

QB0802A
North Branch Correctional Institution
Department of Public Safety and Correctional Services

Maryland Correctional Enterprises Upholstery and Re-upholstery Plant (Allegany)

General Obligation Bonds **\$245,000** **Recommendation:** **Delete \$245,000 GO Bonds**

Bill Text: Provide funds to equip a new Maryland Correctional Enterprises building at the North Branch Correctional Institution to house an Upholstery and Re-upholstery Plant.

Project Description: The current request is for funding to equip a new Maryland Correctional Enterprises (MCE) Upholstery and Re-Upholstery Plant at the North Branch Correctional Institution. The plant will upholster chair frames produced by the MCE Furniture Plant located at the neighboring Western Correctional Institution and will provide work opportunities for 100 inmates. A total of \$6.8 million in general obligation (GO) bond funding was provided in the fiscal 2010 budget to fund the design/build contract for this facility. Approximately \$716,000 in equipment funding was included in the fiscal 2010 request but was deferred by the General Assembly. The \$245,000 in general obligation bonds included in the fiscal 2011 budget is based on a revised the Department of Budget and Management (DBM) approved equipment list.

Prior Authorization and Capital Improvement Program

Authorization Uses
(\$ in Millions)

<i>Fund Uses</i>	<i>Prior Authorization</i>	<i>2011 Allowance</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>
Planning	\$0.428	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Construction	6.417	0.000	0.000	0.000	0.000	0.000
Equipment	0.000	0.245	0.000	0.000	0.000	0.000
Total	\$6.845	\$0.245	\$0.000	\$0.000	\$0.000	\$0.000

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**Authorization Sources
(\$ in Millions)**

<i>Fund Sources</i>	<i>Prior Authorization</i>	<i>2011 Allowance</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>
GO Bond	\$6.845	\$0.245	\$0.000	\$0.000	\$0.000	\$0.000
Total	\$6.845	\$0.245	\$0.000	\$0.000	\$0.000	\$0.000

Project Summary Information

Total Project Cost:	\$7,090,000	Cost Per Square Foot – Base:	\$175
Program Plan Status:	Approved	With Escalation and Contingencies:	\$244
Green Building:	Yes	Gross Square Footage:	20,000
Est. Completion Date:	May 2011	Net Usable Square Footage:	16,495
Project Design Cost %:	6.7%	Building Efficiency:	82.5%

Project Analysis

The award for design/build services for this project was approved by the Board of Public Works on February 24, 2010. Design will occur over a five-month period. Because this is a design/build process using a pre-fabricated building, construction of the facility will begin before design is complete. The estimated start date for construction is April 2010. The estimated completion date is May 2011.

According to the DBM estimate, this project has a total cost of nearly \$7.1 million. Approximately \$6.8 million in GO bond funding was provided in the 2009 Maryland Consolidated Capital Bond Loan (MCCBL). Funding for capital equipment was deferred, based on the timeline for construction. As a result of a more favorable construction market, the actual cost of the project is approximately \$6.0 million, which includes \$430,000 for capital equipment. As such, the department will not need the \$245,000 provided in the 2010 MCCBL. Additionally, with the lower design/build award, an additional \$800,000 can be de-authorized from the 2009 MCCBL authorization.

The Department of Legislative Services recommends deleting the \$245,000 GO bond authorization in the 2010 MCCBL and de-authorizing \$800,000 from the authorization provided for this project in Chapter 485 of the Acts of 2009. Section 5 of the 2010 MCCBL allows funds authorized for construction to be used to purchase capital equipment if there are construction funds available over and above what is needed for construction and any construction contingency; therefore, an amendment to the construction authorization to authorize the funds to be used for capital equipment is not required.

Executive’s Operating Budget Impact Statement

(\$ in Millions)

	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
Estimated Operating Cost	\$0.119	\$0.969	\$0. 969	\$0. 969	\$0. 969
Estimated Staffing	14	14	14	14	14

As an MCE shop, all funding is supported by special funds. The funding provided in fiscal 2011 reflects overtime costs associated with securing the site during the construction period. Operation of the facility will require 14 additional positions, yet no additional resources have been provided in the fiscal 2011 allowance. **The department should comment on how the new facility will adequately operate without the increased resources identified in the operating impact statement.**