



# Arapahoe County

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## Board Summary Report

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**File #:** 24-168

**Agenda Date:** 3/25/2024

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**To:** Board of County Commissioners

**Through:** Patrick O'Neill, Director, Facilities and Fleet Management

**Prepared By:**

Ken Morris, Division Manager, Project Operations, Facilities and Fleet Management

**Presenter:** Ken Morris, Division Manager, Project Operations, Facilities and Fleet Management;  
Lisa VanderHeyden, Senior Project Manager, Facilities and Fleet Management

**Subject:**

1:00 PM \*Arapahoe County Sheriff's Office Headquarters Rooftop Units Replacement Project

**Purpose and Request:**

The purpose of this drop-in is to request a CIP project budget transfer in the amount of \$200,000 from the CentrePoint Plaza Rooftop Units Replacement project budget to the Sheriff's Office HQ Rooftop Units Replacement project budget.

**Background and Discussion:** In June 2021 a budget package was submitted to request \$1,100,000 to replace the four large Rooftop Units (RTU's) that provide conditioned air for the Sheriff's Office Headquarters (HQ) Facility. The budget was developed based on an estimate provided by the County's then on-call mechanical contractor and the budget package was approved for 2022. Engineering, design, and specifications were completed in 2022 and a solicitation for general contractor services was issued in early 2023. Only one bid was received, and it was well over budget due to supply chain limitations and equipment price increases, so we conducted value engineering and redesign, re-estimating several times in the process.

Our PMO and HVAC teams have actively collaborated with the designers and forced an evaluation of the reduced heating and cooling loads in the facility that are a positive outcome of lighting, weatherproofing and equipment changes since the facility was constructed. This has allowed a decision to replace only two of the existing units with higher efficiency equipment and remove the two units that will not be replaced. A new solicitation was issued in October 2023, but again only one bid (from a different vendor than original bid) was received and it was again well over budget. With no value engineering options remaining, we contacted Trane (the equipment manufacturer) to bid the project directly and are now under contract with them for the modified scope. We are ready to proceed with construction and we are tracking just under the original budget to be able to complete most of the project scope; however, a CIP transfer request of \$200,000 is necessary to allow for appropriate owner contingency, budget to remove the RTU screen walls (which will ensure watertight design), budget to relocate critical rooftop emergency communications equipment, budget to add safety rails around the new equipment and budget to purchase extended warranty coverages for the major equipment that are recommended to protect the County's investment.

CentrePoint Plaza Rooftop Units Replacement Project Budget Status

The CentrePoint Plaza RTU's Replacement project has been solicited as a Design-Build project, packaged with the Admin Cooling Tower and Chiller Replacement project. Both projects were awarded to a single contractor last year. Our teams have worked through engineering, design, and specifications, and the contractor has provided construction estimates for both projects. Because of the delivery approach, we expect to realize significant cost savings in aggregate as both projects are on track to be completed later this year well under budget. It's too early to know what those exact savings will amount to; however, we can safely recommend a CIP transfer from the CentrePoint Plaza RTU Replacement project budget in the amount of \$200,000 to the Sheriff's Office HQ RTU Replacement project budget to complete the full project scope of work.

**Fiscal Impact:** Fiscal impact is a \$200,000 CIP budget transfer from one project that is tracking well under budget to another project in need of those funds to complete the full project scope of work.

**Alternatives:** If this transfer request is not approved, we will still be able to complete a majority of the scope of work for the Sheriff's Office HQ RTU Replacement Project but will leave some liability on the table with little-to-no owner contingency to address unforeseen issues that could arise during construction, potential for roof leaks due to leaving the screen walls in place, and lack of extended warranties for the major equipment.

**Alignment with Strategic Plan:**

- ☒ Be fiscally sustainable
- ☒ Provide essential and mandated service
- ☒ Be community focused

**Staff Recommendation:** Staff recommends approval of the CIP budget transfer of \$200,000 from the CentrePoint Plaza RTU Replacement project budget to the Sheriff's Office HQ RTU Replacement Project budget.

**Concurrence:** N/A