

Capital Outlay

Chapter 1 Funding Process

November 17, 2010

Chapter 1 Funding Overview

- Chapter 1 Act – 2008 General Assembly (Special Session I)
- Established the membership for the SixPac Funding Committee
 - Secretary of Finance
 - Director of the Department of Planning & Budget
 - Director of the Department of General Services
 - Executive Director of SCHEV
 - Staff Director of the House Appropriations Committee
 - Staff Director of the Senate Finance Committee
- Chapter 874 Act – 2010 General Assembly

Chapter 1 Funds

Ch 1, Subsection 1 Fully Funded	\$162,925,000
Ch 1, Subsection 3 Fully Funded	<u>\$368,833,000</u>
Total Fully Funded	\$531,758,000

Ch 1, Subsection 2 Pooled Funds	\$274,746,000
Ch 1, Subsection 4 Pooled Funds	<u>\$595,760,000</u>
Total Pooled Funds	\$870,506,000
Total	\$1,402,264,000

Ch 1, Subsection 5 Planning Funds	\$44,791,850
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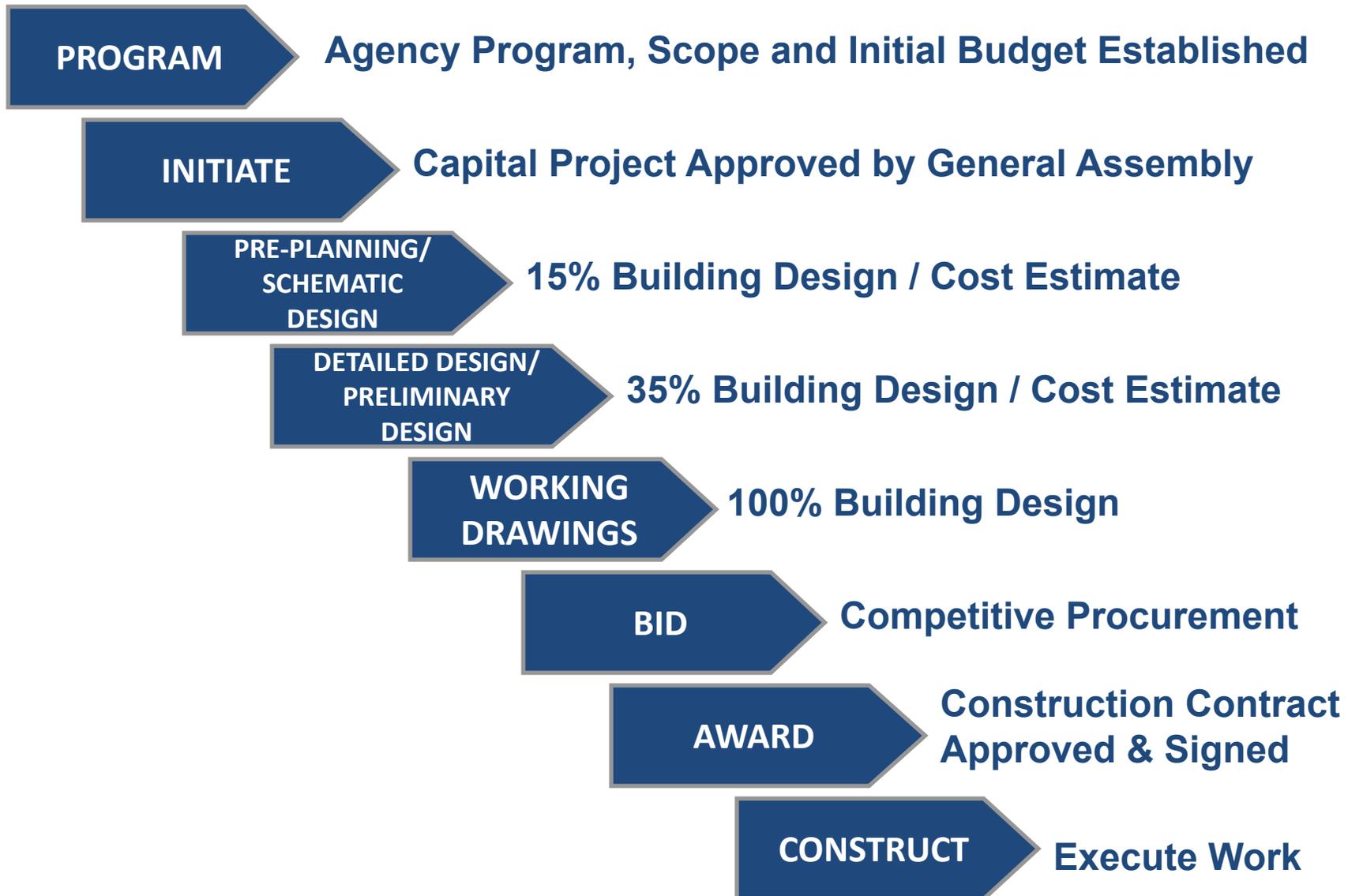
Chapter 874 Pool Funds

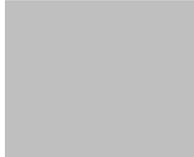
Chapter 874 Total	\$1,087,587,730
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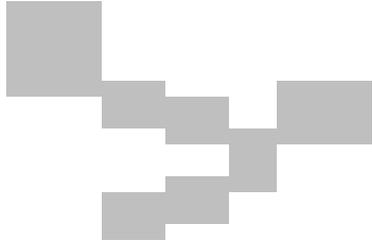
Example Chapter 1 Project

- Higher Education Classroom
- 100,000 GSF – 3 Stories
- Floor Plan – Efficient and Functional
- Exterior – Comparable Architectural Style
- Interior – Functional, Durable and Conventional

Project Decision Points



	<u>Old Process</u>		
TOTAL FUNDING TO DATE:	\$30 million	\$30 million	\$30 million
COST REVIEW:	DGS OK	DGS OK	DGS Reduce Cost!
DESIGN:			
ESTIMATED PROJECT COST:	\$30 million	\$29 million	\$34 million
	INITIATE	PLAN	SCHEMATIC DESIGN
			PRELIMINARY DESIGN
ESTIMATED PROJECT COST:	\$30 million	\$29 million	\$29 million
DESIGN:			
COST REVIEW:	DGS OK	DGS Target \$29 million	DGS / 6 PAC Fund \$29 million
TOTAL FUNDING TO DATE:	\$250,000 (planning)	\$2 million (planning)	\$29 million
	Chapter 1 Process		

	Old Process		
TOTAL FUNDING TO DATE:	\$30 million	\$30 million	NO AWARD Over Budget - REQUEST \$ - RE-DESIGN - I.D. AGENCY \$
COST REVIEW:	N/A		
DESIGN:			
ESTIMATED PROJECT COST:	\$35 million	\$35 million	
	WORKING DRAWINGS	BID / AWARD	CONSTRUCT
ESTIMATED PROJECT COST:	\$29.5 million	\$29.5 million	AWARD within 105% PROCEED
DESIGN:			
COST REVIEW:	DGS OK		
TOTAL FUNDING TO DATE:	\$29 million	\$29 million	
	Chapter 1 Process		

Chapter 1 Liabilities and Commitments

Group 1 Fully Funded (4) \$162,925,000	Now	07/01/2011	07/01/2012
≤ 35% Design Completion	\$0	\$0	\$0
≥ 35% Design Completion	\$0	\$0	\$0
Ready to Bid	\$162,925,000	\$0	\$0
Total	\$162,925,000	\$0	\$0

Group 3 Fully Funded (9) \$368,833	Now	07/01/2011	07/01/2012
≤ 35% Design Completion	\$0	\$0	\$0
≥ 35% Design Completion	\$0	\$0	\$0
Ready to Bid	\$368,833,000	\$0	\$0
Total	\$368,833,000	\$0	\$0

Chapter 1 Liabilities and Commitments

Group 2 Funded/Pooled (14) \$276,000,000	Now	07/01/2011	07/01/2012
≤ 35% Design Completion	\$16,277,100	\$0	\$5,542,000
≥ 35% Design Completion	\$73,793,726	\$21,332,274	\$0
Ready to Bid	\$150,466,677	\$0	\$0
Total	\$240,537,503	\$21,332,274	\$5,542,000

Group 4 Funded/Pooled (47) \$595,760,000	Now	07/01/2011	07/01/2012
≤ 35% Design Completion	\$2,656,650	\$6,550,000	\$12,622,300
≥ 35% Design Completion	\$128,246,132	\$6,070,728	\$0
Ready to Bid	\$411,094,792	\$0	\$0
Total	\$541,997,574	\$12,620,728	\$12,622,300

Chapter 1 Liabilities and Commitments

Group 5 Planning (26) \$44,791,850	Now	07/01/2011	07/01/2012
≤ 35% Design Completion	\$ 9,685,350	\$10,149,000	\$0
≥ 35% Design Completion	\$ 9,187,500	\$0	\$6,000,000
Ready to Bid	\$10,130,000	\$0	\$0
Total	\$29,002,850	\$10,149,000	\$6,000,000

Ch. 874 Pooled (31) \$1,087,587,730	Now	07/01/2011	07/01/2012
≤ 35% Design Completion	\$0	\$482,109,050	\$136,772,000
≥ 35% Design Completion	\$12,684,500	\$405,474,000	\$0
Ready to Bid	\$19,424,000	\$98,317,000	\$0
Total	\$32,108,500	\$985,900,050	\$136,772,000

Summary

Chapter 1 Liabilities and Commitments

Summary	Now	07/01/2011	07/01/2012
Chapter 1	\$1,343,295,927	\$44,102,002	\$24,164,300
Chapter 874	\$32,108,500	\$985,900,050	\$136,772,000

Chapter 1 Process Wins

Savings for more capital projects

≈\$76,000,000 to date for Chapter 1

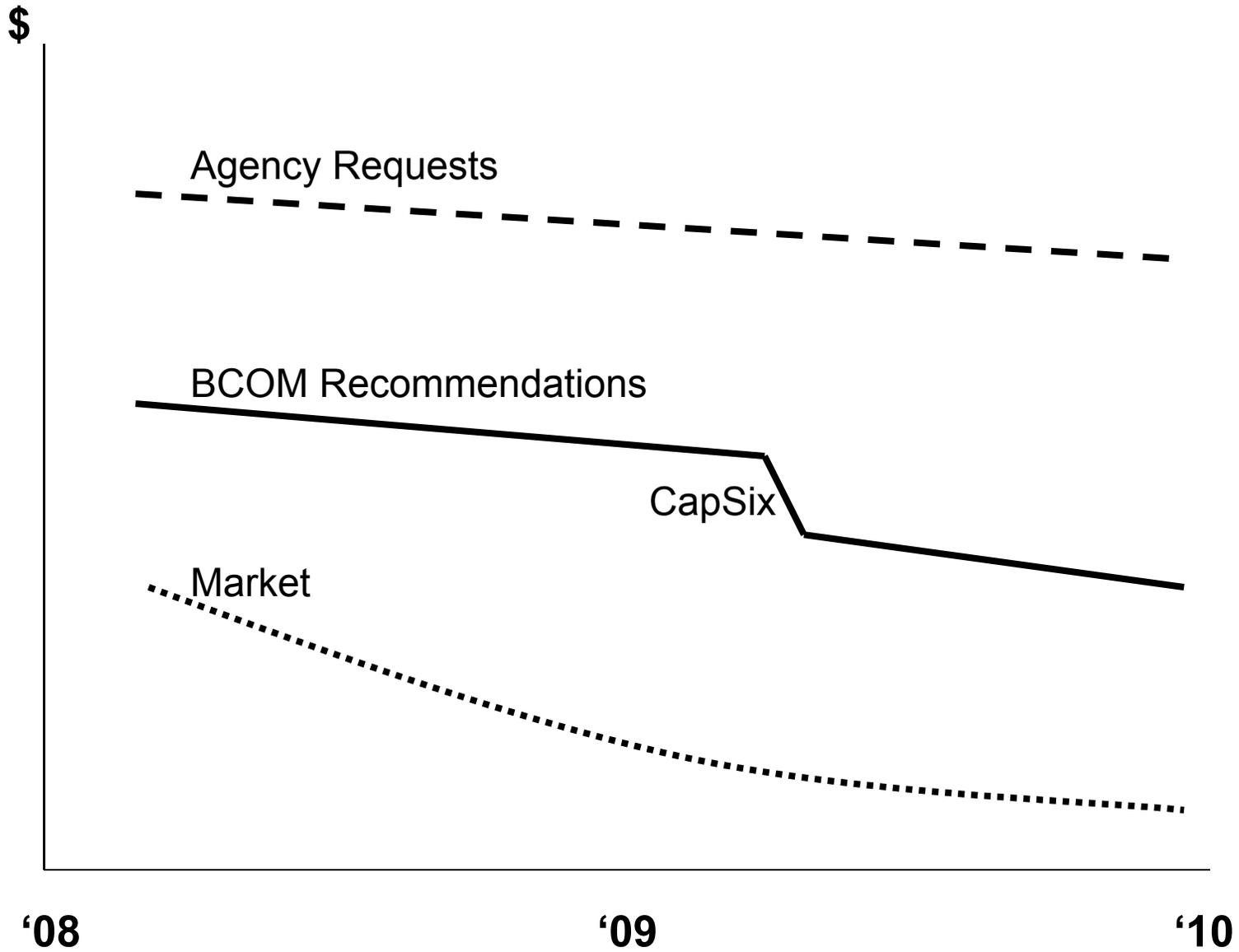
(includes savings by Agency Funding offsets)

≈\$10,000,000 to date for Chapter 874

(includes savings by Agency Funding offsets)

- Limited to projects with DGS Recommendation.
- Includes savings by other funding offsets (Gifts, ESCO, Federal, Local, etc) which decrease Pool Requirements.

Capital Budget Requests



Chapter 1 Process Wins

- Funds committed at the right time
 - Bond interest savings
- Fewer cost overruns
 - Budget set at Preliminary (35% design)
- Similar programs receive similar budgets
- Appropriate Architectural Style

Ongoing Challenges

- Late and Incomplete Agency submittals
- Delays at Schematic and Preliminary if the project is over budget
- Agency funding planning beyond approved submittals

DEFICIENCIES FOUND DURING DESIGN REVIEW

- Incomplete drawings and specifications
- Incorrect occupant load calculation
- Incorrect fire assemblies / shafts / dampers
- Incorrect accessibility elements
- Incorrect special locking arrangements
- Incorrect plumbing fixture count calculation
- Poor coordination of documents

DEFICIENCIES FOUND DURING CONSTRUCTION INSPECTION

- Incomplete construction / construction debris
- Unapproved changes during construction
- Inoperable HVAC systems
- Incorrect accessibility elements
- Incorrect exit signs and exit discharge
- Improperly locked exit doors

KEY AGENCY PROJECT MANAGEMENT ELEMENTS

- Establish a reasonable and attainable Schedule
- Limit changes after Preliminary approval
- Review A/E submittal for Scope, Budget, and Completeness
- Coordinate Other State Agency reviews and VE Study
- Submit timely and complete CO Forms
- Perform effective Construction Inspection
- Delay occupancy until Substantial Completion