

DHS Secretary Kristi Putnam Office of the Secretary P.O. Box 1437, Slot S201, Little Rock, AR 72203-1437 P: 501.682.8650 F: 501.682.6836 TDD: 501.682.8820

March 4, 2025

Senator Ben Gilmore, Co-Chair Representative Les D. Eaves, Co-Chair Arkansas Legislative Council State Capitol, Room 315 Little Rock, Arkansas 72201

Dear Senator Gilmore and Representative Eaves:

The Department of Human Services (DHS) is submitting its quarterly report on Arkansas State Hospital (ASH) storm repairs utilizing restricted reserve funds.

Phase I of the remediation project, which was asbestos abatement, was completed as of June 2024.

Phase II, flood damage remediation for Unit 4, and Phase III, flood damage remediation for Unit 3, are taking longer than anticipated due to the bid amounts exceeding the monetary threshold for "On Call" work. This means the Department had to reject both bids that were received. Because the monetary threshold exceeds the emergency procurement allowance, the Department has now issued a Request for Qualification that includes the work for both Unit 3 and Unit 4. The RFQ was advertised on February 16, 2025, and February 23, 2025. Work is anticipated to begin in the fall of 2025.

Although Unit 3 and Unit 4 are both contained in one single RFQ, the Department will be able to divide the work and plan to start with Unit 3, which is slated to house the new 16 bed Secured Restoration program.

No new expenses have been incurred since the last report, and no additional expenses are anticipated until the design work for Unit 3 begins.

Thank you for your assistance and interest in this critical project. Please contact Misty Eubanks, Deputy Secretary for Operations and Budget, if you need additional information.

Sincerely,

Kristi Putnam, Secretary Arkansas Department of Human Services

KP: mbe

CC: Robert Brech, Administrator DFA---Office of Budget

Andy Babbit, Administrator DFA-Office of Accounting

Arkansas State Hospital (ASH)

ASH Storm Damage Repair Status as of 02/28/2025

Legislature Provided Funding MOF #05182

| | | | To DBA | To DBA | Low Bid | Bid Status/Notice | | Est. Cost | Project Exp. As of | | AASIS Funds | Approv. | | Design | Div. to |
|------|--------------|---|------------|--------------|------------------|-------------------|-----------------|---------------|--------------------|------------------------|---------------------|----------|--------------------------------|------------------------------|-------------|
| Unit | DBA Proj. # | Project Description | For Review | For Bid Date | Amount | To Proceed | MOF # | Of Const. | <u>11/30/2024</u> | Cost String | Obligated by Req/PO | In AASIS | <u>Status</u> | Professional | Proceed Y/N |
| | Design | Phase I - Asbestos Abatement All Units | 7-Jun-24 | | | | 05182 | | \$ 46,494.09 | 418057-10/1DE/HHAX01XX | Various | Approv. | Complete | Morris AE/Lockeby Eng. | Complete |
| | Construction | Phase I - Asbestos Abatement All Units | 28-Sep-23 | 19-Jan-24 | \$ 433,000.00 | 24-Feb-24 | 05182 | 433,000.00 | 433,000.00 | 418081-02/BV9/NHS2023 | 4502204077 | Approv. | Complete - Inv. Outstanding | Env. Protection Assoc., Inc. | Complete |
| | Design | Phase II - Flood Damage Remediation Unit #4 | 7-Jun-24 | | | | 05182 | - | 92,016.90 | 418081-10/BV9/NHS2023 | 4502192766 | Approv. | Complete | Morris AE/Lockeby Eng. | Complete |
| | Construction | Phase II - Flood Damage Remediation Unit #4 | 18-Mar-24 | 8-Aug-24 | \$ 3,095,144.00 | On Hold | 05182 | 1,967,900.00 | - | 418081-10/BV9/NHS2023 | Req. #1000994561 | Deleted | Exceeded DBA On-Call Threshold | Baldwin & Shell Const. | Hold |
| | Design | Phase III - Flood Damage Rem. Unit #3 | 28-Mar-24 | | | | 05182 | - | 147,859.61 | 418081-10/BV9/NHS2023 | 4502192766 | Approv. | Current | Morris AE/Lockeby Eng. | Current |
| | Construction | Phase III - Flood Damage Rem. Unit #3 | 28-Aug-24 | 9-Dec-24 | \$ 3,190,313.00 | On Hold | 05182 | 2,000,000.00 | - | 418081-10/BV9/NHS2023 | Req. #1001008116 | Deleted | Exceeded DBA On-Call Threshold | Kinco Construction | Hold |
| | | | | | ASH Total Est. E | 3V9 Funds: | \$ 4,400,900.00 | \$ 719,370.60 | | | | | | | |

| | \$ 46,494.09 |
|---|------------------|
| | \$ 92,016.90 |
| | \$ 35,868.94 |
| Previous Design Prof Exp: | \$ 174,379.93 |
| New Total Design Exp: | \$ 286,370.60 |
| Additional Design fees since last report: | \$ 111,990.67 |

2.28.2025