

**BID SAVINGS, PROJECT SAVINGS, AND REVERSIONS****6862****(Revised 5/98)**

There are five potential reasons for project reversions:

1. The construction bid came in lower than budget (i.e., experienced **bid savings**) permitting reversion of surplus funds. (Bid savings are reverted at time of award; any other use of bid savings requires DOF review and concurrence.) This is a non-policy reversion delegated to DOF for approval.
2. The project is complete and there are **project savings** (which would be net of any bid savings previously reverted). This is also a non-policy reversion delegated to DOF for approval.
3. The project failed to meet requirements of Section 2.00 of the annual Budget Act. This is a policy reversion which the board considers.

Section 2.00 provides that appropriated funds shall revert if DOF has not allocated them (either through a fund transfer or approval to proceed to bid) on or before June 30 of the fiscal year. This means that DOF must approve Form 22 requests for either the preliminary plan phase or the working drawing phase by June 30, or, in the case of construction, approve the Form DF-14D to proceed to bid by June 30. A client department must be familiar with these requirements and with the time-frames laid out in DOF Budget Letters. The client department is advised to discuss deadlines for submitting these forms with its DOF capital outlay analyst to determine whether there will be a need to reappropriate project funding.

4. The project has a proposed scope change which will result in savings to be reverted. This is a policy reversion which the board considers.
5. The project has been terminated by statute or for a policy reason. This is a policy reversion which the board considers.

**Agenda packages for reversion items.** Submit the following information for proposed reversions:

1. All information requested in Section 6845, including the standard fiscal reporting requirements and the agenda package;
2. The type of reversion (see preceding);
3. If the reversion is of a policy nature as defined in the preceding text, an explanation of the cause; and
4. The fund to which savings will be reverted.