

GENERAL GUIDELINES

CAPITAL CONSTRUCTION AND BUILDING RENEWAL REQUESTS

This section outlines the budget request process for capital construction and building renewal projects. It is intended as a general outline of the process. More detailed guidelines and procedures can be found in the sources which are referenced in this section.

Purpose

Agencies should prepare a capital construction request for new projects and for changes or renovations to existing facilities if the work transcends routine maintenance. The key tests for whether a capital construction request is required are: 1) does the project extend the life of existing facilities; 2) does the project have a significant fiscal impact which would not routinely be part of the operating budget; 3) does the project represent an expenditure that is not made routinely every seven years or less for minor repair and maintenance; and, 4) does the project change the nature or scope of programs.

Use the capital construction budget request for the following:

- planning funds for construction-related activities, including preparation of a comprehensive plan, program statements, design development and bidding documents;
- construction funds including new construction, renovation and major repair;
- reaffirmation of funds previously authorized but not yet appropriated; and,
- building renewal requests (all four categories—deferred repair, fire and life safety, Americans with Disabilities Act (ADA) and energy conservation).

Reaffirmations

List projects which require reaffirmation funding (i.e. continuation funding on projects previously authorized) on Capital Construction Reaffirmations. Explain any requested deviation from the originally authorized total project cost or annual allocations in the narrative section of the Capital Construction Reaffirmations Screen.

Reappropriations

On or before **October 16, 2020**, submit to the Department of Administrative Services State Building Division, Department of Administrative Services State Budget Division, and the Legislative Fiscal Office; a list of all Capital Construction Programs that should be reappropriated into FY 2021-22. Include the program number, project name, and the estimated June 30, 2021, unexpended appropriation balance, by fund type. Also, identify how much of the June 30, 2021 balance will be committed through contractual agreements.

Planning Requirements

State statutes prescribe two types of planning which must occur before an appropriation of funds for capital construction projects may be made. A "*Comprehensive Facilities Plan*" is required prior to requesting funds for any project whose total cost exceeds \$705,000. A "*Program Statement*" is required for each project where total cost exceeds \$705,000, prior to requesting funds for construction drawings and actual construction work. Note, however, if policies adopted by the Board of Regents of the University of Nebraska and the Board of Trustees of the Nebraska State Colleges indicate a threshold other than \$705,000, such threshold is acceptable for those agencies.

In addition to these two statutory requirements, a "*Needs Statement*" should accompany requests for planning funds. A needs statement should also accompany construction requests for small projects when a detailed program statement is not required. These three types of plans are discussed in greater detail below. For additional information, consult the "**Procedural Manual for Capital Construction Projects**," available from the State Building Division, Department of Administrative Services.

The quality of planning included in agency *Comprehensive Facilities Plans* and *Program Statements*, along with the clarity of the relationship to agency long-run strategic plans, will be an element in evaluating and prioritizing requests.

a. Comprehensive Facilities Plan

Section 81-1114.01, Nebraska R.R.S. requires each state agency to prepare a *Comprehensive Facilities Plan* prior to submitting a capital construction project request in excess of \$705,000. At a minimum, a *Comprehensive Facilities Plan* should project future programmatic needs, analyze existing facilities and the utilization of such facilities, and identify projects to meet those needs. The *Comprehensive Facilities Plan* must be updated or revised whenever an agency requests funding for a major project that is not in compliance with the original plan, or when changes in projected needs would significantly affect the *Comprehensive Facilities Plan*. Such plans, and any updates or revisions, must be submitted to the Department of Administrative Services State Building Division, the Department of Administrative Services Budget Division and the Legislative Fiscal Analyst. Please note that Section 81-1108.41 establishes a *State Comprehensive Capital Facilities Plan* for all agency projects (except for the University of Nebraska, the State Colleges, and the Community Colleges who are covered under another process involving the Coordinating Commission for Postsecondary Education) based on a six-year planning time frame, or three biennial budget cycles. Agencies should use the six-year time frame for their individual *Comprehensive Facilities Plans*.

b. Program Statement

Section 81-1108.41, Nebraska R.R.S. requires that an agency submit a *Program Statement* before requesting an appropriation for drawings and the construction of a project if total costs exceed \$705,000 (or other threshold for the University of Nebraska or the Nebraska State Colleges). The purpose of the *Program Statement* is to justify the project by examining programmatic needs and translating them into space and facility needs. The *Program Statement* must address the following:

- 1) scope of the project and its impact on existing space and programs;
- 2) project's compatibility with the agency's *Comprehensive Facilities Plan*;
- 3) existing and proposed space utilization;
- 4) project costs, sources of funding and fiscal impact; and,
- 5) time line.

For a complete *Program Statement* outline, refer to the Procedural Manual for Capital Construction Projects, Section VIII, published by the Department of Administrative Services State Building Division.

Requests for new or replacement capital construction projects should include a complete inventory of all space presently occupied by the agency and a utilization report on such space. The utilization report should have been completed within the preceding 12-month period and adjusted for projects presently under construction or for projects for which an appropriation for construction has already been made. In addition, any change in the population served by the facilities between the time of utilization review and the projected construction of the requested project should be included. Refer to the Space Management Guidelines, published January 1996 by the Department of Administrative Services State Building Division, for a general background on space definitions, management guidelines and needs.

The efficient use of space is one measure of performance which will be examined more closely when evaluating and prioritizing requests. Agencies are expected to analyze existing space utilization when formulating budget requests for new construction or major renovations.

A new *Program Statement* is required whenever the scope of a project changes. For *Program Statements* that have been submitted previously and where the scope of the project is unchanged, only the "project budget/estimate" page needs to be updated.

The statutory deadline for submitting the *Program Statement*, or revisions, is September 15 of the year prior to the initiation of an appropriation for drawings or construction.

With the exception of the University of Nebraska and the Nebraska State Colleges, no agency may enter into a contract for the planning, design or construction of a new facility, or major renovation of an existing facility, unless the Governor has approved the *Program Statement*.

c. Needs Statement

The *Needs Statement* serves as the basis for the agency's request for initial capital funding. This document is generally prepared in-house and submitted with the budget request.

1. A subsequent *Program Statement* must be developed for projects whose estimated total project cost exceeds \$705,000 (or other threshold for the University of Nebraska or the Nebraska State Colleges). In such cases, funding procedures allow for consideration during the first year for planning funds and the following year(s) for design development and construction funds.
2. A *Program Statement* may be submitted in lieu of a *Needs Statement* when an agency is preparing a *Program Statement* in-house for a project whose estimated total cost exceeds \$705,000 (or other threshold for the University of Nebraska or the Nebraska State Colleges).
3. Only a *Needs Statement* is required for projects whose estimated total cost is less than \$705,000 (or other threshold for the University of Nebraska or the Nebraska State Colleges). For these projects, the initial request for funding may include total funding.
4. For projects exceeding \$705,000 that do not change programmed space (such as fire/life safety, utility, ADA and repair and maintenance projects), a *Needs Statement* may be submitted in lieu of a *Program Statement*.

d. Historical Structures

Requested information on *Historic Structures* owned or occupied by state agencies.

1. Section 72-808(3), Nebraska Revised Statutes specifies that efforts should be made by the state to identify, preserve, maintain, and restore such historic structures whenever possible
2. Section 72-810 specifies:
"Improvements, alterations, or changes made by the state, its agencies, or departments on or to any historic structures owned by the State of Nebraska shall be in keeping with its historical or architectural significance. Such alterations shall be made according to standards set by the United States Department of the Interior. No alteration shall be made without review and comment by the State Historic Preservation Officer. If the state, its agencies, or departments do not agree with the review and comment of the officer, a final determination as to what action must be followed by the state shall be made by the Governor. A state agency or department shall only be required to comply with this section if it has been notified in writing by the officer that a particular structure is a historic structure."
3. Given the statute sections noted above, all agency requests for funds in excess of \$705,000 for substantial renovation, substantial rehabilitation, substantial remodel or demolition of any State-owned or occupied structure should indicate, in the request, whether or not the structure has been determined an *Historic Structure* by the State Historic Preservation Officer.
4. The process of obtaining review and comments is the responsibility of the respective state agency or department and should be completed prior to the submittal of the project to DAS.

State Comprehensive Capital Facilities Plan

Agency Capital Construction project requests (with the exception of the University of Nebraska, the State Colleges, and the Community Colleges) are subject to the prioritization process of the *State Comprehensive Capital Facilities Plan* submitted November 15 of even numbered years. The detailed guidelines for this process are included in the following pages.

Americans with Disabilities Act (ADA)

Minor modifications to facilities should be accomplished using repair and maintenance funds in the agency-operating budget. Agencies with large and specialized building maintenance staff should be able to implement many ADA-related changes without the need for a separate appropriation. Larger projects will require contracting for services. Section 81-1108.43 limits the total project cost of construction work done by an agency's own work force to \$85,000. The same section requires use of a professional consulting engineer or architect for preparing the plans for any project costing \$705,000 or more.

If projects exceed the capabilities of an agency's work force or represent a substantial modification to a facility, a separate request for each is necessary. ADA modifications are one of the four separate categories of deferred building renewal requests and should be included on the Building Renewal Request Screen. An ADA project should have the same documentation as other deferred building renewal requests.

Joint and Cooperative Planning

Agencies are encouraged to engage in joint and cooperative facilities planning. Such planning should increase efficiency and utilization of facilities and may be done several ways:

- Planning of joint use facilities or one-stop centers where agencies serve common customers or where agencies serve customers in the same geographical area.
- Coordination of the requesting, designing, bidding, and contract awarding of similar projects in close proximity in a geographic region. This includes renovation projects and various deferred building renewal projects in particular.

Non-State Funds

In cases where agencies receive federal or other non-state funds through a cost reimbursement or cost sharing formula or program, and in which reimbursement for facility depreciation and facility maintenance is included, such reimbursement should be included in the funding requested for construction and all types of deferred building renewal projects.

In instances where Federal or other non-state funded grant programs exist which could help fund a construction or deferred building renewal project, such fund should be applied for and included in the funding requested.

Some agencies qualify for participation in the Institutional Building Grants Program (IBGP). This enables the utilization of federal funding to match state dollars in accomplishing approved projects. With some exceptions, the Task Force for Building Renewal has been providing matching funds to accomplish energy conservation measure projects. Agencies or institutions eligible for participation in IBGP funding are encouraged to actively seek these funds wherever possible.

Compliance with the "Procedural Manual for Capital Construction Projects"

Agencies are encouraged to read the Procedural Manual for Capital Construction Projects published by the State Building Division of the Department of Administrative Services. Adoption of the procedures, requirements, processes and suggestions contained in the Manual will facilitate consideration of your budget request.

Building Renewal Assessments (LB1100 Assessments)

LB1100 Assessments were repealed by the Legislature in LB380, 2011.