



LONG-RANGE BUILDING PROGRAM CAPITAL CONSTRUCTION PROGRAM

PROGRAM OVERVIEW

JANUARY 2022



DEPARTMENT OF ADMINISTRATION
ARCHITECTURE AND ENGINEERING DIVISION

INTRODUCTION

The Long-Range Building Program is the method for state agencies to fund major repair and capital development projects. The Montana Code Annotated mandates requirements for the Long-Range Building Program and Budget.

To be considered for project funding, before July 1st of the year preceding a legislative session, each state agency shall submit a proposed Long-Range Building Program request electronically via Architecture and Engineering Division's submission portal, which can be accessed from any web browser.

The LRBP proposal shall identify eligible projects prioritized in two categories:

Major Repair:

- Renovation, alteration, replacement, or repair project(s) with a total cost of less than \$2.5 million.
- A new facility with a total construction cost of less than \$250,000.

Capital Development:

- Renovation, construction, alteration, site, or utility project with a total cost of \$2.5 million or more.
- A new facility with a construction cost of \$250,000 or more.

Eligible projects shall have a current replacement value greater than \$150,000 and be included in the Statewide Facility Inventory and Condition Assessment.

After July 1st, A&E works with the Office of Budget and Program Planning (OBPP) to review and evaluate project requests for feasibility, agency needs and increased operating costs.

Requests are then compiled into a single list of prioritized statewide project, assembled into the long-range building program format, and submitted to the Governor for review prior to October 1st.

During the first week of each session the Governor shall submit to the legislature as part of the executive budget, the requests of all state agencies compiled in the form of a comprehensive long-range proposed building program for capital development.

MONTANA CODE ANNOTATED 2021

LONG-RANGE BUILDING PROGRAM AND BUDGET

Section numbers are clickable links.

- 17-7-201 Definitions
- 17-7-202 Preparation of building programs and submission to department of administration -- statewide facility inventory and condition assessment
- 17-7-203 Submission to legislature
- 17-7-204 Long-range building program for capital developments
- 17-7-208 Capital development funding -- transfer as present law base
- 17-7-209 Capital developments long-range building program account
- 17-7-210 Required funding for maintenance of newly authorized state buildings
- 17-7-211 Expansion to be authorized -- budget amendment
- 17-7-212 Reappropriation of capital projects
- 17-7-213 High-performance building standards
- 17-7-214 High-performance program for operations and maintenance of existing buildings
- 17-7-215 Transfer of budgeted utility funds -- special revenue account -- university plant subfunds
- 17-7-221 Major repair long-range building program account
- 17-7-222 Minimum funding for major repair -- restriction of capital developments -- transfer to satisfy minimum as present law base
- 17-7-223 Major repair -- submission of list to legislature -- priorities
- 17-7-224 Funding for major repair -- emergency funding

DEFINITIONS

The following terms are defined because of their significance to the Long-Range Building Program.

1. **The Long-Range Building Program** is a six-year schedule of capital expenditures listing necessary projects, their estimated costs, and other such material as necessitated by MCA 17-7-201 through 17-7-224. 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. **Capital development**
 - A renovation, construction, alteration, site, or utility project with a total cost of \$2.5 million or more.
 - A new facility with a construction cost of \$250,000 or more
 - Purchase of real property for which an appropriation is required to fund the purchase.
4. **Major Repair**
 - A renovation, alteration, replacement, or repair project with a total cost of less than \$2.5 million
 - A site or utility improvement with a total cost of less than 2.5 million.
 - A new facility with a total construction cost of less than \$250,000.
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:

- Painting and decorating. An exception would be work done at the time of original construction, change of function, or major alteration.
- 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.

- 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. **High-performance building** A building that integrates and optimizes all major high-performance building attributes, including but not limited to: energy efficiency; durability; life-cycle performance; and occupant productivity.
7. **Operations and Maintenance** Operational costs and regular, ongoing, and routine repairs and maintenance funded in an agency operating budget that does not extend the capacity, function, or lifespan of a facility.
8. **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.
9. **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.
10. **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.
11. **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.
12. **Scope of project** is a synopsis of the entire project parameters defined in the Capital Project Request Form. It includes 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.
13. **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 priority. Agencies with multiple sub-units are required to submit a single priority ranking for all projects to the Department of Administration. Agency project prioritization will be done after the program closes.