Wall Panel Profile.....	PBR	Panel Gauge.....	26

Wall Panel Color..... STANDARD COLOR

Eave Trim Color..... STANDARD COLOR

Gable Trim Color..... STANDARD COLOR

Corner Trim Color..... STANDARD COLOR

Opening Trim Color..... STANDARD COLOR

Gutter Trim Front (ft)..... 0 Downspouts Front (ea)..... none

Gutter Trim Rear (ft)..... 100 Downspouts, Rear (ea)..... 3

Gutter Trim Color..... STANDARD COLOR

Downspout Color..... STANDARD COLOR

Please refer to color selection chart for color availability by profile and gauge. Additional charges apply for gauge change & Custom Colors.

FACTORY LOCATED OPENINGS

Left Endwall.....	none	BAY ID:	Offset From Left Frame Line:
Right Endwall.....	none	BAY ID:	Offset From Left Frame Line:
Front Sidewall.....	none	BAY ID:	Offset From Left Frame Line:
Back Sidewall.....	none	BAY ID:	Offset From Left Frame Line:

Please refer to drawing template and/or other specifically referenced submittals for location of openings

ACCESSORIES

Formed Base Angle..... Yes Base Closures..... Yes (applicable only if wall sheeting is supplied by Bunker steel)

Light Panels Roof (ea):

Light Panels Wall (ea):

Insulation Roof (in)..... none

Type of Insulation..... none

Roof Screw Length: Short

Insulation Wall (in)..... none

Wall Screw Length: Short

Other Accessories..... None

FULL LOADED ENDWALLS BOTH SIDES for future add
Gutter and Downs on backsidewall
Engineered Foundation Design
Deliver, offload, erect, anchor bolts, s and footings Included
Added cost for hard dig.
DUPLICATE BUILDING TO BE DELIVERED IN AUGUST
NO SLAB FOOTINGS ONLY

Options

Comments.....

Plans and specifications, if provided, may contain limited information. Additional information has been provided by another source. Buyer is responsible for review of the quote and all specifications contained therein. Buyer's signature on page 3 shall be deemed as the Buyer's full approval of all specifications.

MISCELLANEOUS

Roof Extension:			Roof Canopy:		
Left Endwall.....	none		Left Endwall.....	none	
Front Sidewall.....	none		Front Sidewall.....	none	
Right Endwall.....	none		Right Endwall.....	none	
Back Sidewall.....	none		Back Sidewall.....	none	
Inner Panels:			Facia:		
Left Endwall.....	none		Left Endwall.....	none	x none
Front Sidewall.....	none		Front Sidewall.....	none	x none
Right Endwall.....	none		Right Endwall.....	none	x none
Back Sidewall.....	none		Back Sidewall.....	none	x none
Roof.....	none				
Partition Walls:			Orientation		
Wall 1:	none	Length	Wall 3:	none	Length
Wall 2:	none	none	Wall 4:	none	none

CONTRACT PROPOSAL - continued

Quote No.: PF3947

STRUCTURAL CALCULATIONS AND DRAWINGS

Approval Drawings..... 4 sets (sealed by licensed PE) *** Please fill out the attached 'Foundation Design Information Form' if Foundation design is provided by Bunker Steel, Inc. i

Structural Calculations..... 2 sets (sealed by licensed PE)

Foundation Engineering..... Included (sealed by licensed PE)

If buyer desires Bunker, Inc. to prepare Foundation Engineering, buyer shall provide Bunker with a copy of the soils report for Bunker's review pursuant to the provisions in IBC 09, Section 1802.1. It is entirely owners or owner's representative responsibility to provide Bunker a copy of soils report for foundation design. In absence of soils report, Bunker will design the foundation based on Non-Expansive soils per minimum allowable loads per IBC Table 1804.2 for class 5 material.

Is Soils Report available? Yes No

INCLUSIONS AND EXCLUSIONS

Unloading & Erection Included.

Anchor Bolts are included.
Concrete Footings are included.

Concrete Slab isn't included.

Plan Review & Permit Fees aren't included.
Acquisition of Permits isn't included.
Performance Bond isn't included.
Site Preparation isn't included.
Site Plan by Customer.
Architectural Plans by Customer.
Anchor Bolts aren't included.
Interior Finish Work isn't included.
Plumbing Work isn't included.
H.V.A.C. Work isn't included.
Electrical Work isn't included.

"The Approval Drawings and Construction Drawings are not drawn to scale. Some Permitting Authorities may or may not require scaled drawings. It is the Owners responsibility to verify from their Permitting Authority that scaled drawings are a requirement. It is also the Owners responsibility to acquire these drawings at their expense or contract with Bunker Steel, Inc. to provide them for an additional fee".

ACCEPTANCE OF PROPOSAL AND CONFIRMATION OF CONTRACT

We hereby propose to furnish the material in accordance with the specifications above for the sum of:

THIS QUOTE EXPIRES: 10 DAYS FROM THE DATED DATE.

Building Price:	\$54,647.00
Sales Tax:	\$0.00
Grand Total	\$54,647.00
Deposit Due With Order	\$5,465.00
Amount Due Upon Release to Fab:	\$27,324.00
(Applicable If Erection of Building Included) Amount Due Upon Concrete Completion:	\$0.00
(Cashier's Check Required) Amount Due Upon Offered Delivery of Building:	\$15,300.60
(Applicable If Erection of Building Included) Amount Due Upon Substantial Completion:	\$5,464.50
(Applicable If Erection of Building Included) Balance Due Upon Final Completion:	\$1,092.90

BUNKER STEEL, INC. IS BASING THIS PROPOSAL AND PURCHASE ORDER ON DESIGN CRITERIA AS INDICATED HEREIN. IT IS THE CUSTOMER'S RESPONSIBILITY TO VERIFY THESE CRITERIA WITH THEIR BUILDING OFFICIALS. IF THE DESIGN CRITERIA ARE CHANGED, THE PRICE IS SUBJECT TO CHANGE. UNLESS SPECIFICALLY STATED OTHERWISE; BUNKER STEEL, INC. IS FURNISHING ITS STANDARD DESIGN, DETAILS AND MATERIALS AND WILL NOT BE RESPONSIBLE FOR ANY REQUIREMENTS NOT SHOWN HEREON. SEE ATTACHED TERMS AND CONDITIONS AND ADDENDA A. BY EXECUTING THIS CONTRACT PROPOSAL, THE UNDERSIGNED BUYER HEREBY AGREES TO ALL OF THE GENERAL TERMS AND CONDITIONS CONTAINED AND ATTACHED HEREIN AND AGREES THAT THE CONTRACT PROPOSAL IS ACCEPTED AS A BINDING CONTRACT. THIS CONTRACT IS VALID ONLY WHEN SIGNED AND ACCEPTED BY AN OFFICER OF BUNKER, INC.

CONTRACT ACCEPTED:

X
Customer Signature _____ Date _____

Bunker, Inc., Officer Signature _____ Date _____

Print Name _____ Title _____

Print Name _____ Title _____



April 11, 2019

MD Merrett

Attention: Mike Merrett

REVISED

Reference: AZGF New West semi enclosed building at Headquarters
Subject: Electrical Estimate

Sir,

The following is a breakdown for electrical work in a new semi enclosed building. All work to be done in accordance with national, state and local electrical codes. See attached drawing

1. Furnish and install conduit and wire from existing panel at canopy to a new panel at new semi enclosed building.
2. Furnish and install (4) 6000 lumen 5000k LED light fixtures.
3. Furnish and install (8) duplex receptacles.
4. Furnish and install all interior conduit and wire.
5. Remove (2) existing 30' pole with light fixture.
6. Furnish and install (4) motion activated LED light fixtures.
7. Furnish and install 60 amp. Sub-panel.
8. Locate and install underground junction box on existing circuit that powers the existing light poles after concrete bases are removed by others.
9. Replace gate loop.

Total \$19,320.00

Exclusions: removal of concrete bases, sale tax, plans and permit

Please call with any question

Michael Vinyard

A handwritten signature in cursive script, appearing to read "Michael Vinyard", is written over a horizontal line.

President



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
CHAIRMAN
LELA ALSTON
SEAN BOWIE
DAVID BRADLEY
RICK GRAY
SINE KERR
VINCE LEACH

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

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HOUSE OF
REPRESENTATIVES

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WARREN PETERSEN
BEN TOMA

DATE: June 11, 2019

TO: Members of the Joint Committee on Capital Review

FROM: Henry Furtick, Fiscal Analyst

SUBJECT: Arizona State Parks Board - Review of Pedestrian Bridge Replacement at Tonto Natural Bridge State Park

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to capital projects. The Arizona State Parks Board (ASPB) is requesting review of \$1,800,000 from the State Parks Revenue Fund (SPRF) for the construction of a new pedestrian bridge at Tonto Natural Bridge State Park. Of this amount, \$1,250,000 is allocated for the demolition of the existing pedestrian bridge and construction of the new bridge, as funded in the FY 2020 Capital Outlay Bill. The remaining \$550,000 is allocated for major project contingencies, such as unforeseen geological conditions, and would be funded from ASPB's existing operating budget.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may also consider the following provisions:

- A. On or before January 31, 2020 and July 31, 2020, ASPB shall report to the JCCR Chairman and the JLBC Staff on the status of the pedestrian bridge replacement project.
- B. Prior to the expenditure of the Major Project Contingencies allocation of \$550,000, ASPB shall report a proposed expenditure plan to the JCCR Chairman. The Chairman will notify ASPB if the expenditure plan will require full Committee review.

(Continued)

Key Points

- 1) ASPB is requesting review of \$1.25 million from SPRF for the demolition of the existing pedestrian bridge and construction of a new pedestrian bridge at Tonto Natural Bridge State Park.
- 2) ASPB is requesting review of the use of \$550,000 from the agency's operating budget for major project contingencies, such as costs related to unforeseen geological conditions.
- 3) The existing pedestrian bridge has been closed to the public since November 2018 due to structural safety concerns.

Analysis

Background

The Tonto Natural Bridge is a natural arch formation located within the Tonto Natural Bridge State Park in Gila County. The natural land bridge is approximately 400 feet long, measuring 150 feet across at its widest point with the highest point reaching 180 feet above ground level.

The pedestrian bridge allows visitors viewing access to the natural land bridge. In FY 2018, the park had over 125,000 visitors generating \$755,300 in fee revenue. The existing pedestrian bridge has been closed to the public since November 2018 due to structural safety concerns. Since the natural land bridge is the main attraction, prolonged closure of the pedestrian bridge is expected to adversely affect the park's revenue.

Construction Cost

The FY 2020 Capital Outlay Bill appropriates \$1.25 million from the State Parks Revenue Fund (SPRF) for the demolition of the existing pedestrian bridge and construction of a new pedestrian bridge at Tonto Natural Bridge State Park. ASPB is also requesting that \$550,000 of the agency's \$13.2 million FY 2020 operating lump sum (entirely SPRF monies) be used as major project contingency funding in the event of unforeseen geological and geotechnical conditions, increased crane operation cost, and market volatility. See *Table 1* for a detailed breakdown of the estimated cost. SPRF generates revenue from state parks user fees, concession sales, gift shop sales, donations, and legislative appropriations.

Given the large size of the Major Project Contingencies allocation (\$550,000) relative to the size of the base project budget (\$1.25 million), the Committee may consider a provision requiring ASPB to provide an expenditure plan for the \$550,000 allocation prior to spending these funds.

The Arizona Department of Administration (ADOA), acting as project manager on behalf of ASPB, contracted with a third-party entity to perform a structural analysis of the existing pedestrian bridge. The results of that analysis determined that the most cost-effective option was to replace the existing pedestrian bridge as the current structure is beyond reasonable repair.

ADOA General Services Division is managing the design and construction of the project. The design phase of the project is currently underway and was used to develop the current cost estimates, and design is expected to be completed by September 2019. The new pedestrian bridge is expected to be opened to the public in the summer of 2020.

(Continued)

Table 1

**Tonto Natural Bridge State Park
Pedestrian Bridge Replacement Cost Estimate**

Construction of New Bridge

Demolition/Removal of Existing Bridge	\$ 71,000
Concrete and Foundation Development	191,000
Structural Steel and Deck Work	249,000
Guardrails	134,000
Crane Operation	560,000
Contingency Funding	<u>45,000</u>
Subtotal	\$1,250,000

Major Project Contingencies 550,000

Total Project Cost \$1,800,000

HF:kp



Doug Ducey
Governor

ARIZONA STATE PARKS & TRAILS

Robert Broscheid
Executive Director



June 7, 2019

The Honorable David Gowan
Chairman, Joint Committee on Capital Review
1716 West Adams St.
Phoenix, AZ 85007

RE: Request for Placement on Joint Committee Capital Review Agenda

Dear Senator Gowan:

Arizona State Parks and Trails (ASPT) respectfully requests review to fully expend funds from the FY 2020 capital appropriation of \$1,250,000 for the construction of a new pedestrian bridge at Tonto Natural Bridge State Park and an additional \$550,000 from the FY 2020 ASPT operating lump sum appropriation for unforeseen geological and geotechnical conditions, crane costs, and market volatility.

The following information for review is attached for the Tonto Natural Bridge project:

1. Project Summary
2. Planning Schedule

Additionally, on April 24, 2019 ASPT reported the status of all projects that had not been completed since 2016. As an update for the Committee, attached is the latest expenditure list by type and year, as well as an additional section detailing status of major projects and an appendix detailing spending as of April 30, 2019.

Best,

Bob Broscheid
Executive Director
Arizona State Parks & Trails

TONTO NATURAL BRIDGE PROJECT SUMMARY:

The construction of a new pedestrian bridge at Tonto Natural Bridge State Park will create a structurally sound bridge that will replace an existing structurally deficient bridge in order to enhance the experience and safety of the more than 125,000 annual visitors to the site.

Arizona Department of Administration General Services Division (GSD) is managing the design and construction team throughout this process. The current schedule indicates design will be complete by mid-September with construction finishing by the start of the 2020 summer visitor season.

Section 41-1252, Arizona Revised Statutes, provides that the Joint Committee on Capital Review (JCCR) shall review the expenditure of all monies appropriated for capital projects. After receipt of the architectural consultant's letter dated June 6, 2019, the following updated table represents ASPT's anticipated costs of the project. In partnership with GSD, ASPT requests review of \$1,250,000 from the Tonto Bridge capital appropriation in the FY 2020 capital BRB to construct a new pedestrian bridge at Tonto Natural Bridge State Park. Due to the unique nature of this project and the challenging site conditions, the replacement of the Tonto Bridge has a significantly higher potential for cost increases due to unforeseen conditions a typical construction project would not encounter. With this in mind, ASPT is requesting review of an additional \$550,000 from the FY 2020 ASPT operating lump sum for unforeseen geological and geotechnical conditions, crane costs, and market volatility to ensure timely completion.

Construction Cost Breakdown:

Tonto Natural Bridge Conceptual Estimate	
Description	Cost Estimate*
Demo, Earthwork, Clean	\$71,000
Concrete & Foundations	\$191,000
Structural Steel & Decking	\$249,000
Guardrails	\$134,000
General Conditions/Crane	\$560,000
Contingency	\$45,000
Total	\$1,250,000
Description	Cost Estimate*
Unforeseen Geological & Geotechnical Conditions, Crane Costs, and Market Volatility	\$550,000
Total	\$550,000
Total Project Cost	\$1,800,000
<i>*Construction cost estimates are based on engineering estimates/historical data and are subject to change. Assumes multiple Guaranteed Maximum Prices (GMP).</i>	

6 June 2019

Paul Garvin, Construction Project Manager Sr
ARIZONA DEPARTMENT OF ADMINISTRATION
General Services Division
1110 W. Washington Street, Suite 155
Phoenix, AZ 85007

**Re: Tonto Natural Bridge Project
Status Report**

Dear Mr. Garvin,

In accordance with your request, we have compiled a Project Status Report for the proposed new pedestrian bridge, walkway, and viewing platform at the Tonto Natural Bridge State Park.

Construction Documents Status:

Construction Documents are approximately 85% complete. Below is a detailed summary:

- Drawings & Specifications: Drawings and specifications are 85% complete. Remaining work includes final integration of value engineering comments. Drawings and specifications are anticipated to be 100% complete within 30 days. Upon completion, we will submit final drawings and specifications to the State for statutory review and approval.
- Final Drainage Report: The Drainage Report is 90% complete and we anticipate 100% completion within the next 30 days.
- CWA / 404 Permit Application: The CWA / 404 Permit Application is approximately 85% complete. We anticipate submittal of the final CWA / 404 Permit submittal to the US Army Corp of Engineers within the next 30 days.

Estimated Construction Costs:

In 2017, cost estimates were completed for the proposed pedestrian bridge, walkway, and viewing platform by Kappcon General Contracting. We have updated this Conceptual Estimate based on cost escalations to 3rd quarter of 2019. Our current estimated cost of construction is as follows:

Estimated Construction Cost (Fall 2019)

- Demo, Earthwork, Clean	\$ 71,000
- Concrete & Foundations	\$ 191,000
- Structural Steel & Decking	\$ 249,000
- Guardrails	\$ 134,000
- General Conditions & Crane	\$ 560,000
- <u>Contingency</u>	<u>\$ 45,000</u>
- Total Estimated Construction Cost	\$1,250,000 ***

*** This cost estimate is based historical data and prior general contractor estimates and is subject to change based on unforeseen conditions including the following:

WEDDLE
GILMORE
black
rock
studio

- Unforeseen Geological & Geotechnical Conditions: The project is located in an extremely challenging site in the canyon along Pine Creek. Foundations will be anchored into native bedrock of the canyon walls. Each foundation bearing condition and anchorage will be inspected by a Geotechnical Special Inspector. Unforeseen geological and geotechnical conditions may impact final construction cost.
- Crane Costs: Due to the fact that the construction site is located in the bottom of a canyon with limited access, crane costs will be a significant portion of the project costs. Earlier estimates had calculated crane costs at approximately 35-40% of total construction costs. The crane strategy utilized by the actual general contractor may impact overall project cost.
- Market Volatility: There has been significant market volatility in construction materials and construction costs over the past two years. Steel costs in particular have experienced significant increases. Additional unforeseen market volatility may impact overall construction costs.

Due to the unique nature of this project and the challenging site conditions, this project has a significantly higher potential for cost increases due to unforeseen conditions than a typical construction project.

Summary:

We anticipate completion of Construction Documents in July 2019 and the Bidding Phase is anticipated to be complete by September 2019. Construction is anticipated to be complete in Summer of 2020.

Please let me know if you have any questions related to the Project Status Report for the planned pedestrian bridge, walkway, and viewing platform at Tonto Natural Bridge State Park.

Sincerely,



Philip Weddle, FAIA
principal architect

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scottsdale arizona 85251
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480 517 5057 facsimile
weddleilmore.com