



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT


PAT MCCRORY
GOVERNOR

ANDREW T. HEATH
STATE BUDGET DIRECTOR

August 19, 2016

MEMORANDUM

TO: Department Heads and Chief Fiscal Officers

FROM: Andrew T. Heath
State Budget Director 

SUBJECT: 2016-17 Repair and Renovation Requests (R&R)

The Current Operations and Capital Improvements Appropriations Act of 2016 (S.L. 2016-94) appropriated \$81.4 million for the Reserve for Repairs and Renovations. Pursuant to Sec. 37.4 of the Appropriations Act these funds are to be distributed evenly, after accounting for specific directed allocations, between the Office of State Budget and Management and the University of North Carolina Board of Governors for the repair and renovation of State General Fund Supported facilities. Sec. 37.4 requires that \$13,923,000 in specific projects receive an allocation prior to allocating funds to UNC and OSBM. These projects are as follows:

- Department of Administration, State Library and Archives and History Building Renovations (\$600,000)
- Department of Natural and Cultural Resources, North Carolina Zoo Renovations (\$4,500,000)
- Department of Administration, North Carolina State Capitol Renovations (\$923,000)
- Department of Agriculture and Consumer Services, Western North Carolina Agricultural Center Renovations (\$3,000,000)
- University of North Carolina-Chapel Hill, Odum Village Renovation (\$750,000)
- Department of Agriculture and Consumer Services, Western Farmers Market Renovations (\$3,000,000)
- Department of Justice, Eastern Justice Academy Dormitory Renovations (\$900,000)
- Department of Public Instruction, Eastern School for the Deaf Renovations (\$250,000)

There are \$67,477,000 in funds available for the Reserve for Repair and Renovations after making the above allocations. Of which, \$33,738,500 are available for the Repair and Renovation of State Agency facilities. Pursuant to G.S. 143C-4-3, funds from the Reserve for Repair and Renovation may be used on the following:

- Roof repairs and replacements;
- Structural repairs;
- Repairs and renovations to meet federal and State standards;
- Repairs to or installation of new electrical, plumbing, and heating, ventilating, and air-conditioning systems;
- Improvements to meet the requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., as amended;
- Improvements to meet fire safety needs;

- Improvements to existing facilities for energy efficiency;
- Improvements to remove asbestos, lead paint, and other contaminants, including the removal and replacement of underground storage tanks;
- Improvements and renovations to improve use of existing space;
- Historical restoration;
- Improvements to roads, walks, drives, utilities infrastructure;
- Drainage and landscape improvements; and
- Building demolition

The Office of State Budget and Management (OSBM) must consult with or report to the Joint Legislative Commission on Governmental Operations (Gov Ops) in accordance with G.S. 143C-4-3(d). Projects receiving an allocation of less than \$2.5 million are reported to Gov Ops. Consultation with Gov Ops is required for projects receiving an allocation over \$2.5 million.

Advance planning, master planning, studies, or reserves are not eligible. Design contracts shall begin within one year and construction shall begin within two years of allocation. Agencies should not request R&R funds for properties set to be sold or demolished within the next year.

Anticipated Schedule:

August 19, 2016	R&R Memorandum
August 22-24, 2016	Agency R&R Forms and Instructions Distributed by OSBM to Agency Budget Officers and Capital Coordinators
Sept. 22, 2016	Deadline for Submitting R&R Requests to OSBM
October 15-26, 2016	OSBM Meets Individually with Agency Budget Officers About Requests
November 2016	OSBM reports to, or consults with Gov Ops on Recommended Allocations
November 2016	R&R Funds Available to State Agencies

Please note that this schedule is based on the assumption that Gov Ops will hold a November meeting for any projects requiring consultation.

A complete submission to request funding from the R&R Reserve must include:

- 1) R&R Request Worksheet - Project descriptions, justifications, schedules, and operating budget impacts are all reported on this form.
- 2) R&R Summary List Form – This form lists the title and cost of every requested project in priority order.
- 3) OC-25 Cost Estimate Form - Submissions will be accepted with OC-25 forms that have been submitted to State Construction but are still in the process of being certified. The OC-25 form must be certified before OSBM consults with Gov Ops. OC-25 forms that were certified more than two years ago must be updated by the State Construction Office before OSBM consults with Gov Ops. The OC-25 forms can be found at the State Construction website at: <http://ncadmin.nc.gov/businesses/construction/forms-documents>
- 4) Pertinent FCAP Forms. G.S. 143C-8-4 requires *“each proposed repair and renovation expenditure shall be justified by reference to the Facilities Condition Assessment Program (FCAP) operated by the Office of State Construction.”*

If the State Construction FCAP team has inspected the facility for which an R&R request is submitted, the FCAP summary spreadsheet or full page form describing the relevant deficiency should be included. If you

need to obtain copies of an existing FCAP report, please contact State Construction's FCAP unit at (919) 807-4100.

OSBM will not consider submissions that are missing any of the first three components as outlined above. If an FCAP form is available for a specific request, it should be included as part of the submission.

General Instructions

1. Only projects that are expected to be funded in FY 2016-17 should be requested - In an effort to limit the burden on agency staff in preparing the R&R requests within the short timeframe, please do not use this process as a comprehensive needs assessment for repairs and renovations. R&R project requests that are beyond what can be reasonably funded for each agency will not be considered during OSBM's review of the R&R submissions.

2. All submissions must be sent to OSBM electronically through email or on CD-ROM - *The R&R Summary List Form* and *R&R Request Worksheet* are in a Microsoft Access format; check with your capital analyst if you need a copy of the database forms. OC-25 forms can be sent to OSBM as .pdf files, which is the same format State Construction uses to email certified OC-25 forms to state agencies.

It is our intent to present the final approved R&R list at the November meeting of the Joint Legislative Commission on Governmental Operations. Please provide your submission to OSBM by the September 22, 2016 deadline. If you have any questions, please contact Thomas Cheek, Mark Bondo, or Monica Scott in OSBM at (919) 807-4700

cc: Thomas Cheek, OSBM
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