

CAPITAL PLANNING ADVISORY BOARD

**2020-2026
Agency Capital Plan**

Staff Analysis and Comments

CABINET:

Finance and Administration

OVERVIEW

The Finance and Administration Cabinet initiates and manages programs to improve the efficiency and effectiveness of state government operations, ensures compliance with applicable statutes and regulations in the area of financial administration, and provides sound financial and facilities management. The Finance and Administration Cabinet has seven main organizational units: the Office of the Secretary and supporting offices, the Office of the Controller, the Office of the Inspector General, the Department for Facilities and Support Services, the Department of Revenue, the Office of the Inspector General, and the Commonwealth Office of Technology.

The following agencies within the cabinet report proposed projects in the 2020-2026 capital plan:

- Commonwealth Office of Technology provides enterprise-wide support for the administration of information technology and resources within the executive branch.
- Department for Facilities and Support Services manages the state’s capital construction program; real property issues; the operation/maintenance of approximately 85 facilities; preservation of historic properties; and state surplus properties management. Divisions report to the Office of the Commissioner, which plans/coordinates department functions and acts as liaison to other agencies and the legislature.

Financial Summary – Proposed Projects

	<u>2020-2022</u>	<u>2022-2024</u>	<u>2024-2026</u>	<u>Total</u>
Funding by Source				
General Fund	\$73,118,000	\$40,950,000	\$134,450,000	\$248,518,000
Restricted Funds	8,000,000	8,000,000	8,000,000	24,000,000
Other LTF	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>150,000,000</u>
Total	\$131,118,000	\$98,950,000	\$192,450,000	\$422,518,000
Funding by Agency				
COT	\$26,544,000	\$8,000,000	\$8,000,000	\$42,544,000
DFSS	<u>104,574,000</u>	<u>90,950,000</u>	<u>184,450,000</u>	<u>379,974,000</u>
Total	\$131,118,000	\$98,950,000	\$192,450,000	\$422,518,000

Abbreviations:

COT – Commonwealth Office of Technology

DFSS – Facilities and Support Services

LTF – Long Term Funding

FINANCE AND ADMINISTRATION CABINET
Proposed Projects Involving the General Fund (Cash or Bonds)
(amounts in **bold** are the total budget)

2020-2022

(Projects listed by cabinet priority; descriptions are from the agency submission)

- 1 Maintenance Pool, 2020-2022** **\$9,000,000**
DFSS maintains over 85 facilities in Frankfort and outlying counties. These facilities require major maintenance for HVAC, concrete repairs, parking lot and other asphalt repairs, construction efforts, etc. This pool will be utilized to perform such projects. (C-PI) DFSS Priority #1
CPAB Staff Notes
– Additional GF of \$9,000,000 each are proposed for 2022-24 and 2024-26.
– Funding in the current budget is \$9,700,000 (restricted funds-\$4,000,000; bond funds-\$5,700,000).
- 2 Upgrade Capitol Mechanical and Electrical System Phase 2** **\$5,500,000**
This project will make necessary repairs and upgrades on the Capitol building mechanical and electrical systems. The basic mechanical and electrical systems are over sixty years old and have had few significant upgrades. These systems are very costly to keep running and are energy inefficient. Outdated systems and controls result in wasted energy and poor occupant comfort. Examples of systems to be addressed are electrical power distribution (switchgear, transformers, circuit breaker panels, and wiring), heating systems (heat exchangers, boilers, pumps, piping, and accessories), cooling and humidity control systems (air handlers, humidifiers, dehumidifiers, filtration, coils, ductwork, pumps, and accessories), and temperature control systems. (C-PI) DFSS Priority #2
CPAB Staff Notes
– Phase 1, as authorized in the current budget (BF - \$4,500,000), is in Phase A design.
– Bond funding in the amount of \$5,500,000 and \$6,050,000 is requested in 2022-24 and 2024-26.
- 3 Statewide Microwave Network (KEWS) Shelter Upgrade** **\$4,954,000**
The Kentucky Emergency Warning System (KEWS) is the commonwealth's public safety wireless network which provides the communications backbone and infrastructure for nearly all of the first responders throughout the state. This project would replace 38 of the 145 KEWS shelters. These new replacement shelters are hardened two-inch thick concrete which are resistant to break-ins, impervious to small arms fire, and will withstand all but the most determined attacks. This request for funding is for the purpose of directly addressing the potential insecurity of the existing shelters and the potential for public safety and disaster recovery failure directly attributed to the loss or damage of the equipment located within the shelter. COT Priority #1 (C-O)
CPAB Staff Notes
– Project was included in the agency's 2018-2024 capital plan, \$4,954,000 BF, cabinet priority #7.
– Approximately \$400,000 is spent annually on shelter maintenance. With the construction of new facilities, COT estimates that over a five-year period, the agency will save about \$530,000 in maintenance costs.
- 4 Capitol Terrace and Tunnel Repairs Phase 1** **\$3,500,000**
This project would make repairs to the Capitol terrace and terrace base to address general deterioration and leaks into the occupied and unoccupied spaces underneath the terraces. (C-PI) DFSS Priority #5
CPAB Staff Notes
– Project was included in the agency's 2018-2024 capital plan, \$4,000,000 BF, cabinet priority #16. Design and construction costs decreased by \$500,000.
– Phase 2 is proposed for 2022-2024 (BF - \$2,500,000).
- 5 Capitol Great Hall Ceiling** **\$1,400,000**
Plaster, repair, and repainting of the Great Hall ceiling in Capitol Pavilion. (C-PI) DFSS Priority #6
CPAB Staff Notes
– NEW project - has not been listed in a previous capital plan.

- 6 Capitol 1st Floor - Public Corridor Renovation** **\$2,154,000**
 Replace suspended ceiling system and related infrastructure (lighting, fire protection, HVAC, distribution, etc.) in the public corridors of the first floor of Capitol building. (C-PI) DFSS Priority #14
CPAB Staff Notes
 – *NEW project - has not been listed in a previous capital plan.*
- 7 Capitol Window Phase 1** **\$2,100,000**
 Historic restoration, repair, and painting of windows in the Capitol building due to deterioration over time. Phase 1 will be the north side of the building. (C-PI) DFSS Priority #12
CPAB Staff Notes
 – *NEW project - has not been listed in a previous capital plan.*
 – *Additional GF of \$2,100,000 each are proposed for 2022-24 and 2024-26.*
- 8 Design the Renovation of CHR Building** **\$9,444,000**
 Feasibility study and design (only) to renovate the CHR building and the adjacent Health Services building. The buildings were constructed in the early 1970s and now, at approximately 40 years old, need improvements related to building codes, building systems, energy conservation, and functionally. (C-PI) DFSS Priority #11
CPAB Staff Notes
 – *A facility assessment of the CHR and HS buildings was completed by Sherman Carter Barnhart Architects last year. Finance accepted a recommendation that would provide for a major renovation of the CHR building and demolition and reconstruction of the HS building separate from the CHR building. The new HS building will consist of an approximate 150,000-square-foot facility sited on the back parking lot of the CHR property. The project is estimated to cost approximately \$128 million.*
 – *A project to renovate/construct the CHR building is included for the 2024-26 biennium (\$100,000,000 BF). The project will also include demolition of the existing HS building. The HS building will require a new public information building built by private partnership process.*
- 9 Elevator Upgrades Phase 1** **\$2,000,000**
 This project will complete miscellaneous upgrades to the elevators. This project is consistent with the Department for Facilities and Support Services' mission to maintain Finance Cabinet-administered buildings in a safe and acceptable condition and keep operating costs at minimal levels. (C-PI) DFSS Priority #7
CPAB Staff Notes
 – *Additional GF of \$1,500,000 and \$2,100,000 are proposed for 2022-24 and 2024-26.*
- 10 Deferred Maintenance Historic Property - Old State Capitol** **\$3,800,000**
 This project will include interior and exterior repair of the Old State Capitol building. This building is a major asset of the people of Kentucky and without this significant repair, upgrade, and restoration project, the building will continue to deteriorate. (C-PI) DFSS Priority #8
CPAB Staff Notes
 – *The scope of work may include interior painting, lighting upgrades, dome window restoration, repair of attic structure, and HVAC improvements. Temporary relocation of staff and artifacts will be necessary to permit this work to be accomplished.*
- 11 Commonwealth Energy Management and Control System (CEMCS)** **\$2,000,000**
 This project will continue implementation of CEMCS across all general funded agencies. CEMCS gives Kentucky a more global ability to monitor, measure, report, and ultimately conserve energy consumption throughout all implemented facilities. CEMCS also gives the Finance Cabinet greater oversight and influence on capital project needs in other agencies and provides a means to verify results of construction projects. (C-O) DFSS Priority #9
CPAB Staff Notes
 – *Additional GF of \$2,000,000 each are proposed for 2022-24 and 2024-26.*
 – *The 2014-2016 Executive Budget authorized \$1.5 million bond funds for the initial project to install energy management system controls on various state-owned buildings. CEMCS implementation in state buildings to date accounts for nearly 1300 buildings (22.3 million square feet), and cumulative energy cost savings of \$24,871,500.*

- 12 Replacement of Greenhouses and Equipment Shed** **\$1,175,000**
 A new greenhouse complex is needed to ensure continued production and maintenance of the commonwealth's plant materials for its world-class campuses. Currently, greenhouses #1, 2, and 5 are past their useful life, both structurally and mechanically. Failure would cause Finance to source plant materials from private vendors. In addition, the chemical building and storage shed structures do not meet building or worker safety codes. The requested project will include three replacement polycarbonate glass greenhouses and an addition of three bays to the equipment shed to accommodate protection of equipment and chemicals used in production. (C-PI) DFSS Priority #10
CPAB Staff Notes
 – *NEW project – has not been listed in a previous capital plan.*
- 13 CAPITOL ANNEX WINDOWS PHASE 1** **\$1,600,000**
 Restore and repair existing windows in the north side façade of the Capitol Annex. (C-PI) DFSS Priority #13
CPAB Staff Notes
 – *NEW project – has not been listed in a previous capital plan.*
 – *Additional GF of \$1,600,000 each are proposed for 2022-24 and 2024-26.*
- 14 HVAC Replacement and Repair COT Cold Harbor** **\$1,200,000**
 The Department for Facilities and Support Services manages the Commonwealth Office of Technology Cold Harbor building. This building serves as the data center for the Commonwealth of Kentucky and has a 41-year-old HVAC system with antiquated pneumatic controls. The system is degrading and leading to many maintenance issues which can cause simultaneous heating and cooling and overall lack of space temperature control. Temperature control in this facility is critical to the IT equipment and state network. (C-PI) DFSS Priority #3
- 15 Air Handler Replacement and Repair - Central Lab** **\$2,201,000**
 The Department for Facilities and Support Services manages the Central Lab building. The air handlers and the rooftop exhaust are at the end of their life expectancy. This project would replace or make necessary repairs to the air handlers and rooftop exhaust to improve their operability, increase their efficiency, and provide enhanced occupant comfort. (C-PI) DFSS Priority #4
- 16 Acquire Land/Demolish Structures - Statewide** **\$7,500,000**
 The Franklin County leased-space report determined that the commonwealth needed to reduce its dependence upon privately-owned leased space. This budget item will provide necessary funding for the purchase of unique properties throughout the state. (C-PI) DFSS Priority #15
- 17 Enterprise Content Management** **\$13,590,000**
 The Commonwealth Office of Technology is seeking approval to implement a true Enterprise Content Management (ECM) System to serve the needs of all commonwealth agencies. A portion of the systems has been implemented utilizing "Transformation Funds" from the Managed Print Services Contract, however, the licensing is limited to the use cases of replacing legacy FileNet Document Management Systems for the Personnel Cabinet and Department of Revenue. Funding is being requested to purchase Enterprise Licensing of the Hyland OnBase solution, retain the current specialized services staff to lead the effort of implementing additional features and solutions, build an enterprise records retention platform to deliver the IT requirements for digital records retention that complies with KDLA's record retention schedule, implement true digital transformation of personnel HR records across the commonwealth, have the ability to offer the solution to all commonwealth agencies without having to continually return to the vendor to purchase additional licenses and features, do away with storage and retrieval of paper documents across multiple agencies, develop and provide the data classification required to apply the correct privacy and security of stored documents, and provide a streamlined, efficient platform readily searchable and properly organized to respond to open records requests and legislative requests to agencies. (IT) COT Priority #2

FINANCE AND ADMINISTRATION CABINET
Proposed Projects Involving the General Fund (Cash or Bonds) – cont'd

2022-2024

Acquire Land/Demolish Structures - Statewide	\$7,500,000
Air Handler Replace and Repair Libraries and Archives	2,200,000
Air Handler Replacement and Repair Capitol Annex 1	2,200,000
Air Handler Replacement and Repair Health Service	1,500,000
Air Handler Replacement and Repair - Bush Building	2,500,000
Capitol Annex Windows Phase 2	1,600,000
Capitol Terrace and Tunnel Repairs Phase 2	2,500,000
Capitol Windows Phase 2	2,100,000
CEMCS	2,000,000
Deferred Maint Historic Prop Old Capitol Annex	850,000
Elevator Upgrades Phase 2	1,500,000
Maintenance Pool, 2022 – 2024	9,000,000
Upgrade Capitol Mechanical and Electrical System Phase 3	5,500,000

2024-2026

Acquire Land/Demolish Structures-Statewide	\$7,500,000
Air Handler Replacement and Repair Capitol Annex 2	2,200,000
Capitol Annex Windows Phase 3	1,600,000
Capitol Windows Phase 3	2,100,000
CEMCS	2,000,000
Chiller Replacement/Rebuild – Various	2,000,000
CHR Renovation – Construction	100,000,000
Elevator Upgrades Phase 3	2,000,000
Maintenance Pool, 2024 – 2026	9,000,000
Upgrade Capitol Mechanical and Electrical System Phase 4	6,050,000

FINANCE AND ADMINISTRATION CABINET
Proposed Projects - Involving the General Fund (Cash or Bonds)
Sorted by Agency

Listed below are projects for each agency (department) within the cabinet. The projects for the first biennium are listed by agency priority number. Projects for the second and third biennium are listed alphabetically.

Commonwealth Office of Technology

2020-2022

1 Statewide Microwave Network (KEWS) Shelter Upgrade	\$4,954,000
2 Enterprise Content Management	13,590,000

Department for Facilities and Support Services

2020-2022

1 Maintenance Pool, 2020 – 2022	\$9,000,000
2 Upgrade Capitol Mechanical and Electrical System Phase 2	5,500,000
3 HVAC Replacement and Repair COT Cold Harbor	1,200,000
4 Air Handler Replacement and Repair - Central Lab	2,201,000
5 Capitol Terrace and Tunnel Repairs Phase 1	3,500,000
6 Capitol Great Hall Ceiling	1,400,000
7 Elevator Upgrades Phase 1	2,000,000
8 Deferred Maint Historic Prop Old State Capitol	3,800,000
9 CEMCS	2,000,000
10 Replacement of Greenhouses and Equipment Shed	1,175,000
11 Design the Renovation of CHR Building	9,444,000
12 Capitol Window Phase 1	2,100,000
13 Capitol Annex Windows Phase 1	1,600,000
14 Capitol 1st Floor - Public Corridor Renovation	2,154,000
15 Acquire Land/Demolish Structures-Statewide	7,500,000

2022-2024

Acquire Land/Demolish Structures - Statewide	\$7,500,000
Air Handler Replace and Repair Libraries and Archives	2,200,000
Air Handler Replacement and Repair Capitol Annex 1	2,200,000
Air Handler Replacement and Repair Health Service	1,500,000
Air Handler Replacement and Repair Bush Building	2,500,000
Capitol Annex Windows Phase 2	1,600,000
Capitol Terrace and Tunnel Repairs Phase 2	2,500,000
Capitol Windows Phase 2	2,100,000
CEMCS	2,000,000
Deferred Maint Historic Prop Old Capitol Annex	850,000
Elevator Upgrades Phase 2	1,500,000
Maintenance Pool, 2022 – 2024	9,000,000
Upgrade Capitol Mechanical and Electrical System Phase 3	5,500,000

2024-2026

Acquire Land/Demolish Structures - Statewide	\$7,500,000
Air Handler Replacement and Repair Capitol Annex 2	2,200,000
Capitol Annex Windows Phase 3	1,600,000
Capitol Windows Phase 3	2,100,000
CEMCS	2,000,000
Chiller Replacement/Rebuild – Various	2,000,000
CHR Renovation – Construction	100,000,000
Elevator Upgrades Phase 3	2,000,000
Maintenance Pool, 2024 – 2026	9,000,000
Upgrade Capitol Mechanical and Electrical System Phase 4	6,050,000

Department for Facilities and Support Services
2018-2020 Maintenance Pool Allocations
\$9,700,000 (Restricted Funds-4,000,000 and Bond Funds-5,700,000)

COT Floor Repair	\$1,200,000	Underway
Capitol Annex Parking Garage Phase 5	1,200,000	Proposed
Halon Project	2,600,000	Underway
Chiller Projects	2,000,000	Proposed
Boiler Replacements	2,000,000	Proposed

FINANCE AND ADMINISTRATION CABINET/FACILITIES AND SUPPORT SERVICES
Quarterly Status Report - Current Capital Projects

Project Title	Authorization	Status	Percentage Complete
Capital Plaza Redevelopment	Other	In Construction	45
Capitol Campus Parking Garage - Phase 3	Pool	Complete/In Warranty	100
Capitol Campus Parking Garage - Phase 4	Pool	In Construction	53
CHR Roof Replacement	Pool	Complete/In Warranty	100
Land Structural Repair	Pool	In Construction	75
Emergency Generator Repair, COT/CHR	2018-2020	Design/Phase C	
High Voltage System Upgrade - Capitol Campus	CPBOC 2/2018	In Construction	89
HVAC Replacement - CHR Building	2016-2018	In Construction	15
Install Energy Management System Controls	2014-2016	Construction	
Integrated Tax System	2018-2020	Initiation Phase*	24%
L&N Building Security and Structural Upgrades	2018-2020	Design/Phase C	
Upgrade Capitol Mechanical/Electrical System, Phase 1	2018-2020	Design/Phase A	
Upgrade L&N Building	2016-2018	In Construction	75

**Initiation phase - processes performed to define a new project or a new phase of an existing project by obtaining authorization to start the project or phase.*