

MANAGEMENT MEMO

NUMBER:
MM 16-05

SUBJECT:

DATE ISSUED:
September 8, 2016

**ELIMINATION OF THE ARCHITECTURE REVOLVING FUND (ARF)
ASSESSMENT**

EXPIRES:
June 30, 2017

REFERENCES:

ISSUING AGENCY:
**DEPARTMENT OF GENERAL
SERVICES (DGS)**

Control Section 4.70, Budget Act of 2016

Purpose

This Management Memo announces the elimination of the Architecture Revolving Fund (ARF) Assessment on any Public Works Authorization and Fund Transfer Request Form (Form 22) prepared for cash (i.e., non-bond and non-federal) funded projects for fiscal year 2016/17.

Policy

Effective July 1, 2016, the Department of General Services (DGS) is no longer applying the ARF Assessment.

Background

In January 2008, the ARF had an estimated cumulative deficit approximating \$27.2 million. In collaboration with the Department of Finance and the Legislature, DGS developed a plan to recover the deficit by assessing a 1.233 percent surcharge for new construction, major construction and equipment, minor construction, maintenance, and other building and improvement projects.

DGS executive management made an operational decision to eliminate the assessment for 2016/17 retroactive to July 1, 2016, and to absorb the remaining ARF deficit.

Questions

If you have any questions, please contact:

Asset Management Branch:

Angela Verbaere at (916) 376-1807

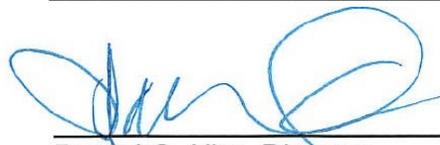
Project Management and Development Branch:

Shannon Shackelford at (916) 375-4715.

Construction Inspection and Management Branch:

Danelle Davidson at (916) 696-3012

Signature



Daniel C. Kim, Director
Department of General Services

9/8/2016

Date