

BUDGET POLICY AND REPORTING MANUAL

<i>date</i> 8/1/78	<i>subject</i> Capital Construction Fund Plan Preparation Approval	<i>item</i> E-010
<i>supersedes</i>		<i>page</i> 1

1. Purpose and Scope:

This item provides all agencies (other than transportation agencies) with a standard form letter to be used to obtain approval to advance a capital project in accordance with the requirements of paragraph 1 of section 23 of the State Finance Law.

This information is presented as follows:

2. Copy of section 23, paragraph 1, of the State Finance Law.
3. General preparation instructions.
4. Special instructions for rehabilitation and improvement and accessibility of facilities for the handicapped projects.
5. Sample of standard form letter to be submitted on agency letterhead.

2. Section 23, Paragraph 1, of the State Finance Law:

§ 23. Plans and estimates.

1. Capital projects design and construction plans; preparation, approval and implementation. It shall be the duty of the division of the budget to coordinate the activities of the several departments and agencies of the state with respect to the planning and implementation of state capital projects proposed to be undertaken by the departments and agencies, and in the discharge of the duty the director of the budget shall, with the approval of the governor, establish appropriate procedures with respect to the planning and implementation. The head of any department or agency of the state proposing to undertake the design or construction of a capital project shall apply to the division of the budget and request approval for any such work to be undertaken. The director of the budget may approve or disapprove any such application, and if approved, may authorize the preparation of plans for the project or the advertising for bids for the construction of the project and may allocate funds therefor from any moneys appropriated and available for the purpose.

NOTE: Agencies which have heretofore submitted preliminary or final plans to the Division of the Budget for approval will no longer be required to do so unless the budget examiner specifically requests such plans on an individual basis. In lieu of such submissions, each agency will seek for all projects (except as herein noted) authorization to initiate preparation of plans (Design Authorization) and authorization to advertise for receipt of bids (Bid Authorization). For major new building construction projects, the design authorization is

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normally preceded by submission for Division of the Budget approval of a functional or facility program. This requirement will continue. As projects evolve through the functional program, design authorization, bid authorization and construction stages, it is the responsibility of agencies to alert their capital budget examiner as to any significant changes in program, scope of work or cost features of the project.

3. General Preparation Instructions:

Request to Design or Bid a Project

1. Attention: The request should be forwarded to the attention of the agency's budget examiner for capital construction programs.
2. Facility and/or Location: Identify the institution, building or other information required to explain where the work will be done, including county identification.
3. Project Description: A brief narrative statement of the scope of the work proposed.
4. Project Number: Indicate the number assigned by the Office of General Services (OGS) Design and Construction Group (D&C) followed by the agency project number if applicable. If D&C has not assigned a number to the project, indicate "NA."
5. Approval Requested: Indicate by checking the appropriate box the type of approval requested; i.e., check "Design" where initiation of plan preparation is being requested and check "Bid" where authorization to advertise for receipt of bids is being requested.
6. Design Priority Requested: Requested design priority in accordance with item _____ of the Budget Request Manual. "A" urgent or obligation; "B" necessary; or "C" desirable.
7. Estimated Project Cost and Proposed Dates: Indicate the current estimate of the total cost, including a 2 to 5 percent contingency allowance, required to complete the project. Provide the construction, design or other (specify) costs which make up the total estimate. If requesting permission to use a consultant to design the project, enter the estimated design cost (explain such need in accordance with item 11 below). For projects to be designed by OGS D&C Group, enter "OGS" after the word "Design." **This total cost, including the contingency allowance, should not exceed funds appropriated or recommended in the Executive Budget** without an explanation of the funding source for the excess being included as part of the justification.

Identify the date the estimate was prepared and the source or preparer of the estimate.

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Dates — Identify from the best information available for the desired dates to design, bid and complete construction (beneficial use).

8. Fund Source: Identify the chapter, section and year of the appropriation and/or appropriations, the appropriation wording (abbreviated if necessary), and the amount of the appropriation to be used to finance the construction. Indicate the current unallocated balance if funds have previously been segregated.

If the project will be financed from future budget appropriations, so state and indicate the fiscal year for which such appropriations will be requested.

9. Environmental Quality Review Act Status: Check appropriate box. See item _____ of the Budget Request Manual. NOTE: If the "Other" box is checked and the preparation of an Environmental Impact Statement (EIS) is required, indicate as part of the justification the anticipated date when the EIS will be completed.
10. Located in Flood Hazard Area: Check appropriate box. See item _____ of the Budget Request Manual.
11. Scope of Work, Project Justification or Other Material: Every request should include a description of the scope of work of the proposed project and a description of current data, circumstances and implications related to the need for the project. The proposed scope of work and the project justification must be clearly linked and supportive of one another. For example, a project which is being justified on the basis of need for fire safety improvements at a State institution should not include, within the scope of work, extraneous cosmetic items not related to the principal fire safety mission, unless extenuating circumstances exist and are specifically documented in the justification.

A request in which the scope of work is poorly defined or the justification is inadequately described will necessitate follow-up questions by the budget examiner and accordingly disposition of the request will be delayed. A request to initiate design for a project which has not been previously appropriated in the capital construction budget should contain, as a minimum, the justification which would be required to request an appropriation for such project. The justification accompanying requests for projects which have previously received appropriations should include an update of the justification provided in the budget request submission which was the basis for the project appropriation.

Items _____ through _____ of the Budget Request Manual include a brief summary of the elements for a project justification. In addition to those elements, all project justifications submitted in support of a request to design or bid a capital construction project should including, as a minimum, a narrative presentation indicating: (1) why the

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project is needed; (2) what are the consequences if the project is delayed one or two year; and (3) what are the alternatives available to the agency if the project is canceled.

If specific codes and/or standards are being cited as part of a project justification, the name, section number and effective date of the applicable code or standard should be referenced. In addition, if the agency is aware of pending revisions to the particular code or standard, this should be indicated in the project justification with an assessment of the potential impact of such changes on the requested project.

If a request for a project is the result of improper design, construction or supervision on an earlier capital construction project, the agency should indicate what steps, if any, are being taken to: (1) prevent recurrence; and/or (2) obtain financial redress for the State.

If authorization is being requested to use consultant services, the agency should identify the proposed source of funding for such services and the rationale for using such services instead of those provided by OGS.

12. **Budget Approval:** This area will indicate Division of the Budget's approval of a project and the conditions concerning such approval. The maximum approved project cost estimates are not to be exceeded without Budget's concurrence.

A copy of the approved request should be forwarded to OGS D&C Group when requesting their services. D&C will not consider an agency's request to design a project without this approval.

4. **Special Instructions:**

Approval to advance rehabilitation and improvement or accessibility of facilities for the handicapped may be accomplished by one of the following methods:

- a. the submission of the standard form letter for an individual project funded from one of these programs; or
- b. the attachment of an approved schedule to the standard form letter. The schedule should indicate the priority requested for each project. A copy of the approved letter and schedule will be returned to the requesting agency.

5. **Standard Form Letter:**

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AGENCY LETTERHEAD

Date

The Honorable Robert L. King
Director
Division of the Budget
State Capitol
Albany, NY 12224

1. Attention: _____

Dear Mr. King:

2. Facility and/or Location:

3. Project Description:

4. Project Number: _____ 5. Approval Requested: Design G Bid G

6. Design Priority Requested: A G B G C G

7. Estimated Project Cost and Proposed Dates: _____ (Date)

Construction: \$ _____ Commence Design: _____

Design: _____ Bid: _____

Other (specify): _____ Complete Construction: _____

Total: \$ _____

Date of Estimate: _____

Source:

8. Fund Source: Chapter ____/____/____ and Chapter ____/____

Description:

Amount:

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9. Environmental Quality Review Act Status:

G Certified by DoB G Exempt or Type II G Other (explain)

10. Located in Flood Hazard Area? Yes G No G

11. Scope of Work, Project Justification or Other Material Attached.

Sincerely,

Signature

12. Budget Approval: The request to proceed with this project is approved as indicated:

Design G Bid G Other G _____

Design Priority _____ P.F. No. _____ Assigned if applicable

Maximum Approved Project Cost:

Construction: \$_____ Design: \$_____ Other: \$_____

By: _____

Date: _____