



STATE OF MONTANA

LONG RANGE BUILDING PROGRAM & CAPITAL CONSTRUCTION PROGRAM

2020-2021 BIENNIUM

INSTRUCTIONS AND PROCEDURES

JANUARY 2018

**DEPARTMENT OF ADMINISTRATION
ARCHITECTURE AND ENGINEERING DIVISION**

INTRODUCTION

The Long Range Building Program is the primary mechanism for agencies to fund new buildings, renovations and facility improvements. The Montana Code Annotated (MCA) Section 17-7-201 through 17-7-213 mandates a format for the Long-Range Building Program and Budget (LRBP).

In accordance with MCA 18-2-102, for all building projects over \$150,000, it is the responsibility of each agency to submit a proposed long-range building program request. The biennial requirement for submission of this request is only a portion of ongoing program and agency planning. The Architecture and Engineering Division (A&E) provides assistance and consultation to agencies in the development and completion of programming plans and objectives. The instructions contained in this document establish a common context for presenting agency programming and planning information in a standardized format. Agencies are encouraged to reference these instructions in development and implementation of building and facility needs, program planning requests and identify any impacts the request may have on future agency planning.

All agency project requests with values over \$150,000 are required to be submitted by July 1 of each even-numbered year to the Department of Administration (DOA) for review and prioritization. The A&E Division of the DOA, in cooperation with the Office of Budget and Program Planning (OBPP), reviews each request for feasibility, agency's needs, increased operating costs and statewide priority. To assist agencies and thoroughly investigate larger, more complex building project requests, agencies are asked to submit a brief description of their LRBP building requests with budget estimates anticipated to exceed \$500,000, to A&E by mid-February. Although not required by statute, compliance with this request provides A&E with additional time to conduct thorough investigations and validate the feasibility of agency project requests prior to the July 1 deadline.

After the July 1 deadline, prioritized agency requests are reviewed and evaluated by OBPP and DOA and compiled into a list of prioritized project, statewide. Requests are then assembled into the long-range building program format and submitted to the Governor for review prior to December 1. Finally, during the first week of each session beginning in January of every odd-numbered year, recommendations for a Capital Construction Program are prepared and included as an integral part of the Governor's executive budget for presentation to the legislature.

**LONG-RANGE BUILDING PROGRAM AND BUDGET
MONTANA CODES ANNOTATED**

The Long-Range Building Program is defined in MCA 17-7-201 through 17-7-213, as follows:

17-7-201. DEFINITIONS.

- (1) In this part, the following definitions apply:
- (2)
 - (a) "Building" includes a:
 - (i) building, facility, or structure constructed or purchased wholly or in part with state money;
 - (ii) building, facility, or structure at a state institution;
 - (iii) building, facility, or structure owned or to be owned by a state agency, including the department of transportation.
 - (b) The term does not include a:
 - (i) building, facility, or structure owned or to be owned by a county, city, town, school district, or special improvement district;
 - (ii) facility or structure used as a component part of a highway or water conservation project.
- (3) "Construction" includes construction, repair, alteration, and equipping and furnishing during construction, repair, or alteration.
- (4) "High-performance building" means a building that integrates and optimizes all major high-performance building attributes, including but not limited to:
 - (a) energy efficiency;
 - (b) durability;
 - (c) life-cycle performance; and
 - (d) occupant productivity.

17-7-202. PREPARATION OF BUILDING PROGRAMS AND SUBMISSION TO DEPARTMENT OF ADMINISTRATION.

- (1) Before July 1 of each even-numbered year, each state agency and institution shall submit to the department of administration, on forms furnished by the department, a proposed long-range building program, if any, for the agency or institution. Each agency and institution shall furnish any additional information requested by the department relating to the utilization of or need for buildings.
- (2) The department shall examine the information furnished by each agency and institution and shall gather whatever additional information is necessary and conduct whatever surveys are necessary in order to provide a factual basis for determining the need for and the feasibility of the construction of buildings. The information compiled by the department shall be submitted to the governor before December 1 of each even-numbered year.

17-7-203. SUBMISSION TO LEGISLATURE.

During the first week of each regular legislative session, the governor shall submit to the legislature:

- (1) the requests of all state agencies and institutions compiled in the form of a comprehensive, long-range proposed building program, including:
 - (a) the purpose for which each building would be used;
 - (b) the estimated cost of each building, including necessary land acquisition;
 - (c) the reasons given by the institution or agency for needing each building;
 - (d) a priority order recommended by the agency or institution for each building;
 - (e) the recommendation of the institution or agency as to when each building is needed;
 - (f) any comments of the governor;
- (2) a building program proposed by the governor for the forthcoming biennium in the form of a capital construction budget, including:
 - (a) the purpose for which each building would be used;
 - (b) the estimated cost of each building and necessary land acquisition;
 - (c) the reasons for the governor's recommendation to construct each building during the forthcoming biennium;
 - (d) the proposed method of financing for each building;
 - (e) any long-range building plans;
 - (f) any changes in the law necessary to insure an effective, well-coordinated building program for the state.

17-7-204. LONG-RANGE BUILDING PROGRAM.

The executive budget for all state agencies must include detailed recommendations for the state long-range building program presented in order of importance by fund type. Each recommendation must be presented by agency or branch by funding source, with a description of each proposed project, an explanation of the problem to be addressed by the proposed project, alternative methods of addressing the problem, the rationale for the selection of a particular alternative, and a projection of increased operating costs incident to the project for the next three bienniums.

17-7-205. LONG-RANGE BUILDING PROGRAM ACCOUNT.

- (1) There is a long-range building program account in the capital projects fund type.
- (2) Cigarette tax revenue is deposited in the account pursuant to 16-11-119.
- (3) Coal severance taxes allocated to the account under 15-35-108 may be appropriated for the long-range building program or debt service payments on building projects. Coal severance taxes required for general obligation bond debt service may be transferred to the debt service fund.
- (4) Interest earnings, project carryover funds, administrative fees, and miscellaneous revenue must be retained in the account.

17-7-206. MAINTENANCE FOR STATE BUILDINGS.

- (1) Subject to legislative determination as provided in subsection (2), a major capital project appropriation by the legislature may include an amount for maintenance as a part of the appropriation. The amount appropriated for maintenance must be deposited in the long-range building account for use in future maintenance.
- (2) A state building recommended for construction in the report to the legislature required by 17-7-203 may also be recommended as appropriate for the inclusion of an amount for maintenance. For those buildings recommended for construction, the legislature may allocate an amount not to exceed 2% of the appropriated cost for use in maintenance.
- (3) This section does not preclude additional funds, including separate appropriations, donations, grants, or other available funds, from being used for the construction or maintenance of state buildings.

17-7-211. EXPANSION TO BE AUTHORIZED -- BUDGET AMENDMENT.

- (1) An existing capital project may not be expanded beyond the scope of the project approved by the legislature unless the expansion of the project is authorized by a long-range building program budget amendment approved by the budget director.
- (2) A proposed long-range building program budget amendment must be submitted to the budget director through the architecture and engineering division of the department of administration. The budget director, through a long-range building program budget amendment, may authorize:
 - (a) the transfer of excess funds appropriated to a capital project within an agency to increase the appropriation of another capital project within that agency; or
 - (b) financing to expand a project with funds that were not available for consideration by the legislature.

17-7-212. REAPPROPRIATION OF CAPITAL PROJECTS.

The remaining balances on capital projects previously approved by the legislature are reappropriated for the purposes of the original appropriation until the projects are completed.

17-7-213. HIGH-PERFORMANCE BUILDING STANDARDS.

- (1) New buildings and major renovations constructed under 17-7-202 and new state-leased buildings must:
- (2) be built and operated as high-performance buildings; and
- (3) exceed the International Energy Conservation Code most recently adopted by the department of labor and industry by 20% or to the extent that is cost-effective over the life of the building or major renovation.
- (4) The department, in collaboration with the Montana university system and other state agencies, shall adopt high-performance building standards. In developing these standards, the department shall consider:

- (5) integrated design principles to optimize energy performance, enhance indoor environmental quality, and conserve natural resources;
- (6) cost-effectiveness, including productivity, deferred maintenance, and operational considerations;
- (7) environmental, economic, and social sustainability of materials and components; and
- (8) building functionality, durability, and maintenance.

DEFINITIONS

The following terms are defined because of their significance to the Long Range Building Program. It is important to note that capital projects are to be distinguished from preventive maintenance as defined below. Preventive maintenance items should be addressed in the Operational Budget for the facilities.

1. **The Long Range Building Program** is a six-year schedule of capital expenditures listing needed projects, their estimated costs, and other such material as necessitated by MCA 17-7-201 through 17-7-212. The purpose of the Long Range Plan is to identify the overall facility needs of the State from which a specific program can be developed.
2. **The Capital Construction Program** constitutes the first two years of the Long Range Building Program. This is the period for which funds are requested from the legislature. While developing project requests for this program, special attention must be given to the accuracy of cost estimates, the assignment of priorities, the identification of funding sources, the examination of alternatives, the explanation of the problem being addressed, and the description of the project. Any project that is required to accommodate a specific goal of an agency during the biennium ahead should be included in the list.
3. **A capital project** is defined to include: Acquisition of land and buildings or improvements and additions to these, construction and initial equipment, reconstruction, significant demolition, major alteration of any capital asset and major maintenance projects.
4. **Major maintenance** means building maintenance or repair projects that are not needed on an annual or biennial basis or are not the function of the permanent maintenance staff of the agency.
5. **Preventive maintenance** consists of normal upkeep or repairs to keep fixed assets and their attached fixtures, such as buildings or improvements, in their present condition or state of usefulness, to prevent their deterioration, or to restore them to their previous condition. Provisions for such work should be included in the regular operating budget requests.

Examples of preventive maintenance are:

- a. Painting and decorating. An exception would be work done at the time of original construction, change of function, or major alteration.
- b. Repairs to, or replacement of, fixed equipment or their components, which do not extend capacity or function. An exception would be repairs to, or replacement of, fixed equipment at the time of major alteration or change of function or replacement of a major component, such as an entire elevator.
- c. Repairs which are necessary to prevent deterioration, or which restore a building to its previous condition without extending the life of the building. An example of this would be a roof repair. A complete roof replacement would not be considered a preventative maintenance item.

6. **A major alteration** is a project which will increase the capacity, effect a major change in use, increase the efficiency or economy of operation, or extend the life of an existing fixed asset to a major degree.
7. **Capital project estimates** should include and identify preconstruction costs of site acquisition and surveys, soil tests, architectural and engineering services, project management services, initial equipment, landscaping and site development, contingencies, artwork (percent-for-art), and the like. Particular care should be taken to identify all indirect costs, such as additional utilities required to serve new buildings and the necessary operational costs upon occupancy of the facility.
8. **Fixed equipment** is original equipment that is permanently attached to the building by plumbing, wiring, or structural connections. Such equipment should be included as an integral part of the facilities project.
9. **Movable equipment** is original equipment that is not attached to the building, or if attached, can be removed without cutting and/or unfastening the connection. Items such as beds, wardrobes, tables, and desks are examples of movable equipment recognized in the scope of a project. Items such as supplies, linens, glassware, utensils, personal computers, specialty equipment, and items typically purchased with operating funds are not to be included in the project estimate.
10. **Scope of project** is a synopsis of the entire project parameters defined in the Capital Project Request Form. It includes, but is not limited to, items such as: The project description, the impact on existing facilities, the explanation of the problem being addressed, the estimated cost, and the number of people to be served by the facility.
11. **Relocation costs** for moving to a completed Capital project are to be excluded from the Capital Construction request and should be included in the agencies operating budget. Costs for relocations required as part of a renovation may be included in the Capital Construction request.

PROJECT PRIORITY BY AGENCY

PRIORITY:

Each Agency is required to rank their proposed projects in order of importance. It is essential that succeeding levels of management reviewing the projects also establish their priority for recommended capital construction projects. Agencies with multiple sub-units such as the University System and the Department of Corrections are required to submit a single priority ranking for all projects to the Department of Administration. Multiple ranking systems will be returned as not meeting the requirements of this program.

RATIONALE FOR PRIORITY RANKING:

Give reasons why a particular project priority was established. The justification should be based on items such as:

- (1) Does the project improve conditions that threaten life or property or involve improvements to comply with State or Federal regulations?
- (2) Is the project critical to the continuation of a current program level?
- (3) Does the project correct a problem that if not corrected would cause further deterioration of an existing structure?

- (4) Does the project accommodate a program expansion over which no control can be exercised by state government?
- (5) Will the project demonstrate a savings in operational costs that could offset the capital investment over a relatively short period of time?
- (6) Will the project facilitate a better utilization of an existing facility or the adaptation of it to a change in program direction?
- (7) Does this project continue or complete a project that has been previously authorized and/or funded?

PROCEDURE FOR COMPLETING LONG RANGE BUILDING PROGRAM CAPITAL PROJECT REQUEST FORMS

(This form (in electronic version) is generated by the SABHRS/IBARS system, and is referred to as the Capital Projects Module.)

For the 2020-2021 biennium, requests for LRBP approval (Capital Project Request Form) must be submitted electronically (on-line), using the SABHRS/IBARS Capital Projects Module. The A&E Division must receive the completed Capital Project Request form, on-line by **July 1, 2018**. The following notes apply to the electronic format form.

The Capital Project Request submittal presents the basic information required for all Long Range Building Program project proposals. When completed, it should contain the facts that will enable a realistic evaluation of the need, cost, and priority for each project included in the proposed program. A/E Division may request additional information about the project or supporting documentation.

LRBP PROJECT DEFINITION TAB

The LRBP Project Definition screen provides the general information for a project. This will be the starting point for entering new requests and all other data entry screens related to a specific project (project narrative, detail, summary, and cost upon completion screens). All project information on this and subsequent screens must be entered, as appropriate, to provide complete information for the request

For all new LRBP Project Requests, the LRBP Project Definition screen is the initial screen that will appear after selecting the "ADD" icon from the LRBP Select screen.

CAP PROJ BIEN: The agency will select the correct biennium for the requested project.

PROGRAM NUMBER: Select the program number the project is tied to from the dropdown list provided.

REQUEST NUMBER: The Request Number is a required field and is assigned by the agency. It must be a unique number or you will get an error. A suggestion would be to use the agency number followed by a sequential number: (AGENGY#-Seq. #) i.e. 6101-01, 6101-2, etc.

PROJECT TITLE: This should be a concise, descriptive title that clearly identifies the project. The first word should be active such as "Construct, Improve, Maintain, Repair, Upgrade, Replace" etc.

Example: Replace Boiler at Montana Veterans' Home

AGENCY PRIORITY: Agencies must rank all projects in order of agency priority. Agency priority must be unique within agency and LRBP request biennium.

STATEWIDE PRIORITY: This field should be left blank. Statewide priority will be assigned by the Architecture and Engineering Division after consideration of all requests. Statewide priority values may change throughout the review process

ESTIMATED COMPLETION DATE: Enter date (month/day/year) when construction is anticipated to be complete and the facility ready for occupancy. The completion date will be reviewed and approved or modified by the Architecture and Engineering Division.

BRIEF PROJECT DESCRIPTION: Provide a two or three line description to further identify the nature of the project.

Example: Replacement of the backup boiler and 2 domestic water heaters with a high-efficiency heating system

CHECKBOXES:

THIS PROJECT:

Check the appropriate descriptions as to whether the project is an original facility, improves an existing facility, or replaces an existing facility.

If the project is a Major Maintenance Project, indicate whether the project is Class I, II, or III - as defined below by checking the appropriate box. Major maintenance means building maintenance or repair projects that are not needed on an annual or biennial basis or are not the function of the permanent maintenance staff of the agency.

CLASS I: Projects requiring immediate action to provide safety and protection against costly damage.

CLASS II: Projects that are necessary to correct problems, which, if neglected would deteriorate further into Class I situations or that must be done to provide efficient use of the facility or system.

CLASS III: Projects that are necessary to fully renew the facility or system.

LOCATION: Check the appropriate descriptions and if special conditions or problems exist. Verify the site is on State owned property, is not in a flood plain, has adequate access, and does not present code violations. If site problems exist, provide explanation and justification in General Narrative.

APPROVED/DISAPPROVED: Prior to final submittal of requests to A&E, Agencies may use this feature to help in tracking internal review and individual project decisions (i.e., some requests may be disapproved at the Agency level, prior to submittal to A&E). Upon final submittal to A&E, this feature will be utilized to track the approval status of requests at subsequent levels of administrative and legislative review.

DETAIL (INCLUDES PROJECT ESTIMATED COSTS AND FUNDING)

GROUP: Select Expenditures from the list of valid values

ACCOUNT/FUND: Select (All) or an appropriate 1st level expenditure account

PROJECT: Verify the correct project is displayed

ACCOUNT: Select the appropriate account value from the drop down list

ESTIMATED COST OF PROJECT: Determine a total project cost by completing the appropriate line items.

In addition to the construction cost, the project cost must include all professional services, testing, printing, advertising, plan review, utility delivery, site development costs, and supervisory fees. If the site is not on State owned property, or requires easements of any sort, those costs should be identified as land acquisition.

Special care should be taken to anticipate the probable bid and completion dates of the project in order to include adjustments for inflation in the project budget. Also, in combined or pooled

projects, such as “General Campus Improvements” or “Cultural & Historic Parks Improvements”, the construction cost may be further broken down within the General Narrative through identification of specific projects anticipated to cost in excess of \$250,000.

The Percent-for-Art Act, MCA 22-2-401 through 22-2-408, requires that funds be allocated to the acquisition of art for appropriate projects. Enter the cost for required artwork under Item 14. If you are uncertain whether this provision applies to your public project or have questions of the amount to set aside contact Marina Little at 444-3327.

Projects (or portions of projects) funded with funds other than Long Range Building Fund and administered by A&E must include A&E Supervisory fees under Item 10. A&E Supervisory fees are assessed according to the following guidelines:

1. Full Service, including in-house architectural and engineering services (plans, specs, reviewing, advertising, plan distribution, bidding, contracts, payments, inspection, and acceptance):
5% of construction cost.
2. Construction Administration (no plans or specs but all other services):
3% of construction cost.
3. Bidding Only:
1% of construction cost.

The guidelines are a general indication of the fees required; please contact A&E Division for an estimate of fees for specific projects.

ENTER PROJECT FUNDING:

GROUP: Select Funding from the list of valid values

ACCOUNT/FUND: Select (All) or an appropriate fund type

PROJECT: Verify the correct project is displayed

FUND: Select the appropriate fund value from the drop down list

ESTIMATED COST: Enter the estimated cost of the project for the fund specified

NARRATIVES

The ‘Narr’ screen allows users to enter narratives to describe the facility, problems addressed, alternatives, and other information that relates to the project in general.

Upon entry of the ‘Narr’ screen the ‘Description’ will default to the LRBP project entered on the ‘LRBP Project Definition’ screen. The ‘Narrative Title’ will display a dropdown with seven MANDATORY narratives.

On the ‘Narr’ screen is the ‘Narrative Title’ dropdown which lists four groups of narratives (C – F). These four groups are described in detail below. Select a Narrative Title from the drop down to open the text box to enter/update required narrative records. Agencies will have the ability to ‘Copy,’ and ‘Paste’ along with extensive formatting.

C. DESCRIPTION OF FACILITY: This narrative group has three separate narrative types:

- Functional Space
- General Description of Project
- Impact On Existing Facility

FUNCTIONAL SPACE REQUIREMENTS: For new construction or renovation projects, this can be defined as the net area requirements for the facility. Net area does not include square footage dedicated to circulation or actual construction space; this is normally considered part of the gross area. For example:

- Classroom: 2,200 Sq. Ft.
- Lab: 1,200 Sq. Ft.
- Office 1,000 Sq. Ft.
- Storage 500 Sq. Ft.

GENERAL DESCRIPTION OF PROJECT: Include a clear, concise description of the project so that its nature can be quickly understood and so that it can be related to program objectives. Supporting data and additional information should be footnoted and included in the General Narrative. This description could include the following:

1. Explanation of the project. Is it a new facility, major alteration, an addition, an acquisition, major maintenance, etc?
2. List of the activities and functions to be accommodated by the project.
3. Reference as to whether or not future expansion of the project is considered.
4. Statement of applicable mechanical and electrical considerations. Will the facility be connected to a central heating plant or will it have a separate system? Will utilities such as gas, water, sewers or electricity need to be expanded?
5. Provide a preliminary review of fixed equipment and furnishing required for the facility.

IMPACT ON EXISTING FACILITIES: Include the relationship of the project to other projects (facilities), both existing and planned. How completion of the project will affect the utilization of other facilities should be discussed. Questions such as, "Does the project release an existing facility for demolition, major alteration, or other use?" should be addressed. The concern is primarily to ascertain whether, and if so to what extent, existing facilities will be impacted by the project. If no impact is expected, enter the word "None." Additional information should be included in the General Narrative Form.

D. EXPLANATION OF PROBLEM(S) ADDRESSED:

Describe why the particular project is needed, what problems it addresses, and the consequences of postponing or disapproving the project. Inclusion of supporting data, such as the capacity versus existing and projected demand, patient treatment policies or educational curriculum trends would be beneficial as well. If a project is submitted as a means of improving program efficiency, include data as to how the project will reduce costs or improve service.

E. ALTERNATIVE(S):

ALTERNATIVES CONSIDERED: Present three (if possible) realistic alternative methods of addressing the problem. This may include a suggestion of phasing a particularly large or complex

project or of “retrofitting” portions of existing facilities in conjunction with a reduced level of new construction. Do not use “Do Nothing” as an alternative.

RATIONALE FOR SELECTION OF A PARTICULAR ALTERNATIVE: Explain why one alternative was chosen and others rejected. This may relate to such things as program trends or policies, projected demands, or cost/benefit factors.

F. GENERAL NARRATIVE:

Provide any additional information or data which cannot be completed or included elsewhere in the Long Range Building Program format. Please do not duplicate information already provided in the previous fields. For “combined” or “pooled” projects, such as “General Campus Improvements” or “Cultural & Historic Parks Improvements”, specific projects included in the combined appropriation that will exceed \$250,000 (project cost) shall be individually identified to ensure an appropriate level of legislative disclosure and statement of intent.

LRBP COSTS UPON COMPLETION

Starting with the biennium of the projected completion date, identify projected operational costs and funding sources for three consecutive biennia following the completion date. Please make sure your estimated “annual” operational costs are multiplied by 2 to ensure input of the “biennial” amounts for each cost category, and include an inflation factor for the second and third biennium. For Agencies that don’t have information on construction inflation rates the A&E Division recommends a default inflation factor of 3%.