
Executive Branch Capital Construction Submission Instructions

Office of State Planning
and Budgeting

FY 2014-15

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CAPITAL CONSTRUCTION INSTRUCTIONS

The purpose of these instructions is to outline the process for requesting capital construction projects. Using information acquired from this process, the OSPB will evaluate statewide capital construction needs and set priorities accordingly.

The Office of State Planning is required by State law to review Capital Construction requests:

24-37-304. Additional budgeting responsibilities.

(1) In addition to the responsibilities enumerated in section 24-37-302, the office of state planning and budgeting shall: ...

(c.3) (I) Ensure submission of all capital construction and controlled maintenance requests and proposals for the acquisition of capital assets by each state department, institution, and agency to the capital development committee no later than September 1 of each year;

(II) Submit the recommended priority of funding of capital construction projects of all state departments, institutions, and agencies to the capital development committee no later than November 1 of each year;

(III) Ensure submission of all requests for supplemental appropriations for capital construction and controlled maintenance requests and proposals for the acquisition of capital assets by each state department, institution, and agency to the capital development committee no later than December 10 of each year.

(d) Execute the appropriations acts or other acts having fiscal implications in such a manner as to assure compliance with the expenditure limitation, by source of funds, personnel authorizations, contingency and performance requirements, and legislative intent;

(f) Develop, or cause to be developed, current operational master plans for each state institution and agency, except state schools, colleges, and universities as provided in section 23-1-106, C.R.S., for submission to and approval by the general assembly ...

DEFINITIONS

A project qualifies for capital construction if it meets the criteria in 24-30-1301, C.R.S., as listed below. Also below are definitions of capital renewal and controlled maintenance.

A. **Capital Construction** includes:

- Purchase of land, regardless of value.

- Purchase, construction, or demolition of buildings or other physical facilities, including utilities, or remodeling or renovation of existing buildings or other physical facilities to make physical changes necessitated by changes in the program. Changes in the program may also incorporate the need to meet standards required by applicable codes; to improve energy conservation; to save costs for facility staffing, operations, or maintenance; or to improve appearance.
- Site improvements or development (landscaping, upgraded utilities, signage etc.)
- Purchase or installation of the fixed and moveable equipment necessary for the operation of new, remodeled, or renovated buildings and other physical facilities and for the conduct of programs initially housed therein upon completion of the new construction, renovation or remodeling.
- Purchase of services from architects, engineers and other consultants to prepare plans, program documents, life-cycle cost studies, energy analyses and other studies associated with any capital construction project and to supervise construction or execution of such capital construction projects.
- Any item of instructional or scientific equipment if the cost exceeds \$50,000.
- Information technology if the cost exceeds \$500,000. (See section on information technology on the next page for a list of institutions that may request state funding for information technology projects that total less than \$500,000.)
- Preliminary planning including initial review of proposed projects for a) conformity with long-range development plans; b) technical and economic feasibility of the project; c) preparation of outline plans and specifications; or d) preparation of preliminary cost estimates.

Capital construction projects are classified as major (total cost is more than \$2 million) or minor (total project cost is above capital renewal limits but \$2 million or less).

The following expenses are **NOT** capital construction budget requests:

- Printing, publishing, photocopying, and other similar costs related to project administration;
- Postage, certified mailings, long-distance telephone charges, etc.
- Employee compensation or reimbursement for time performing project-related work regardless of the work performed;
- Reimbursement of “in-town” expenses such as food, fuel, etc.
- Travel and lodging expenses directly related to project management;
- Renting or leasing temporary space for people and equipment to accommodate construction projects; these costs must be paid from operating funds.

Information technology projects are capital construction projects if they meet the following criteria:

- They have total implementation costs of \$500,000 or more in the request year and the majority of the components have a useful life of at least five years.
- Personal computer replacement or maintenance is not included in the information technology request (unless as a component of a much larger institutional computer systems upgrade).
- Contract personal services and other non-capital items requested as capital construction are integral components of a request.

Based on a Memorandum of Understanding with the Joint Budget Committee, Capital Development Committee, and the Office of State Planning and Budgeting, **information technology projects with total implementation costs of LESS THAN \$500,000** may be capital construction for the following institutions and entities:

- Community College of Aurora
- Lamar Community College
- Morgan Community College
- Northeastern Junior College
- Pueblo Community College
- Otero Community College
- Trinidad State Junior College
- Adams State College
- Western State College
- Colorado Historical Society
- Division of Private Occupational Schools

B. **Capital Outlay** can be funded from a department's operating budget. It includes operating expenses such as:

- Equipment, meaning motor trucks designated over three-quarters of one ton, tractors, trailers, snowmobiles, boats, machinery, reference books, office furniture, file cabinets, typewriters, adding and calculating machines, and other business machines, having a useful lifetime of one year or more, or other items, including, but not limited to, tools, implements, and instruments, which may be used continuously without material change in physical condition, costing more than \$100 and less than \$50,000.
- Alterations and replacements, meaning major and extensive repair, remodeling, or alteration of buildings, the replacement thereof, or the replacement and renewal of the

plumbing, wiring, heating, and air conditioning systems therein, costing less than \$50,000.

- New structures, meaning the construction of new buildings where the cost will be less than \$50,000, including the value of materials and labor, either state-supplied or supplied by contract.
- Non-structural improvements to land, meaning the grading, leveling, drainage, and landscaping thereof and the construction of roadways, fences, ditches, and sanitary and storm sewers, where the cost will be less than \$50,000.
- OSPB, in consultation with the Office of the State Architect, will review on a case by case basis, if needed, to confirm that "Capital Outlay" does not include those things defined as capital construction by section 24-75-301, C.R.S.

C. **Capital Renewal** projects (building or infrastructure) are Controlled Maintenance projects where the total project dollar amount of a single phased, single site project or any phase of an integrated, single site project is in excess of \$2 million dollars. These project requests should be "maintenance driven" projects and not "program driven" as per capital construction projects.

D. **Controlled Maintenance** includes:

- Projects more than \$15,000, corrective repairs, code compliance, energy conservation, or replacement used for existing state-owned, general-funded buildings.
- Other physical facilities, including, but not limited to, utilities and site improvements, which are suitable for the retention and use for at least five years.
- Replacement and repair of the fixed equipment necessary for the operation of such utilities, when such work is not funded in an agency's operating budget to be accomplished by the agency's physical plant staff.

Controlled Maintenance does **NOT** include:

- Corrective repairs or replacement when such work is funded in an agency's operating budget to be accomplished by the agency's physical plant staff.
- Repair and replacement of fixed and movable equipment necessary for the conduct of programs (such repairs are funded as capital renewal).
- Repairs for rented or leased facilities, or facilities maintained by a self-liquidating property fund.
- Minor maintenance projects may not be accumulated to create a controlled maintenance project.

Capital construction projects arise out of an agency's need to create, expand, relocate, or alter a program due to growth, advances in technology or changes in methods or program delivery.

Requests addressing physical space requirements needed to accommodate particular functions, such as those traditionally included in facility programs, would constitute a “program-driven” request, and therefore, be considered a capital construction request.

- E. A **Continuation Project** is one that has had an appropriation relating to a prior year appropriation or is requested with funding over multiple fiscal years. A Continuation Project is one that was included as the out-year funding from a prior request. A Continuation Project must have been included in a prior CC-C request that was funded for the initial year.

This is an example of a Continuation Project, where “Year 2” is the continuation:

CC-C: CAPITAL CONSTRUCTION REQUEST FOR FY 2014-15				
Agency or Institution:	University of Colorado Boulder		Signature Department or Institution Approval:	Date
Project Title	Geosciences Building		Signature CCHE Approval:	Date
Project Year(s):	FY 2014-15		Signature OSPB Approval:	Date
Agency or Institution Priority Number:	4		Name and e-mail address of preparer:	
Total Project Costs	Total Prior Year Appropriations	Current Request FY 2014-15	Year 2 Request	Year 3 Request
Total Budget Request	\$ 59,500,000	\$ 8,489,662	\$ 51,010,338	\$ 47,891,077
Source of Funds				
CCF	\$35,700,000.00	\$5,093,797.00	\$0.00	\$0.00
CF	\$0.00	\$0.00	\$0.00	\$0.00
RF	\$23,800,000.00	\$3,395,865.00	\$0.00	\$0.00
FF	\$0.00	\$0.00	\$0.00	\$0.00

- F. A **Non-continuation Project** is one that can stand alone and may not necessarily require additional appropriations to complete. In these cases, CC-C forms should be submitted in each year the project requests an appropriation. For example, a new state-funded building may require enough time in the design phase that it would be appropriate to request professional services appropriations in year one of the project and construction and equipment funding in subsequent years. Also, a four-phase addition to a building could be submitted as four individual projects if each addition could be completed separately as a stand-alone project.

This is an example of a Non-continuation Project:

CC-C: CAPITAL CONSTRUCTION REQUEST FOR FY 2014-15				
Agency or Institution:	Department of Corrections		Signature Department or Institution Approval:	Date
Project Title	IT Disaster Recovery System		Signature CCHE Approval:	Date
Project Year(s):	FY 2014-15		Signature OSPB Approval:	Date
Agency or Institution Priority Number:	1		Name and e-mail address of preparer:	
Total Project Costs	Total Prior Year Appropriations	Current Request FY 2014-15	Year 2 Request	Year 3 Request
Total Budget Request	\$782,250	\$782,250	\$0.00	\$0.00
Source of Funds				
CCF	\$782,250	\$782,250	\$0.00	\$0.00
CF	\$0.00	\$0.00	\$0.00	\$0.00
RF	\$0.00	\$0.00	\$0.00	\$0.00
FF	\$0.00	\$0.00	\$0.00	\$0.00

G. Life Cycle Costs (LCC) are the cost alternatives, over the economic life of a facility, including its initial cost, the cost of energy consumed, replacement costs, and the cost of operation and maintenance of the facility.

The life cycle cost form (LCC-Form) will require identification of feasible alternatives and the cost of these alternatives, establish common assumptions and parameters, discount of future costs to present value, compute and compare LCCs for each alternative, and estimate of non-monetary savings or costs. For the completion of a life cycle cost analysis, the LCC-Form will be distributed at a later date for FY2014-15 capital construction requests.

FY 2014-15 CRITERIA FOR REQUEST SUBMISSION

For FY 2014-15 Capital Construction Requests and FY 2013-14 Supplemental Capital Requests, available funding remains limited. Therefore, as in recent years, departments should limit their requests to only the most critical projects. The Colorado Commission on Higher Education (CCHE) and the Department of Higher Education (DHE) should limit their submission to the top 20 priorities.

These criteria are for capital construction requests only. Requests for Controlled Maintenance and Capital Renewal are to be submitted directly to the Office of the State Architect, who will propose projects to the Office of State Planning and Budgeting and DHE. The criteria for those projects are promulgated by the Office of the State Architect.

RECOMMENDED CRITERIA FOR SUBMITTING CAPITAL CONSTRUCTION REQUESTS TO OSPB

Evaluation Criteria	Capital Construction Prioritization FY2014-15
General Fund, Capital Construction Fund, Federal Fund and Cash Fund Impact	Projects that are partially funded projects by cash funds and federal funds will receive greater priority
COP	Certificates of participation (COP) annual payments for existing projects
Significant Health, Life Safety, and Code Issues	Projects with clear and urgent life or safety implications
Continuation Project	Request is a continuation project appropriated in FY 2013-14
Cost Analysis	Life cycle cost analysis and reasonableness of costs
Other Fund Sources	Other fund sources include projects that are funded partly by non-state funds and non-student fee funds
Space Needs Analysis	Space needs analysis reflects how much space the institution or department has in its inventory, justification on how well the space needs are filled by the request, and how much space it needs based on the Master Plan, FTE projections, or Student enrollment projections
Clear Identification of Beneficiaries	The request must clearly identify the individuals that will be served and how they will be better served by the project requested
Phase-able Projects	Phases must be stand-alone projects
Achieves Goals	Integral to Achieving Statewide Policy Goals/Integral to Institutional Planning Goals
Program Plans	Projects will be review against the program plans for appropriateness, necessity, and sufficiency of the project with respect to institution programs, applicable state policies, plans, and standards.

OSPB will give preference to requests that meet the criteria and the projects will be prioritized according to the criteria above.

For a project to be considered a life or safety project, the project must predominately address facility deficiencies related to health, safety, and welfare of the occupants and be both “urgent” and “critical.” A project is considered “urgent” if the life or safety of a person would be compromised if the renovation or modification is not funded for FY 2014-15. A project is

considered “critical” if the life or safety of the occupants is unavoidably compromised due to the unsafe conditions of an area or of an entire building.¹

A project may also be considered an approvable life or safety project if there will be an urgent and critical loss of use. These projects predominately address facility deficiencies related to non-compliance of codes, standards, and or accreditation requirements of a program. Critical loss-of-use projects would directly result in the inability of that program to function in the related area and or the funding necessary to sustain that program.²

OSPB requests that departments and agencies and institutions of higher education continue to apply due scrutiny in the submission of requests in order to limit workload and reserve funds for the areas of most critical need.

Note that the Department of Higher Education may have different criteria for the submission of program plans and requests.

Source of Funds:

- "CCF" is Capital Construction Funds. These monies include funds transferred into the Capital Construction Fund, which is designated as a reserve fund in Section 24-75-302 (1) (a). Expenditures from the Capital Construction Fund are outside the spending limits of Article X, Section 20 of the Colorado Constitution (the TABOR amendment).
- “CF” is Cash Funds. Cash Funds are those funds derived from fees, tuition, other earmarked funds, grants, donations, damage awards, revenues from designated enterprise functions (student housing and dining, bookstore, student union, etc.), and from sales of university-owned property (where specific provisions exist to not require the funds to revert to the General Fund). The General Assembly may also appropriate funds to a cash fund or trust fund from another source.

When Federal Mineral Lease certificates of participation (COPs) or pay-as-you-go funding is requested, this is shown as Cash Funds with a clarifying notation. COPs are lease-purchase agreements that provide for a lump sum of money that is paid off over a number of years. Institutions should use the same planning process and timelines outlined within this budget manual for submitting all projects requesting state funds. Institutions of higher education may receive Capital Construction Funds, FML pay-as-you go funding, or COPs in lieu of Capital Construction Funds.

¹ Any building or portion of a building abandoned due to unsafe conditions should first be reported to the Office of the State Architect to determine if it meets the criteria for emergency controlled maintenance funding.

- “RF” is Reappropriated Funds. Reappropriated funds are those funds appropriated more than once in the same fiscal year and typically have been transferred from one agency to another.
- “FF” is Federal Funds. Federal funds are any funds received directly from the federal government; includes categorical or block grants not necessarily available for uses outside of those specified in the grant award.

“HUTF” is the Highway Users Tax Fund (HUTF). HUTF revenue sources include gas and special-fuel taxes, fines, license plate fees, driver's license fees, motor vehicle title and registration fees, and passenger-mile taxes. The Colorado Constitution requires that motor vehicle license and registration fees and gas taxes be used exclusively for the construction, maintenance, and supervision of the State's highways. The Colorado State Patrol can use HUTF revenues for capital construction projects. The distribution to the Colorado State Patrol is taken "off-the-top" before the formula allocation of the HUTF to the highway fund, counties, and cities. The "off-the-top" limit is calculated on the previous year's base; it is not a proportion of revenues going to HUTF, nor is there a specific monetary cap. Section 43-4-201 (3) (a) (I) (B), C.R.S. limits the "off-the-top" HUTF expenditures for highway supervision to 6% annual growth.

PRIORITIZATION

The Office of State Planning and Budgeting³ and the Colorado Commission on Higher Education⁴ annually prioritize all state-funded (Capital Construction Funds or COP-funded projects) capital construction project requests prior to submission to the General Assembly. Projects costing less than \$2 million CCF that are granted a waiver from the program planning requirements are prioritized alongside projects with costs exceeding \$2 million. OSPB does not review or prioritize 100% cash-funded projects for institutions of higher education, but does for non-higher education departments.

OSPB also does not review or prioritize Controlled Maintenance requests. Agencies submit these requests directly to the Office of the State Architect within the Department of Personnel and Administration.

Prioritized state-funded projects must have approved program plans that are consistent with all statutory requirements, the statutory role and mission, the campus facilities master plan, and approved space and utilization standards, where applicable. In prioritizing a project, financial feasibility and conformance with established planning guidelines may be considered. In order to be considered, requests must be well-defended and have all the completed forms and requirements. The program plan must be submitted with the request (see timeline for request

³23-37-304 (1) (c.3)(II), C.R.S. (2008)

⁴23-1-106(7)(a), C.R.S. (2008)

submission in the next section), unless it has been submitted prior to the request and no changes have been made since the prior submission.

The annual prioritization list will be reviewed with the Department of Higher Education prior to submission to the Capital Development Committee and the Joint Budget Committee in November. However, OSPB will review the merits of projects requested by DHE and will prioritize all capital construction projects, DHE projects and Department projects, based on the criteria on page 8. **OSPB may not approve all projects that it receives from the Departments and DHE.**

REQUEST PROCESS AND SCHEDULE

This section describes the circumstances for which a capital request can be made. These include requesting funds for facility planning or IT feasibility studies, pre-submittal capital construction review meetings, capital construction requests, supplemental requests, budget amendments, and capital construction comeback requests.

FACILITY PLANNING FUNDS

Funds to develop facility master plans and facility program plans may be requested from capital construction funds through the capital construction budgeting process. Completed or updated facility inventory and facility audits are necessary to develop a facility master plan. Non-higher education facility master plans must be submitted to OSPB at the time of the initial request, if not submitted prior to that time. Institutions of higher education do not need to submit any facility master plans to OSPB; after approval by the institution, these are reviewed solely by the Department of Higher Education prior to submission to the legislative branch.

CAPITAL CONSTRUCTION REQUESTS

Request year capital construction requests are due to the OSPB on July 25. Institutions of higher education will submit requests first to the Department of Higher Education; DHE will, in turn, submit the state-funded requests to OSPB (OSPB no longer reviews any 100% cash projects from institutions of higher education). These requests use the CC-C forms. If a request is approved, it will be forwarded to the Capital Development Committee (CDC) staff for legislative review. Requests that are not received by the established deadline may not be approved for submission. During September and October, CDC staff typically will e-mail questions to the departments. Departments are then required to submit written responses to the CDC staff after approval by the OSPB Capital Construction Analyst. The CDC will hold hearings with each department in early December and prioritize requests in January and February. Those recommendations are then forwarded to the Joint Budget Committee (JBC).

SUPPLEMENTAL REQUESTS

Supplemental requests, regardless of funding source, are limited to specific circumstances (see Section 11.18). These requests for the current year are due to OSPB on November 2 each year and, if approved, are forwarded to the CDC. These requests use the CC-B forms.

For emergencies, the CDC and the JBC can direct the State Controller to issue capital construction spending authority without the passage of a bill. This is called a 1331 supplemental. If approved by the Joint Budget Committee, these requests require subsequent approval by the General Assembly in the next legislative session. All departments must obtain approval from OSPB before such a request is forwarded to the CDC and the JBC. Higher education departments must also obtain approval from the Department of Higher Education before such a request is forwarded to the CDC and the JBC. All official 1331 requests must go through OSPB, even if cash funded. If they are for informational purposes, 100% cash funded projects for institutions of higher education do not need to go through OSPB.

Exhibit 1 Capital Construction Timeline for the FY 2014-15 Budget Cycle including FY 2013-14 Supplementals		
June	4 weeks before scheduled meeting	Emergency 1331 Supplementals due to OSPB
	2 weeks before scheduled meeting	OSPB submits Emergency 1331 Supplementals to CDC and JBC
July	25	All non-higher education capital construction requests to OSPB
	15	Capital renewal requests (CM-03) due to the Office of the State Architect
August	15	Department of Higher Education submits binder of signed, recommended higher education state-funded capital construction requests to OSPB
	15	Office of the State Architect submits approved capital renewal requests (CM-03) to OSPB
	27	Non-higher education agencies submit signed capital requests (CC-C) to OSPB for signature
September	1	OSPB submits unprioritized capital requests to CDC
	1	DHE submits unprioritized 100% cash funded capital requests that do not require OSPB review to CDC and JBC
	3	Departments submit controlled maintenance requests to the Office of the State Architect
October	4 weeks before scheduled meeting	Emergency 1331 Supplementals due to OSPB
	2 weeks before scheduled meeting	OSPB submits Emergency 1331 Supplementals to CDC and JBC
	3	CDOT submits capital request to the CDC

	12	Office of the State Architect sends preliminary prioritized controlled maintenance list to OSPB
	20	OSPB and DHE review statewide capital prioritization
November	1	OSPB submits prioritized capital construction and controlled maintenance request to CDC and JBC
	2	Capital supplementals due to OSPB
	2	Capital renewal supplemental requests (CM-03) due to the Office of the State Architect
December	3	Office of the State Architect submits Capital renewal supplemental requests (CM-03) to OSPB
	10	OSPB submits supplemental capital requests and late FY 2014-15 requests to CDC

BUDGET DOCUMENTS

The capital construction budget requests (CC-C, CC-B, and CC-IT forms) are the primary project request forms for all individual capital construction projects, while the five-year capital construction plan (CC-P form) shows the relationship of the individual projects to past, current, and projected projects from the same agency. The CC-C and CC-B forms always consist of an Excel document and a Word document. Both must be completed when submitted to OSPB. The numbers on the CC-C Cover Page (Excel Document), the CC-C Word document (narrative description), and the CC-P forms must match exactly. All required forms for submission are at Appendix B in the OSPB Instructions.

Unlike other budget documents, OSPB submits all State-funded capital requests directly to the CDC and JBC. Departments may not submit any request directly to CDC or JBC staff. Any request submitted directly to CDC or JBC staff are considered unapproved by OSPB. CDC and JBC staff have been requested not to process any request (except those authorized for no OSPB review, such as 100% cash funded requests for institutions of higher education) that has not been approved by OSPB. Please allow OSPB staff a minimum of two weeks to review a request. Any requests submitted outside the established timelines must also allow an additional two weeks for legislative staff review (CDC and JBC staff) before presentation to legislation committees.

Forms do not need to be signed when submitted on July 25. Final forms which incorporate OSPB revisions must be signed and in print-ready form when submitted to OSPB on August 25. No extensions of the August deadline can be accepted, as this date is necessary in order to meet the September 1 deadline to the CDC.

All items must be completed as indicated. Do not leave any rows blank. Use N/A only if appropriate. Replace empty checkboxes () with checked boxes as necessary () from the symbols list.

Supplemental requests and late requests must be signed when submitted to OSPB the first time. This is due to the tight budget calendar during the rest of the year. If OSPB requires revisions to those forms, a resigned form will be necessary once the changes are incorporated.

For request year projects, non-higher education agencies shall forward one electronic copy of the required forms in Word and Excel for each project to OSPB by July 25. E-mails should be addressed to Laura Blomquist: laura.blomquist@state.co.us with the subject as RE:Capital Construction Request for FY2014-15. **A hard copy submission is not required.**

Non-higher education, department-signed final versions of all requests with OSPB comments incorporated are due to OSPB on **August 27** for signature. August submissions must include 1) a Word version of the CC-C form, 2) an Excel version of the CC-C, 3) attachments, and 4) a PDF, faxed, or original signed copy of the CC-C Excel form. A hard copy is not required. Please keep attachments to a minimum as required by the CDC. Between July 25 and August 27, OSPB will notify Departments if the requests have been approved. **OSPB may not approve all projects that it receives on July 25 from the Departments and August 27 from DHE.**

Institutions of higher education will submit requests first to the DHE; DHE will, in turn, submit approved state-funded requests to OSPB on August 27. These higher education requests must be signed by the institution and DHE and submitted by DHE to OSPB. DHE will submit such signed final hard-copy requests to OSPB directly in one binder. OSPB will review and approve those requests, requiring revisions as needed, and submit the state-funded requests to the CDC and JBC with a copy to DHE. DHE will also submit signed final hard copies of all CDC-submitted requests via email to laura.blomquist@state.co.us in PDF, including any attachments on September 1 with the subject of the email as RE:DHE Capital Construction Request for FY2014-15.

DHE will submit 100% cash funded requests directly to the CDC and JBC in September, copying OSPB. If an expedited process is approved for cash funded requests, DHE will follow such process as required by statute and established in the Colorado Commission on Higher Education's (CCHE) policy and DHE guidelines.

Capital construction requests must be submitted based on the required templates, as published in Appendix B to these instructions.

DHE must review and approve all budget documents from state-funded higher education institutions before referral to OSPB. All additions, deletions, or changes must be submitted to DHE, which then reviews and, upon approval, submits the final and revised CC forms to OSPB. OSPB, the Office of the State Architect and DHE work in close coordination throughout the process.

After submission to OSPB, requesters typically receive comments or questions from OSPB. The responses to the questions are expected to be integrated into the revised form before signature (not simply answered via email) so that the information is there for the Capital Development Committee and the Joint Budget Committee.

OSPB will deliver the signed, unprioritized requests (except the 100% cash funded requests from institutions of higher education) to the Capital Development Committee on September 1 with a copy to Joint Budget Committee staff, a copy to the Department of Higher Education, a copy to the Office of the State Architect, and a copy of the signed request to the requesting agency.

On November 1, OSPB and the DHE will submit a list of the OSPB-submitted requests to the Capital Development Committee in priority order. OSPB will prioritize all capital construction requests from DHE and the Departments together.

Exhibit 2 – Capital Construction Submissions to OSPB				
Form	Category of Request	Description	Date Due	
			Non-Higher Ed	Higher Ed
Department Wide Five-Year Capital Construction Program Outline (Form CC-P)	Required for all state funded requests	Provide a list of all capital construction projects (excluding controlled maintenance) expected to be submitted over the next five years. Current-year requests must conform to the current and previous Facility master plan	With CC-C forms	August
Facility Master Plan	Required for all state-funded requests and for non-higher ed cash funded requests except as exempted in section 11.13	The Facility Master Plan should provide direction for long-term facility needs based upon program goals and objectives as outlined in the Strategic Operating Plan.	With initial CC-C forms or before	Not submitted to OSPB
Program Plan	Required for all major projects (Section 24-1-136.5, C.R.S.)	Provides facility-specific guidelines that detail facility size, configuration, location, function, and other specific(s) related to a proposed facility. Not required for projects under \$500,000.	With initial CC-C forms or before	Not submitted to OSPB
Supplemental Capital Construction Request (CC-B)	Required for all supplemental requests	The purpose of this form is to provide a method of adjusting previous or current-year projects.	2-Nov	Nov 3 from DHE for state-funded requests
Capital Construction Project Request (CC-C Excel and Word)	Required for building construction and equipment projects	This applies to new construction or renovation projects, but excludes controlled maintenance, capital renewal, and information technology projects.	First unsigned version due July 25	August 14 from DHE for state-funded requests
Capital Construction Information Technology Project (Form CC-IT, Excel)	Required for all capital construction information technology requests	The CC-IT forms serves as the project request form for information technology projects that qualify as capital construction.	First unsigned version due July 25	August 19 from DHE for state-funded requests

Two Year Project List for 100% Cash Funded Projects for Institutions of Higher Education	Submit to Department of Higher Education and Office of State Planning and Budgeting	The description and requirements for this form is published in the CCHE policy and DHE guidelines		September 30
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APPROPRIATED PROJECT TIMELINE

Funded program plans for which state capital construction money has been appropriated or cash spending authority has been given must meet three state fiscal rules. If these program plans do not meet the fiscal rules they risk having the funds withdrawn, particularly in times when state revenues are insufficient to meet the state government budget:

- The six month rule states that all major professional services (i.e. architect and engineering services) must be encumbered within six months from the time the Long Bill becomes law. *Higher Education projects* that are 100% cash-funded are exempt from the six month encumbrance rule. For those projects not requiring professional services, the entire amount of the project must be encumbered within six months;
- The one-year rule, which states that all projects must be initiated within one year from the appropriation as demonstrated when expenses for the project have been incurred; and
- The three-year rule, which states that agencies have three years to completely encumber their project funds from the time the Long Bill becomes law. The three-year time limit starts over each time the institution receives new appropriations for the same project. The three-year rule can only be modified by General Assembly action in an appropriations bill, and therefore requires a budget action submitted through OSPB (unless it is a 100% cash funded project for an institution of higher education). Please see the Department of Higher Education instruction manual for more information about the impact of these rules on specific types of requests from institutions of higher education.

INFORMATION TECHNOLOGY PROJECTS

Information technology program plans must be reviewed and approved by the Office of Information Technology (OIT). OIT reviews the budget documents and pertinent sections of the program plans, and comment on the plans. If the total cost of all computer and Information Technology (IT) equipment and wiring exceeds \$500,000, a CC-IT form must be completed instead of the CC-C form.

Non-higher education departments submitting capital construction requests for Information Technology projects must receive approval from the Office of Information Technology prior to submission to OSPB. Such requests must be submitted to OSPB with a letter of approval from

OIT included in the submission. OIT must also sign all CC-C Excel forms for non-higher education requests when submitted to OSPB for signature. OSPB will not review a capital construction request for an information technology project without corresponding approval from the Office of Information Technology.

CAPITAL RENEWAL PROJECTS

This project category is intended for large controlled maintenance projects of \$2 million or more. Agencies and institutions of higher education must submit the OSA CM-03 form first to the Office of the State Architect (OSA), who in turn submits approved requests to OSPB and DHE. If approved by OSA and then by OSPB and DHE, the projects are included in the prioritized list of capital construction projects that OSPB recommends to the General Assembly.

For capital renewal projects, no CC-C forms are necessary. Instead, the CM-03 forms (obtained from the Office of the State Architect) and required accompanying documentation double as both budget forms and program plans.

Capital Renewal project requests are to be submitted separately to State Buildings Programs in the Office of the State Architect and should not be included in the agency's Controlled Maintenance project request report submitted to State Buildings Programs and will not be included in the annual Controlled Maintenance budget recommendations submitted to the CDC by State Buildings Programs. Capital Renewal projects are to be prioritized within each agency's Capital Construction Requests.

See the Department of Higher Education instruction manual for specific guidance for cash-funded projects related to institutions of higher education.

CASH FUNDED PROJECTS

Projects that are to be undertaken solely with cash funds (CF) moneys, or only cash funds and federal funds, are considered "100% cash funded."

Projects for institutions for higher education that are 100% cash funded or 100% cash and federal funded are not reviewed by the Office of State Planning and Budgeting, but 100% cash funded or 100% cash and federal funded projects from institutions participating in the Intercept Act are reviewed by the Department of Higher Education. Please see the instructions published by the Department of Higher Education for information on how to process those requests.

All cash-funded projects for departments that are not higher education must be reviewed and approved by the Office of State Planning and Budgeting. These requests are due to OSPB on July 25.

CONTROLLED MAINTENANCE

Controlled Maintenance projects arise out of the deterioration of a facility's physical and functional condition and the corresponding inability to comply with current codes. These are referred to as "maintenance-driven" requests, as opposed to "program-driven" requests, which would constitute a capital construction project. Controlled Maintenance projects that exceed \$2 million in cost are considered Capital Renewal projects (see 11.10 above).

Controlled maintenance funding requests for are due to the Office of the State Architect by September 9. The Office of the State Architect will review these requests with OSPB and DHE to ensure no duplication of effort has occurred between capital construction and controlled maintenance projects.

PROGRAM PLANS

Program plans are required for most capital construction projects. Four types of capital construction projects do NOT need program plans. These are:

- Capital construction projects costing less than \$2 million.
- Capital renewal projects for which the Office of the State Architect CM-03 form is required.
- Controlled maintenance requests
- 100% cash-funded projects for institutions of higher education who are not participating in the Intercept Act

All other new capital requests require program plans. Program plans are reviewed for appropriateness, necessity, and sufficiency of the project with respect to institution programs, applicable state policies, plans, and standards, and consideration of alternative actions and timetables. Each program plan should:

- Conform to the agency master plan;
- Benefit the programs housed in the facility;
- Include operating and capital costs that are appropriate to the program and to the source and method of financing; and
- Conform to the institutional five-year capital construction program schedule.

The program plan should include a third-party independent review (one performed by an engineer, architect, or information technology expert who is not an employee of the institution) that covers:

- Compliance with applicable codes;
- Completeness and accuracy of the project cost estimate;

- Appropriateness and thoroughness of the methodology used for cost estimating (Means or Dodge published cost data, historical costs from previous projects, cost estimating consultant, in-house cost estimating, etc.); and
- Validity of the alternative chosen.

OSPB reviews the program plans for:

- Consistency with the Governor’s policy;
- Defensibility of need; and
- Appropriateness of fund source, cost estimates, financing, component necessity, and impact on the State operating budget.

The statutory requirements of program and physical planning for State agencies other than those for institutions of higher education are waived by the Office of State Planning and Budgeting for projects costing \$2 million or less in state money (CCF or COP) if sufficient information is presented in the CC-C form.

Reducing larger capital construction program into smaller projects to avoid doing program plans is not acceptable. Program plan waivers for projects requiring capital construction funds are prioritized with all other state-funded projects (CCF).

Program plans are an integral part of the September 1 submission to OSPB, and will be made available to the CDC and CDC staff.

THE CC-P: FIVE-YEAR CAPITAL CONSTRUCTION PROGRAM

These forms should be filled out electronically for new projects for the Request Year and projects anticipated in four subsequent years. State statutes require institutions to estimate the expected completion date if funding is available for each project. All components of the form should be filled in. The department or institution's name should be clearly delineated, headers should carry onto all pages, and page numbers should be included. All forms must be dated.

Preliminary submissions should project the agency’s or Governing Board’s schedule of capital construction projects for five years including the Budget Request year. For institutions of higher education, governing board amendments to the institution's preliminary schedule should be identified in the FINAL submission. Projected costs are in current dollars. List each project in sequential order of importance.

The same project name should match to the CC-C, CC-B, or CC-IT forms. The facility and the institutional program that will occupy the facility upon completion of the project should be identified. If it is a project that benefits the entire campus, write “Campus Wide.” The total project cost is the sum of the prior appropriations and all future costs by funding source. All previous appropriations must match the CC-C, CC-B, and CC-IT forms.

For the Capital Construction Appropriation Phase, designate the appropriation phases in each year's estimated project cost.

- PP = Physical Planning, which includes architectural and engineering planning and design;
- C = Construction, which funds actual construction;
- E = Movable Equipment, which equips the completed project for occupancy and use.

The Five-Year Capital Improvement Program Priority Statement should explain, in relation to the Institutional Master Plan, the agency's, institution's or governing board's judgment of the relative programmatic importance among the facilities projected for the ensuing five-year period. The statement should also explain the multi-year scheduling of any Phased Construction Projects.

CAPITAL CONSTRUCTION REQUEST COVER PAGE: CC-C EXCEL FORM

The CC-C forms are for new buildings, building expansions or renovations, or related capital projects. Budget requests must be submitted for each year that an appropriation is requested.

Continuation projects and non-continuation projects both require annual submissions of the CC-C form. The budget documents for continuation projects--those that have received at least one previous appropriation through a signed bill--are checked for conformance with prior submissions of the requests. If a project was approved for architectural and engineering funds only, for example, funding beyond the architectural and engineering stage should be included on the new budget request forms as requiring additional approval. If an agency's cost estimate for a continuation project has changed since the previous year, the institution should defend the CC-C and support information forms to reflect the new numbers. All supporting information and background must be in the new CC-C. The CC-C form is the primary document that OSPB and the CDC use for evaluating projects.

The reviewing entities will review all budget estimates for appropriateness using industry standards and trends. Costs should be listed and justified in the program plan and the request.

Please fully complete the CC-C Excel and Word document as described on the forms. The *Project Title* refers to the name of the project that must be used throughout all documents submitted to OSPB and the Office of the State Architect. Do not use acronyms in the title.

Project Year should describe the year of the project in terms of how long it is seeking funding. For example, if the project is seeking its first appropriation, this should indicate year 1. If the project received funding in a prior year and is seeking a second round of funding, this should indicate year 2.

The Priority Number is the agency's ranking of a state-funded project for which a CC-C form is submitted, and should be written to indicate how many projects the agency is prioritizing (i.e., 2 of 5).

Department Signature is the name and date of approval of the department's executive director or commissioner or the institution's president or his/her designee. Signing off for department approval means that the signer affirms the head of the department of institution has knowledge of the request, its dollar amount, and its purpose. It is also affirms that the form is complete and the dollars and narrative are accurate. For requests from institutions of higher education, the Department of Higher Education must also approve and sign before signing by OSPB.

Name of Preparer is the name of the person preparing the form; include the email address. This should be the person whom is to be contacted by OSPB should there be questions about the form.

Sometimes CC-C forms are submitted to revise numbers for the same project. If the request is submitting a change to a form for that project already submitted to the CDC, then check yes for "Revision?" and include the date of the last submission to the CDC (the date is the date signed by OSPB).

The Excel form shall include all costs associated with all phases of the capital construction project. If the project will require additional funds to complete in subsequent years, list those funds required for the following five years.

The Prior Year Appropriation is only completed if funding for this project appeared in a previous Long Bill, supplemental bill, or separate appropriation bill. Otherwise it should reflect zero. The total should be the sum of all appropriations and match the appropriations listed in "Section 5. Continuation History" of the CC-C Word Document. If they do not match exactly, the Word document should footnote the table with an explanation, illustrating all numbers.

The Current Year Request is the main request that is being submitted and defended.

The subsequent columns are out year impacts for projects that will be continuation projects. Such projects must have distinct activities for each year. Even if a Current Request is funded, there is no guarantee that out year requests will be funded as continuation projects. Each year's project must be able to stand on its own (discreet portion of work) and the narrative portion of the form should fully defend this. Construction on the same portion of the building should not cross fiscal year requests. However, each of those year's appropriations may be carried forward so they can be accessed for three fiscal years.

- A. **Land/Building Acquisition.** If this project will include a cost to acquire land, enter the amount here.
- B. **Professional Services.** Enter the total requested, all prior appropriations, and amount requested for each applicable year for all items. Do not include an amount under "Prior Appropriation" unless it appeared in a previous Long Bill or separate appropriation bill.

- B-1. **Master Plan/PP.** Circle or boldface either “master” or “PP” (for program plan) to indicate the correct plan. Include the total cost requested to complete plan.
 - B-2. **Site Surveys, Investigations, Reports.** Identify other engineering design fees, not related to the physical structure, such as civil engineering for site grading, sewage treatment, water treatment, traffic, etc. Include the estimated costs for site topographic information, utility surveys, soil tests and reports, and other tests required by the specifications (e.g., concrete strength, weld tests, etc.) Testing for the existence of asbestos and air monitoring during remediation also should be included here.
 - B-3. **Architectural/Engineering/Basic Services.** Identify all fees for the design of the building. These include architectural design, structural engineering, mechanical engineering, and all special consultants such as fire protection, acoustics, information technology, etc.
 - B-4. **Code Review/Inspection.** Include the cost for an approved Code Review Agent review for compliance with the building codes as required by the Office of the State Architect per Section 24-30-1303(1)(r), C.R.S.
 - B-5. **Construction.** If applicable, include the construction manager fee. Note that only paid, outside consultants are allowed. No departmental FTE can be paid through capital construction.
 - B-6. **Advertisements.** Include advertisement costs, if any.
 - B-7. **Inflation for Professional Services.** Here, the agency must complete both the total dollars attributed to inflation and the percentage. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.
 - B-8. **Other (Specify).** Include all additional anticipated professional fees for the project. Specify fees associated with the new High Performance Certification Program as implemented by the Office of the State Architect. Specify the type of fee or fees. Please note that tap fees are not professional service fees.
 - B-9. **Total Professional Services.** Enter total of items B-1 through B-7 (do not add in the inflation percent at 7b). If this amount exceeds 10 percent of line C-4, “Total Construction Cost,” for a new facility or 15 percent for a renovated facility, attach a written explanation to justify higher costs than generally allowed.
- C. **Construction.** This section displays the total amount of money requested for the project. Do not include an amount under the column “Prior Appropriation” unless funds were appropriated in a previous Long Bill or other separate appropriation. Estimates should be based on the anticipated cost of construction for July of the year for which the appropriation is requested.
- C-1. **Infrastructure**
 - (a) *Services/Utilities.* The building construction cost (C-1) will include utilities to a point five feet outside the building. The utilities cost should include all other costs associated with obtaining power, water, gas, telephone lines, sewer, etc., extended from the nearest source to within five feet of the building(s). Include water or tap fees paid to other governmental entities in this line. Do not include funds for other infrastructure reserves. Other

infrastructure projects resulting from the impact of the requested project should be submitted as a separate capital construction project request(s).

(b) *Site Improvements.* Include all excavation and backfill costs to prepare the site and all other work such as clearing, leveling, asphalt paving, curb and gutter, walks, site lighting, drainage structures, etc. All work related to landscaping should be included here as well. Examples include: sod, trees and bushes, and irrigation systems.

C-2. **Structure/Systems/Components.** Include the estimated cost for the construction of the building(s). The cost should include utilities to a point five feet outside the building line. Provide the gross square footage of the new facility or the gross square footage to be renovated next to “GSF” in the first column on the left. The cost of temporary power, water, etc., during construction provided by the state cannot be included. Include basic pricing in the following categories as they pertain to the specific project:

(a) *New* (\$_____/GSF)

(b) *Renovated* (\$_____/GSF)

C-3. **Other (Specify).** Include any asbestos or other types of hazardous material remediation required and any demolition as line item costs here; specify those and other construction costs.

C-4 **High Performance Certification Program.** Include all anticipated construction, materials, and equipment costs associated with complying with the High Performance Certification Program as implemented by the Office of the State Architect. These additional costs must comply with statute, if not; a waiver is required from the Capital Development Committee.

C-5. **Inflation for Construction.** Here, the agency must complete both the total dollars attributed to inflation and the percentage. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.

C-6. **Total Construction Costs.** Add C(1) through C(5a) and enter the total here.

D. Equipment and Furnishings.

D-1. **Equipment.** Enter the cost of the equipment required for the project. This item should include equipment that can be moved and reused even if it is a built-in and would not be included in the general construction contract. Examples include equipment for kitchens, laboratories, laundries, shops, medical facilities, stages, communication, etc. Computer and Network Equipment includes workstations, file servers, routers, hubs or switches, printers, scanners, and other required hardware. Include in this line movable partitions, work surfaces, etc., which are part of the offices and workstations. If the total cost of all computer and information technology (IT) equipment and wiring included in D-3 exceeds \$2 million, a CC-IT form must be completed in addition to including the costs in lines D-1 through D-3. All scientific or instructional equipment costing \$50,000 and having a life expectancy of five years

or greater is considered capital construction. What is not acceptable as capital construction? See Section 11.2 of this Chapter.

- D-2. **Furnishings.** The cost of the furniture and other items necessary to complete the project for occupancy should be included here. These items would not normally be a part of the general construction contract. Examples are window coverings, cabinets, wardrobe, desks, chairs, tables, seating, etc.
- D-3 **Communications.** Include the costs associated with telephones and other communications here, such as the purchase and/or installation of fiber optic cable or other wiring for voice, Internet, intranet, local area network, and/or audio conferencing capabilities. Do not include cost of equipment for programs related to communication, computers, or other devices for audio or video equipment. These costs are part of equipment included in D-1.
- D-4. **Inflation for Equipment and Furnishings.** Here, the agency must complete both the total dollars attributed to inflation and the percentage. Percentage increases MUST be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.
- D-5. **Total Equipment and Furnishings Cost.** Add D-1 through D-4a and enter the total here. If the "Total Equipment and Furnishings Cost" exceeds 10% of Total Construction Cost, attach an itemized list for both "Equipment" and "Furnishings."

E. **Miscellaneous**

- E-1. **Art in Public Places.** Section 24-80.5-101, C.R.S., requires that "not less than one percent of the capital construction cost" shall be used for the acquisition of works of art when appropriate. This requirement applies to all new construction projects, and all renovation projects of more than \$2 million. The 1% requirement does not apply to telecommunications, information technology, capital renewal, or controlled maintenance projects or to projects that are exclusively cash-funded. Apply the applicable percentage to line C-5 of the project cost sheet. Specify the amount dedicated for this program. Agencies need count only the state-funded portion of the construction request, and only if that amount is to be appropriated (certificates of participation are typically not appropriated). However, departments and institutions are strongly encouraged to apply the 1% to all fund sources of construction.
- E-2. **Building Maintenance Fund.** The Office of State Planning and Budgeting strongly recommends that future deferred maintenance be funded for the requested project by the establishment of a building maintenance fund. Please enter the amount of the project that will be placed into the fund, by year, so that enough will be accrued in fifteen years to avoid state-funded Controlled Maintenance.
For each new capital construction project (creating a new building or totally renovating an existing one) it is recommended that the agency or institution initially set aside 1% of the construction cost at a minimum into an interest bearing account for future controlled maintenance needs and, if possible, add to that account annually 1% of the Current Replacement Value (CRV) from operating/maintenance funds. The account should not have to be accessed for at least ten to fifteen years after project completion. This time frame is based on the expected useful-life of materials, equipment and building systems and the need to design and construct higher quality,

more durable buildings in compliance with the High Performance Building Certification Program legislation. These assumptions must be described in the CC-C Word document under Section 11.17 Calculations. If no fund is established, the agency or institution should explain why on the Word document.

- E-3. **Relocation Costs.** For some projects it will be necessary to temporarily move some, or all, of the occupants and equipment to another facility. Those moving costs should be shown here. The cost of renting or leasing temporary space should NOT be included here. Lease costs are operating expenses.
- E-4. **Other (Specify).** Enter all other costs here.
- E-5. **Total Miscellaneous Costs.** Add E-1, E-2, E-3, and E-4 and enter the total here.

F. **Total Project Costs.** This is the total estimated cost of the project. Add A-1, B-9, C-6, D-5, and E-5 and enter the total here for each year that appropriations are requested.

G. **Project Contingency.** These lines provide the contingency for the entire project. Each institution should plan for these funds to be reverted upon completion of the project. Contingencies are established for unanticipated project costs. Add B-9, C-6, D-5, and E-5 and multiply the appropriate percentages. Project contingencies for all new construction, equipment purchases, or facility-related planning studies will be 5% of the total project cost, excluding land acquisition costs. Contingencies for project renovations will be 10% of total project costs, also excluding land acquisition costs. Projects involving both renovation and new construction must indicate how the contingency was calculated. Institutions deviating from these percentages must justify the request on the CC-C Word Document in Section 11.17 “Calculations” for funding consideration. Appropriate use of project contingency funds is outlined in the Office of the State Architect’s Procedures Project Cost and Management Guidelines. All contingency costs must be reported on the Capital Construction Project Application Form (SC 4.1) after project completion. Remaining balances are to revert to the Capital Construction Fund.

A. **Total Budget Request.** Add items F and G-3 and enter the total here.

B. **Source of Funds.** The request is not complete until the fund sources are correctly delineated. Sources of funds may be CCF (Capital Construction Fund, typically funded as a General Fund transfer), CF or Cash Funds (from a Cash Fund balance or from institution funds, RF or Reappropriated Funds (funds transferred from another agency), or FF (federal funds). All fund sources must total to the “Total Budget Request.”

IT CAPITAL CONSTRUCTION REQUEST COVER PAGE: CC-IT EXCEL FORM

The instructions are the same as for the CC-C Cover Page, except as identified below. The CC-IT Excel document shall include all costs associated with components of the information technology project. If the project will require additional funds to complete in subsequent years, list those funds required for the following five years. Do not include an amount under “Prior Appropriation” unless it appeared in a signed Long Bill, special bill, or supplemental bill

The following rows of this section are explained in more detail as follows:

- A. **Land Acquisition.** If this project will include a cost to acquire or lease land, enter the amount here.

- B. **Contract Professional Services.**
 - B-1. **Consultants/Contractors.** Enter consultant and/or contractor costs for project development (i.e., consultant/contractor costs not included in other professional service categories).
 - B-2. **Quality Assurance.** Identify all consultant fees for the quality assurance portion of this project.
 - B-3. **Independent Verification and Validation.** This is intended as a third-party review performed by the Governor's Office of Information Technology. This review is not required for institutions of higher education.
 - B-4. **Training.** Include all training costs associated with initial roll-out of the project. This includes first-time training costs only. Ongoing or periodic training is an operating fund expense. Training cannot pay for state FTE.
 - B-5. **Leased Space.** If applicable, include temporary costs associated with leasing space for consultants working on the project.
 - B-6. **Feasibility Study.** This is for preparing a feasibility study per the Office of Information Technology criteria. This review is not required for institutions of higher education.
 - B-7. **Inflation for Professional Services.** Here, the agency must complete both the total dollars attributed to inflation and the percentage. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.
 - B-8. **Other Services/Costs.** List and describe any other cost related to this project.
 - B-9. **Total Professional Services Cost.** Enter the sum of items B-1 through B-8, not including 7b.

- C. **Associated Building Construction.** This section displays the total amount of money requested for building construction needed to support the information technology request. Estimates should be based on the anticipated cost of construction for July 1 of the year for which the appropriation is requested.
 - C-1. **New (GSF).** Include the estimated cost for the construction of the building. The cost should include utilities to a point five feet outside the building line. Provide the gross square footage of the new facility in the far left column. Include any hazardous substance remediation or any demolition costs here. The cost of temporary power, water, etc., during construction provided by the state cannot be included. Include the basic pricing on the next line in the far left column.
 - C-2. **Renovate/Connection Costs (GSF).** Include the estimated cost for renovation of an existing building. The cost should include infrastructure connections. Provide the gross square footage to be renovated with this item. Include any asbestos remediation and/or any demolition costs here. The cost of temporary power, water, etc., during

construction provided by the state cannot be included. Include the basic pricing on the next line in the far left column.

- C-3. **Site Work/Landscaping.** Include all the excavation and backfill costs to prepare the site and all other work such as clearing and grubbing, asphalt paving, curb and gutter, walks, site lighting, drainage structures, etc. All work related to landscaping should be included here. Examples include, sod, trees and bushes, and irrigation systems.
- C-4. **Inflation for Construction.** Here, the agency must complete both the total dollars attributed to inflation and the percentage. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.
- C-5. **Total Construction Costs.** Add C-1 through C-4a and enter the total here.

D. Software Acquisition.

- D-1. **Software COTS.** Include the cost of commercial off-the-shelf software needed to implement the project.
- D-2. **Software Built.** Include the costs associated with developing new custom software. This should be separate from general professional service fees.
- D-3. **Inflation for Construction.** Here, the agency must complete both the total dollars attributed to inflation and the percentage. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.
- D-4. **Total Software Cost.** Add D-1 through D-3a and enter the total here.

E. Equipment

- E-1. **Servers.** Enter the cost of all servers.
- E-2. **PCs, Laptops, Terminals, PDAs.** The cost of new personal computers, laptops, terminals, and personal digital assistants (PDAs) should be included here. Identify the cost of those items required for the implementation of the new technology system.
- E-3. **Printers, Scanners, Peripherals.** Include the costs associated with printers, scanners, and peripherals related to the implementation of the new technology system.
- E-4. **Network Equipment/Cabling.** Include costs associated with network equipment.
- E-5. **Other (Specify).** Specify costs associated with other equipment.
- E-6. **Miscellaneous Costs.** Specify other costs not included elsewhere and enter the total here.
- E-7. **Total Equipment and Miscellaneous Cost.** Add E-1 through E-5 and enter the total here.

- F. **Total Project Cost.** This is the total estimated cost of the project. Add A-1, B-8, C-4, D-3, E-6, and F-1 and enter total here.

- G. **Project Contingency.** These lines provide the contingency for the entire project. Each institution should plan for these funds to be reverted upon completion of the project. The project contingencies are for unexpected costs that occur during project implementation,

and therefore property acquisitions are not considered in the contingency calculation. Add B-9, C-6, D-5, and E-7 and multiply the appropriate percentages explained below. Project contingencies for all new construction, equipment purchases, or information technology-related planning studies will be 5% of the total project cost. Contingencies for project renovations will be 10% of total project costs. Agencies deviating from these percentages must justify the request in writing in the CC-C support form.

- H. **Total Budget Request.** Add items F and G-3 and enter the total here. Fund splits must be included.

CAPITAL CONSTRUCTION REQUEST LIFE CYCLE COSTS: LCC EXCEL FORM

The LCC-Form will be distributed at a later date for FY2014-15 capital construction requests. LCC-Form will require identification of feasible alternatives and the cost of these alternatives, establish common assumptions and parameters, discount of future costs to present value, compute and compare life cycle costs (LCC) for each alternative, and estimate of non-monetary savings or costs.

CAPITAL CONSTRUCTION NARRATIVE: CC-C WORD FORM

The narrative template for both traditional capital and IT requests is the same. Use the CC-C Word Document for capital construction and information technology projects. After submission to OSPB, requesters typically receive comments or questions from OSPB. The responses to the questions are expected to be integrated into the revised form before signature (not simply answered via email) so that the information is there for the Capital Development Committee and the Joint Budget Committee.

All items in the template should be completed as indicated. Do not leave any rows blank, and use N/A only as appropriate. As necessary, please replace empty checkboxes () with checked boxes () from the symbols list.

Header Information

Identify the department submitting the request and the Department's Executive director. Beneath the department name, identify that the request constitutes a traditional Capital Construction request or an IT request, and indicate the correct date of the request.

Request Title and Priority Number

Identify all requests with a unique priority number based on the prioritization undertaken by the department (or CCHE, in the case of Higher Education requests). The priority number **MUST** match the CC-P. Then, describe the request in a short title that will identify it in a unique way. The title should match the title on the CC-P.

Signature

Each funding request must be signed by the department's Executive Director. This signature indicates that the Executive Director has reviewed and approved the request.

Summary Header Table

In the table below the request title and priority number, enter the total funds amount and complete columns for the appropriate sources of funding (Capital Construction Funds, Cash Funds, Reappropriated Funds, etc.). This table should identify funding for all years associated with the request. *In this table, only include relevant columns and rows, and delete others – the summary table should not include columns or rows filled entirely with zeros.*

Request Summary

This section is meant to be short; type *one paragraph* to describe the amount of the request and the construction project itself.

Background and Justification

Include *as many paragraphs as necessary* to describe the conditions leading to the necessity of this capital request. This includes a description of why current buildings or systems have become inadequate for programmatic use, and a description of the programmatic necessity of capital construction or improvement.

If this facility has been given a "Facility Condition Index Score," please include a description of that score in this section

Project Description

Include *as many paragraphs as necessary* to describe the project. For construction projects, this would include the amount of space needed, the types of rooms or equipment included in the request, and similar items. For IT requests, this includes a thorough discussion of the software, services, and hardware to be purchased.

Please note in this section if this request represents a continuation from a project appropriated in a previous year.

Life Cycle Cost (LCC) Analysis

Identify the feasible project alternatives and common assumptions and parameters for the economic evaluation of the alternatives. Based on the calculations from the LCC-Form, provide the discounted future costs and the present value, adjusted costs for inflation and/or price escalation over time for each alternative, the total estimated costs, and a comparison of project requested and the alternatives.

Consequences if Not Funded

Include as many paragraphs as necessary to explain the likely outcome if this request is not approved.

Operating Budget Impact

As necessary and appropriate, include a discussion of how this project will affect operating appropriations in the department. This includes a discussion of any appropriation increases or decreases necessary to provide for building or system maintenance, increases or decreases in FTE, and the anticipated time line for operating impacts.

Assumptions for Calculations

In as many paragraphs and tables as necessary, include descriptions of the calculations used to justify the amount requested. Descriptions of assumptions and calculations should include:

- Estimated expenditures for land purchases;
- Estimated expenditures for professional services;
- Estimated expenditures for construction;
- A list of equipment and furnishings, including estimated prices;
- Calculations for art in public places, as necessary;
- Inflation assumptions by year and component;
- A discussion of costs associated with High Performance Certification Program (HCHP), or LEED certification, and the target certification level. If HPCP certification will not be pursued, please provide an explanation as to why the project is exempt from this requirement; and
- Other details as necessary.

Section 9.c. requires the agency or institution to describe any impact to the planning documents that have been completed. If the request results in a change to planning documents, an amendment to the planning document should be submitted simultaneously, explaining why. In that case, this response should refer to the specific attached plan or amendment and describe exactly what has changed. Page number references should be included.

Supplemental Criteria (if necessary)

Describe the necessity of this project as a supplemental request. Describe any unforeseen circumstances that necessitate an appropriation in advance of passage of the Long Bill.

Additional Request Information Table

Please complete all rows in this table and replace empty checkboxes () with checked boxes () from the symbols list.

Continuation History Table

If this project is a continuation from a prior year’s appropriation, please complete this table to summarize previous appropriations. The total appropriations in prior years should match the corresponding entry on the CC-C or CC-IT Excel Cover Page.

Estimated Project Time Table

In this table, identify the critical steps to be completed as part of the requested project, estimate the start date for those steps, and estimate the completion date for those steps. Add or delete rows from this table as necessary.

Cash Fund Projections Table

If the request involves a cash fund source, this section must be fully completed. If no cash funds are involved, please delete the table.

For each cash fund requested, identify the name and COFRS number of the fund. Identify the statute that created the fund, and describe how revenue accrues to the fund. If this project will require a fee increase or other revenue increase, describe the increase and identify the additional revenue that is likely to be collected.

If the project is being financed, the table must describe the terms of the bond, including the length of the bond, the expected interest rate, when the agency plans to go to market, and the expected average annual payment.

Please indicate the actual cash fund balance at the end of the most recently completed fiscal year, the projected fund balance at the end of the current fiscal year, and the projected cash fund balances in the request year and out-year. Projected balances must reflect the anticipated balances if the project is approved.

All components for each source of cash funds must be completed.

SUPPLEMENTAL CAPITAL CONSTRUCTION REQUEST: CC-B COVER PAGE

The purpose of a supplemental capital construction request is to provide a method for adjusting previous year(s) appropriations or to use funds realized in a prior fiscal year. In rare cases supplemental requests can be used to make funds available earlier than the Long Bill would allow.

Some supplemental requests are 1331s, which are supplementals that are emergencies submitted when the General Assembly is not in session. Emergency requests are allowed under the provisions of HB 98-1331. The HB 98-1331 process has been used to address both emergency issues as well as to correct technical errors. This process should be used to address those issues that cannot wait to be addressed through the standard supplemental process. 1331 supplemental capital construction requests, regardless of funding source, are limited to emergency situations.

An emergency supplemental request requires the same documentation as a regular supplemental request (i.e., the CC-C Narrative form), with the CC-B Excel Cover Page. If the amount of an emergency supplemental changes, it should be corrected in a regular supplemental submission as a revised request, rather than a new incremental supplemental.

Non-higher education agencies shall forward one electronic copy of the CC-B Supplemental Capital Construction Request for each project to OSPB. Institutions of higher education will submit first to the Department of Higher Education; DHE will, in turn submit the request to OSPB. OSPB will submit the approved version to the Capital Development Committee and the Joint Budget Committee.

A supplemental request must also include a written justification of why the project is necessary as a supplemental request. Departments must describe any unforeseen circumstances that necessitate the appropriation in advance of passage of the Long Bill.

INFLATION FACTOR

The Office of State Planning and Budgeting is requiring that agencies indicate the actual inflation factor for each year for each major component on the CC-C Excel Cover Page (professional services, construction or improvement, and equipment and furnishings).

In addition, the CC-C narrative must include a description of all inflation assumptions, as delineated on the Cover Page, by year and by component (professional services, construction or improvement, and equipment and furnishings).

OSPB recommends that agencies and institutions of higher education use the Engineering News Record (ENR) building cost index by applying a four year average of ENR historic indexes. OSPB recommends using ENR's nationwide average instead of the Denver percentages. The ENR Building Cost Index is 68.38 hours of skilled labor at the 20-city average of bricklayers, carpenters and structural ironworkers rates, plus 25 cwt of standard structural steel shapes at the mill price prior to 1996 and the fabricated 20-city price from 1996, plus 1.128 tons of Portland cement at the 20-city price, plus 1,088 board-ft of 2 x 4 lumber at the 20-city price. Estimates should be based on the mid-point of the construction period included in the request. If other assumptions are used, they should be fully explained in the document.