
CAPITAL OUTLAY SEMINAR



Presented By:

**The Department of General Services
Real Estate Services Division
400 R Street, Suite 5000
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Department of General Services
Real Estate Services Division

CAPITAL OUTLAY SEMINAR

I. INTRODUCTION AND OVERVIEW OF RESD

II. CAPITAL OUTLAY PROCESS

- A. General Description
- B. Calendar of Events (Eighteen months to project funding)
- C. Roles Defined within a flow chart framework

1. CONCEPT AND DOCUMENT PHASE

- a. Development of COBCP/Studies

2. BUDGET PACKAGE PHASE

- a. Technical Review of COBCP's
- b. Development of Budget Packages
- c. Technical Support for Scope Conferences and Hearings

3. PRELIMINARY PLANS

- a. Fund Transfers
- b. Consultant Selection
- c. CEQA Process
- d. Design Document Development
- e. Public Works Board Approval

4. WORKING DRAWING PHASE

- a. Fund Transfers
- b. Construction Document Development
- c. Approvals (SMF, AC, OSHPD, etc.)
- d. DOF Approval to Bid

5. BIDDING PHASE

- a. Bid Process
- b. Approval of Construction Funds
- c. Award Process

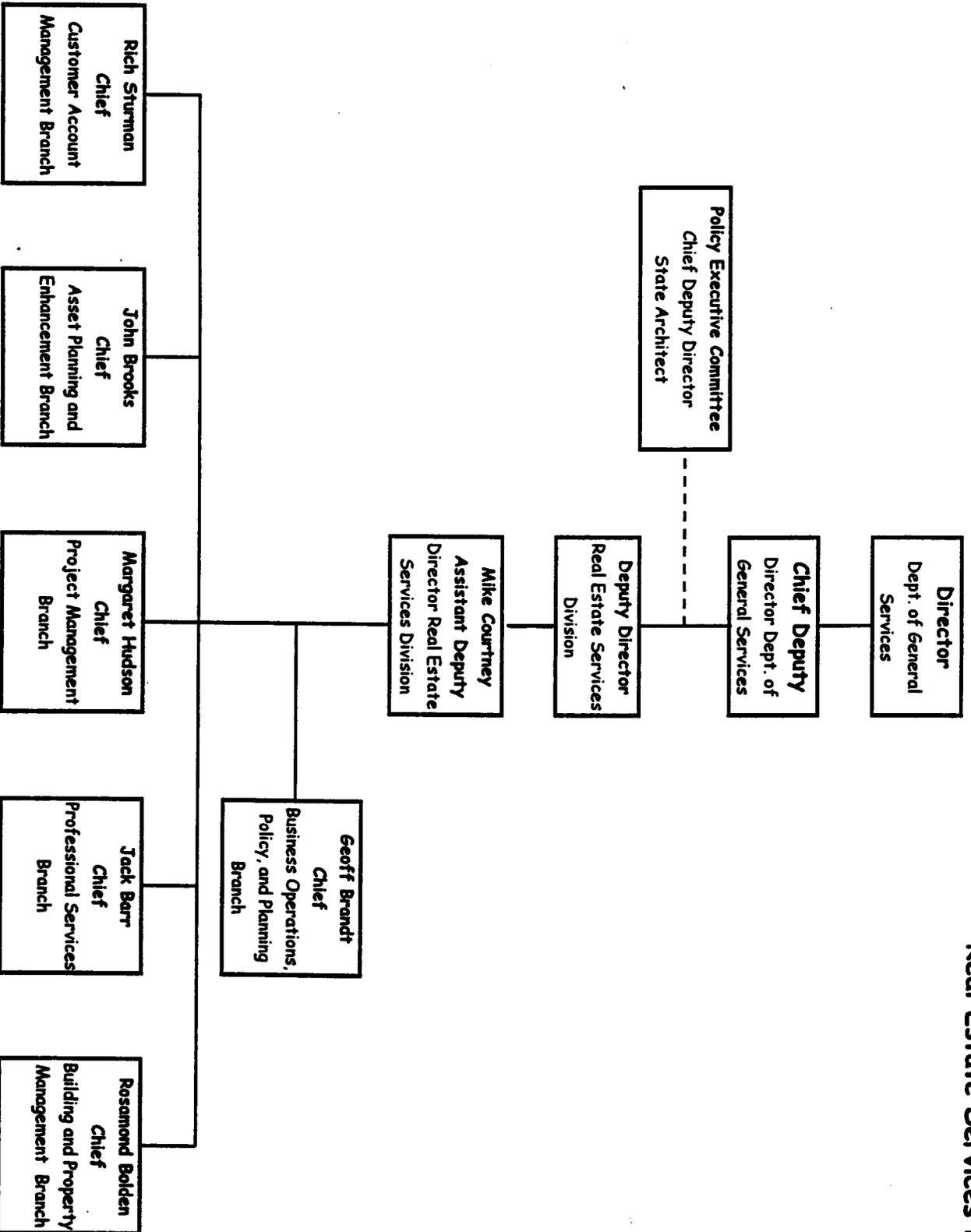
6. CONSTRUCTION PHASE

- a. Construction Management
- b. Augmentations

III. Appendices

Department of General Services
Real Estate Services Division

5/99



EXCEPT \$500K TO
 2030/10/5 Agency
 "NECA MINORS"

6806 ILLUSTRATION

DISTINCTION BETWEEN CAPITAL OUTLAY AND STATE OPERATIONS

<u>DESCRIPTION OF PROJECT</u> ^{1/}	STATE OPERATIONS	CAPITAL OUTLAY	
	<u>OPERATING EXPENSES AND EQUIPMENT</u>	<u>PROJECT LEVEL MINOR PROJECTS</u>	<u>PROJECT LEVEL MAJOR PROJECTS</u>
Construction projects: New construction, alteration ^{2/} , extension or betterment of existing structure. (Construction projects include necessary Group I fixed equipment.)		If \$250,000 or less and scheduled as minor projects in Budget Act ^{3/}	In excess of \$250,000 ^{4/}
Repair and maintenance projects: Repair and maintenance projects that continue the usability of a facility at its designed level of services	Irrespective of amount		
Equipment (Group II, movable) projects (Section 6855): <ul style="list-style-type: none"> If related to a specific construction project. New equipment to meet program needs and not related to a construction project; replacement of existing equipment even though the new equipment is to be used in a new facility. 	Irrespective of amount		Irrespective of amount or time of purchase
Purchase of land and/or facility/structure: Including related costs such as condemnation and court costs, legal fees, and title reports etc.			Irrespective of amount
Capitalized leases of real property: All leases which build equity as payments are made. (Section 6818): <ul style="list-style-type: none"> Lease-purchase A lease with purchase option agreement or amend an existing lease to add a purchase option Any other capitalized lease per Section 6818 	The lease payments are budgeted in support appropriation. Use a support BCP to request a budget increase. However, a coordinated capital outlay review is also required.		Transaction is reviewed for infrastructure cost/benefits because the property is acquired—or may be acquired—as a result of the lease. <i>Submit a COBCP when requesting authority through the Budget Act, per Section 6818.</i>
Operating leases of real property: Pure leases that do not build up equity as payments are made (Section 6876).	Irrespective of amount		
Exercise of purchase option for currently rented or leased space (Section 6820).			Irrespective of amount
Relocation and moving costs <ul style="list-style-type: none"> Unrelated to a specific construction project. Related to a specific construction project. 	Irrespective of amount Irrespective of amount ^{4/}		
Technical assistance/consultants This may include studies, master planning, feasibility studies, program management, and budget packages.	Depends on timing and nature/scope of activities.		Budget packages are generally capital outlay; other studies and assistance depend on timing and nature/scope of activities.

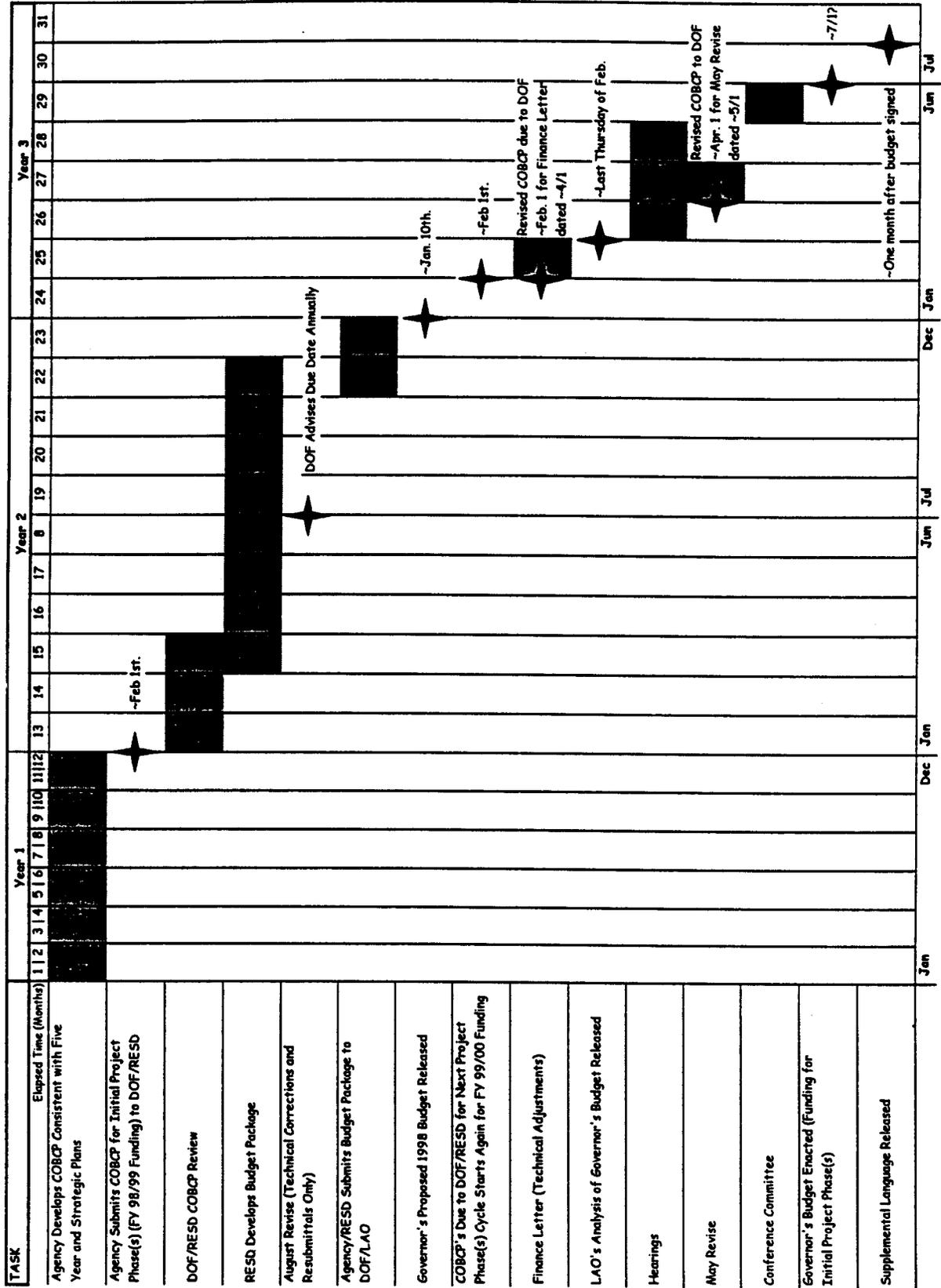
1/ State-funded but locally-owned infrastructure is classified as local assistance.

2/ Control Section 6.00 allows the use of limited support appropriations for the alterations of state-owned facility.

3/ See Public Contract Code Section 10108.5 for exceptions.

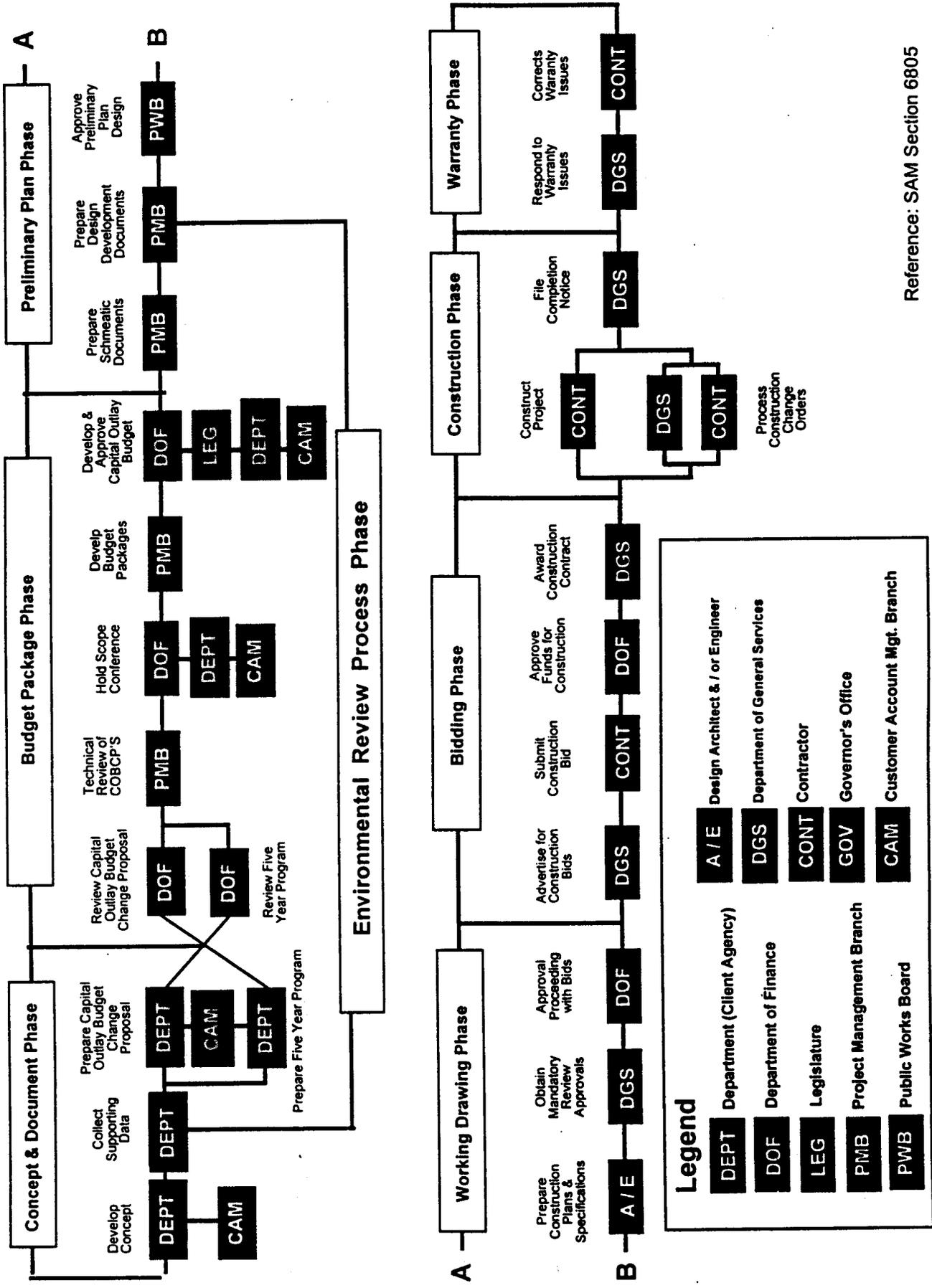
4/ DOF may authorize exceptions to this rule.

Capital Outlay Budget Cycle



Reference: SAM Section 6814

Simplified Flow Diagram • Capital Outlay Process



Design Process

Concept & Budget Phase

Administration
Legislature

- Needs Assessment
- Capital Outlay Budget change Proposal
- * • Budget Package Governor's Budget
- Legislative Approval

- * 1. Scope
- 2. Cost Estimate
- 3. Schedule
- 4. Environmental Assessment

Preliminary Plans

RES D
A / E

- Programming
- Schematic Design
- Engineering
- Design Development
- Environmental Documents
- Cost Estimate
- Schedule Update
- Code Waivers
- Client Reviews

Public Works Board Approval

Client/RES D
DOF

- Scope Verification
- Cost & Schedule Review
- Approval to Proceed (Working Drawings)

Working Drawing Phase

RES D
A / E

- Construction Documents
- Client Review
- * • Regulatory Reviews
- Construction Contract Development
- Cost Estimate
- Schedule Update
- Request DOF Approval to Bid

- ** 1. State Fire Marshal
- 2. Access Compliance
- 3. OSHPD (Hospitals)
- 4. Field Act (Schools)

THE BUDGET PACKAGE PROCESS

DEFINITIONS

- BUDGET PACKAGE:** Generally taken to mean a pre-schematic design package including a cost estimate based on a COBCP. Developed by RESD/PMB and submitted to the Agency and the DOF as basis and backup to the project funding requested for appropriation in the budget.
- CCCI:** CCCI is a construction cost index that formerly know as the LSI or Lee Saylor Index. The California Construction Cost Index or CCCI, was established in 1995 to bring greater consistency to the Index projections. This index based an average of the Building Cost Index for Los Angeles and San Francisco as prepared by ENR a nationally recognized construction trade publication. This monthly index is tracked and used by the RESD/PMB to forecast the anticipated CCCI index for the upcoming budget year that is applied to every capital outlay project estimate issued by RESD. Its purpose is two fold: first it is used to fix the direct cost estimate at the point in time that it is prepared and secondly it is used to project an index for the date of funding (July of the upcoming budget year). All future escalation to the project costs are compared back to these two numbers.
- LAO:** Legislative Analysts Office, as the name implies staff of this office analyze all proposed legislation and make recommendations to the legislature on cost, program and other issues of concern. We are involved with this entity during the budget package stage, and at all funding junctures in a project's life.

CALENDAR (SAM Section 6814)

- FEBRUARY 1:** On a yearly basis all Agencies are required to submit their COBCP's to the DOF and PMB by this date.
- JULY:** Funding, in the form of the Governor's Budget, becomes available for Budget Package (BP) preparation.
- JULY 30:** COBCP review completed by PMB.
- SEPTEMBER 30:** All BP assignments issued to consultants/design staff.
- December 1:** All BP's complete and submitted to the DOF.
- JANUARY 10:** Governor's Budget is presented to the Legislature.
- FEBRUARY 20-28th:** Legislative analysis of the proposed Governor's Budget is issued.
- APRIL/MAY:** April Finance Letter, May Revise and Legislative budget hearings.
- JULY:** The Budget that began with the submittal of the COBCP 18 months before in February, is signed into law.

BUDGET PACKAGES

1. The budget package process begins at the Client Agency with a document known as a "Capital Outlay Budget Change Proposal" (COBCP). A COBCP is a project specific document that explains a proposed capital outlay project in conceptual terms as well as outlining the program needs, relation to the agencies Strategic Plan and justification for the project. The COBCP requests funding for the project by phase and must be part of the Agency's Five Year Plan for Capital Outlay.

a) **Creation**

Typically the creation of a COBCP is the responsibility of the agency. Some agencies such as DPR have in house A&E staff with which to prepare these documents. Others, like CDF allow the Region or Division to develop the COBCP to suit local needs. The RESD can and does assist Agencies in the development of technical information to be used in the COBCP.

1. **Studies; When, Why and How**

In recent years the trend is toward the use of studies in order to develop the COBCP to a more detailed level and to explore possible alternatives. Facilities plans as prepared by the RESD are a prerequisite to a good COBCP. As far as studies go, typically the agency will contact the RESD and request our assistance in preparing a study. Examples of the types of studies we do are water quality, supply and treatment studies; fire/life safety and code compliance issues and renovation vs. new construction studies. Some of the reasons agencies come to RESD for studies is related to the level of comfort provided to the agency and the DOF through the clarification of project scope; the discussion, exploration and elimination of possible alternatives and accurate conceptual cost information.

b) **Where does this COBCP document go?**

1. **Submit to DOF and RESD on February 1.**

Each Agency requesting a capital outlay project must submit their COBCP's to the DOF and RESD as directed by DOF Budget Letter, generally around February 1 each year.

2. **August Revise**

Each year in August Agencies are allowed to revise their Five year plan and current year capital outlay request previously submitted in February. This adjustment is limited to inclusion of projects dropped from the current year budget and minor adjustments in cost, scope and/or program. Additionally, Agencies may drop projects at this time. As a general rule, although not unbreakable, new (previously not considered), projects are not added at this time.

c) **For what year is this document submitted?**

1. **Submitted in Feb. 1999, funded July 2000.**

Agencies requesting project funding in the 00/01 budget (funds available from July 2000 through June 30, 2001), were submitted to the DOF and RESD on March 16, 1999, approximately eighteen months in advance of the availability of funds.

2) Initial Review (February to May)

a) DOF list of priorities.

During February and March, as the COBCP's are received from the agencies, the DOF reviews them for justification, and the viability of the fund source. Based on this information the DOF generates a priority list for each agency

1. Fund source

Several sources are utilized to fund project. Typically the two major sources are Bonds and General Fund. Agencies such as Fish and Game, DMV and CHP have other fund sources generated from user fees and permits. CDC, CYA and DPR typically are Bond funded where as CDF, DHS, DFA and others are funded from General Fund. Other types of funding are utilized on a limited basis, these methods would include Lease Purchase, Certificates of Participation and Revenue Bonds.

2. Need (justification)

Typically this aspect of the COBCP is left to the DOF and Agency to negotiate. The RESD may get involved if the major item of justification is a code compliance issue such as Fire/Life/Safety. All proposed projects must indicate their relationship to the Agency's Strategic Plan.

b) RESD technical review (SAM Section 6824)

The RESD/PMB, and in particular, the estimating staff with support from other branches of the RESD reviews all COBCP's for technical merit. This review is essentially limited to the technical issues related to constructability, appropriateness of design, cost and schedule. This process may be summarized into nine parts.

1. Based on DOF priorities, on a yearly basis the DOF will advise the PMB of the project categories (SAM Section 6839), that are to be given priority for budget package development. Based on this list the PMB begins its review of the COBCP's. The review is specific and covers the following items.

2. Five Year Plan (SAM Section 6820)

All capital outlay projects are required to be identified in the agency's Five Year Plan. Agencies requesting capital outlay projects are required each year to submit a rolling five year plan for capital outlay. The plan is updated each year to provide a snap shot of what is funded and in process and what is anticipated during the five upcoming years. For example: a Five Year Plan submitted in February of 1994 for the 95/96 fiscal year, may show projects previously funded in FY 93/94 that are currently in design or construction, as well as projects under consideration for the 94/95 FY and proposed projects for FY 95/96, through 2000/2001. The next Five Year Plan, will drop FY 93/94 and add 2001/2002. All COBCP's for current year must be identified on the Five Year Plan.

3. Alternatives

Has the Agency explored possible alternatives to the proposed project and are they valid alternatives? Usually the alternatives are: A) Build new; B) remodel, and C) Do nothing. The DOF and the LAO are looking for ALL reasonable alternatives that have merit and address potential solutions to the program needs. The COBCP should contain a discussion of program needs in relation to alternatives considered and the reasoning for the chosen project. (See SAM Section 6818 for a discussion on Alternatives). Additionally, a cost benefit analysis should be included. As part of the RESD review we may suggest possible alternatives or provide support for the chosen project. At times there may be no alternative to the proposed project.

4. Studies

If a study was completed for the proposed project this should be included as part of the COBCP. At a minimum, previous studies should be referenced in the COBCP. If referenced only the RESD generally requests a copy for review. Studies and facility plans are the best source of information regarding alternatives and the overall scope of the project.

5. Backup (citations, sketches, project description etc.)

The COBCP should contain all pertinent information required to develop the budget package. The information should include a complete project description, sketches if included go a long way to describing the project scope and intent. Any citations such as deficiencies from State Fire Marshal or regulatory agencies should be included. Any information of this nature that is referenced but not included in the COBCP should be requested from the agency and reviewed prior to the completion of the RESD recommendation to the DOF.

6. Land (acquisition and proposed site SAM Section 6849)

Is the proposed site owned by the State, leased, a proposed purchase? Is the site suitable for the proposed project? How will the site effect the proposed project, is it a steep site that requires excessive grading or imported fill? Is it a remote site making it difficult to get men and material to the construction area? These and other questions must be answered before the budget package process begins. The RESD in DGS is responsible for land acquisition.

7. RESD, through the CAMB or PMB, asks Agency for additional information

Any of the information discussed above that is not included or clarified in the COBCP will be requested from the agency.

8. COST

All COBCP's show current and request anticipated future year appropriations. These appropriations are broken down by phase (Study, Acquisition, Preliminary Plans, Working Drawings, Construction, Equipment and Other); and year (Prior Year Funded, This Request and Future Year). The COBCP should have some type of an estimate included. The PMB reviews for reasonableness of the costs presented in this estimate. The PMB notifies the agency and DOF of any discrepancies or errors in the estimate. Typically the Agencies underestimate or omit the soft costs associated with the project.

9. PMB develops fees for Budget Package preparation

Based on complete information the PMB requests a Fee Proposal for the development of a budget package from the PSB or an Outside Consultant, generally one on a retainer specifically suited for the particular type of project (civil, architectural, electrical, etc.)

3) Results of Review

a) PMB submits report to DOF with results of our review with a copy to the agency for information

1. Report advises DOF of PMB assessment of technical merits of the project.

As outlined above, the RESD review is more than a cursory review. However, typically the COBCP does not contain all information needed to prepare a budget package.

At this point the reviewers make a judgment call whether to recommend going ahead with budget package development, or to return the COBCP to the Agency for more work.

4) PMB Responsibilities during BP Preparation. (SAM Section 6828)

The PMB has responsibility to initiate, coordinate and cause to be completed the entire budget package. This includes supervising the Design Team/A&E, Kick off and progress meetings, scope review and policing, cost analysis, schedule development, budget package assembly and distribution.

a) PMB seeks DOF approval to proceed with BP development

Typically the PMB will seek approval to proceed on budget packages from the DOF. This usually is done with an estimate provided with the form 22/220 request for budget package funds. Approval of the form 22/220 and estimate is generally taken to indicate DOF approval to proceed with Budget Package development.

b) Select Consultant, (Outside Retainer)

As stated earlier, as part of our review a fee is developed for budget package preparation. This fee includes the cost of the A&E consultant services necessary to develop the package. In selecting a consultant the PMB has two options: 1) use the PSB or 2) use an outside consultant. The decision process in determining which to use includes the wishes of the client agency, type of project, size of project, and current work load at PSB. Typically projects are taken to the outside. The exception would be client preferences for PSB or a project for which PSB has prepared a study or other conceptual information.

c) Kick Off Meeting

PMB calls, coordinates, and chairs the kick off meeting for each budget package. Typically the Agency/Department, PMB, A&E attend the kick off meeting, preferably held at the project site.

d) Lines of Communication

All budget package correspondence goes through PMB. This focal point must be maintained in order to assure that the project remains within scope, cost and on track.

e) Agency Involvement

It is vitally important that the agency be kept involved during the development of a budget package. This delicate balance must be maintained between keeping the agency involved and agency interference. The agency must be involved to insure that they get the project they visualized. However, you constantly must remain aware of the limits of the approved scope as defined in the COBCP. This is particularly important when working with a vague, ill defined COBCP.

f) DOF Involvement

DOF's involvement in the budget package process consists of approval of the program justification, preparation of the Governor's Budget, testifying in hearings and committee meetings to insure that supported projects receive funding.

g) Scope (SAM Sections 6826, 6863 & 6899)

1. Stick to COBCP

The COBCP determines the scope of the project. If it says that the project is a two story building of 35,000 square feet. A Budget Package for a one story building of 50,000 square feet should not be submitted without justification and prior DOF approval.

2. DOF approval (SAM Section 6863)

All scope changes must be requested by the agency and approved by the DOF before proceeding with the project.

h) Schedule and Tracking

All projects requesting funding in the current year are scheduled and tracked by PMB. Scheduled completion dates are assigned based on in-house workload and consultant availability. The packages (both new and continuing) are monitored for progress until completed. The DOF and client agencies are periodically appraised on the status of completion. Continuing projects currently in PP's or WD's that are requesting funds for future phases are also tracked and schedule information is obtained from the Project Director assigned to the project.

i) Review Draft BP

1. Completeness, reasonableness of construction, compliance with COBCP, cost estimate.

Once the draft package is completed, the estimators review the entire package, estimate vs. the plans vs. the specifications. This review is specific in that we will be looking for consistency between these documents. Any discrepancies will be highlighted and correction requested. Generally the estimate is reviewed line item by line item for reasonableness of cost, this entails quantity survey and a judgment call based on past experience of the unit costs per square foot/yard/board foot etc. This review looks for completeness, adherence to scope, major busts, omitted, or duplicated items.

2. Revisions

Following the PMB/Agency review, PMB will generate a list of comments that are forwarded to the Design Team/A&E. The Design Team/A&E will address these comments and make changes accordingly.

j) Package Assembly

Once the estimator's comments have been incorporated a final review of the package to verify their inclusion is made. At his point final assembly begins as follows.

1. Prepare Funding and Construction Schedule

The schedule is an integral part of the package and is used by not only PMB staff but also by the Agency, DOF, and LAO. The original project schedule is developed by the estimator responsible for the budget package. The schedule includes all major elements anticipated in the life of the project. Once the project is funded for Preliminary Plans and a PD is assigned, the PD will review and revise the schedule to suit funding availability and design schedule as negotiated with the design team or consultant and agency/legislative requirements.

2. Obtain PSB Construction Inspection Estimate

Budget Packages prepared will include soft cost fees for construction inspection. Construction Inspection fees which are based on plans, construction cost, schedule and outline specifications are requested from PSB construction inspection section. Funded projects requesting funding for future phases (WD's and/or Construction), should be reviewed by PSB for applicability. However, PSB always escalates fees for the inspection costs to the anticipated future construction year cost and unless the schedule has slipped dramatically there should be no revision.

3. Prepare Budget Package Estimate (SAM Section 6828 Illustration 1)

The estimate included in the hand out is an example of the type of estimate summary we produce for the agency and the DOF. This is the document that sets out by phase the funding requirements for each project. Essentially the first three pages are the document that is published as the estimate. The top of the first page shows the project title, dates of the plans and estimate client agency, location of the project, estimate CCCI, budget package number and PMB project number. Following this information is a brief description of the project, identifying the general size and scope of the project. Directly below this is a short breakdown of the construction costs. Then the cost is brought forward to the anticipated funding date (July of the current funding year). This is done using the CCCI at the date of the estimate and a projected CCCI for July of the funding year based on a regression model maintained by our office. Following this, the project is escalated to the anticipated midpoint of construction at ~3% per year. This calculation only adds escalation for one half of the construction duration and does not include the escalation between the time the project is funded and when it actually bids. Theoretically this is the construction cost at the time of bid. For new construction projects SAM Section 6854 allows a 5% construction contingency. Renovation projects are allowed 7%. This is the only contingency allowed by the State.

Page Two is a recap of the information contained on page three of the estimate and includes a section listing project funding showing all fund transfers including appropriations available but not yet transferred. Additionally it contains a short section of notes highlighting any peculiarities of the project.

Page Three of the estimate contains the project breakdown by phase. Generally the project is broken down into three distinct phases: Preliminary Plans, Working Drawings, and Construction. Depending on the size of the project, the DOF will fund in various combinations the larger projects will receive funding only by phase PP's year one WD's year two and construction in year three. Smaller project may receive PP's and WD's in year one with construction the following year. Alternately they may fund PP's in year one and WD's and construction in year two. It is a safe bet that considering the current situation of consultant selection, S/W/MBE requirement, PWB approvals and the rest of the hoops and loops we jump through, no project can be completed in one year. Further the DOF and the LAO generally require the completion of preliminary plans prior to the recommendation of funds for construction.

Presentation of the project on the third page is straight forward and generally shows all "soft" costs for the project. The A&E Design section includes all costs associated with the basic project design, construction inspection costs, and advertising, printing and mailing costs to bid the project.

Other project costs include tasks not normally considered as design costs but pertinent to the project. Categories of interest are: Special Consultants that would include asbestos consultants, soils, topographical survey, or any other specialty consultant required for the project; Materials Testing that should include all testing required for the project such as concrete or soils compaction. Agency retained items are generally outlined in the COBCP and include items like equipment relocation expense, additional guarding expense (CDC), agency purchased equipment etc. Small business assessments, school/hospital checking and handicap checking are set fees based on the size of the project (construction dollars). Typically all projects prepared by RESD/PMB include money to prepare an environmental document. This section also includes RESD project management fees and if applicable the costs associated with an on site construction management firm.

The last section of this page includes a summary of appropriations showing what was transferred (spent) and what remains to be transferred from previous appropriations. The final line shows the amount required to fund the project through the various phases and should be the same number shown at the bottom of page two. If these figures are not the same then something is wrong and the estimate must be reviewed.

4. Prepare Executive Summary

Once the estimate and the schedule are completed a cover letter is prepared. The letter provides a summary of the construction costs, A&E costs, Special Project Costs and Schedule. The summary will also compare the current budget to previous project budgets (if any) as well as point out any unusual features of the project.

a) Agency must notify DOF of its Acceptance

Standard language contained within the summary is a statement that a copy of the package were forwarded to the DOF and that the agency will notify the DOF if the package is acceptable to them.

k) Package Complete by November 30th each year.

This goes back to the budget cycle calendar discussed above. The DOF typically sets a time usually around the last week of November for the completion of new start budget packages. This date is somewhat flexible and continuing projects generally have more time.

i) Place Holders/CCCI Update

For continuing projects that were previously funded and that will not complete the current phase of design before the initial DOF deadline, a document called a place holder may be substituted to maintain a place in the budget. A place holder is a one page document that takes the project cost from the previous year and escalates it to the CCCI projected for July of the funding year. The soft costs are not escalated in this manner and a statement is made that they are subject to review following the completion of the current design phase.

5. Scope Meetings (During the Fall Months, SAM Section 6826)

a) DOF calls for and sets up meetings

During the months of September, October and November the DOF may set up scope meetings between the Client Agency, the LAO, DOF and RESD to review the scope of the projects currently requested.

b) Legislative Analysts Office (LAO)

The LAO may ask programmatic or technical questions concerning the projects.

c) RESD Technical involvement

The DOF constantly must be reminded to include the RESD at these meetings. The reason for this is that most Agencies do not have our expertise in Capital Outlay and that in these meetings deals are made, projects are dropped and/or added.

d) Meetings crucial to selling the project.

These meetings generally decide the fate of a project and indicate the items the LAO may take on as issues in February.

6. Governor's Budget Proposed (January)

a) DOF prepares using BP information

During November and December each year the DOF assembles their Galleys for each agency. The Galleys are the listing of the Agencies projects, description of the project and phase requested and the project costs as they will appear in the Governor's budget. The DOF uses the budget package and place holder information provided by our department to develop the Galleys.

b) Issued on or about January 10th each year

The initial proposed governor's budget is issued on or about January 10th each year. Immediately upon receipt of the budget the estimators review the budget to determine which projects are scheduled to receive funding and those that will not. Additionally we prepare a list of projects (new starts and continuing projects), which management uses to begin scheduling the anticipated workload for the coming year. This preparation may include the development and placement of advertisements for A&E services for the new start projects.

7. Legislative response to the Governor's Budget (February)

On or about February 25th (typically the last Thursday of the month), each year the LAO publishes its Response/ Review of the Governor's proposed budget. Any and all items that the LAO will take on as issues are spelled out in this document.

a) PMB reviews for Technical/Cost issues

Immediately upon receipt of the LAO's analysis, the estimators review this document for cost and technical issues.

1. RESD provides support/justification

RESD will provide customer support through the CAMB and the PMB. If technical or cost issues are cited the PMB will contact the Agencies and discuss the merits of the LAO's comments. Typically this results in the estimators providing a written explanation of the estimate and supplying additional information to support the agencies position. PMB's involvement is limited to technical and cost issues only.

b) Agency addresses Program issues

All issues related to a project's program merits are handled by the Agency and the DOF.

c) LAO recommendations: non support, down-scope, alternative project

Typical recommendations by the LAO may include non support, down scoping or an alternative project. Although down scoping a project is essentially a programmatical issue the cost implications are addressed by the RESD/PMB.

d) Must answer all concerns

All issues raised by the LAO must be addressed. At times no matter how much information or how persuasive the argument the LAO may withhold support.

8. Meetings/Hearing (February to May)

a) DOF, LAO, Agency, PMB

Once the issues are on the table and initial responses are made, meetings are set up between the LAO, DOF, Agency and the PMB to discuss and hammer out agreements on the issues. At times there will be no agreement. As an outcome of this meeting we generally are required to provide the LAO with additional backup information.

- b) **DOF, LAO, Agency, PMB, S & A Consultants (staff)**
Additional meetings are held prior to the hearing in which the staff for the committee members who will hear the project and make recommendations for or against, are briefed. This amounts to the Agency and the DOF presenting their side and the LAO presenting a rebuttal or acceptance of the project. The CAM and PMB estimators attend to provide technical support to the DOF and Agency. The PD assigned to the project also may attend. Some agencies such as CDC do not include the RESD in these meetings and therefore we do not attend their hearings.

- c) **DOF, LAO, Agency, RESD, Sub-committees/consultants**
Actual hearings are held at the Capital with the various subcommittees. At these hearings the DOF and the Agency lobby for the project and the LAO provides either support or rebuttal. If the LAO does not support the project the committee will hear out both sides. The key issue seems to come down to the availability of funds and the fund source. The CAM attends the hearing and PMB estimators may attend these hearings if requested by the CAM, Agency or the DOF and are "on call" to respond to any cost or technical questions which the AGENCY or DOF cannot answer. Each project is heard by both the Senate and the Assembly.

If both sides support the project and funds are available the chances of it receiving funding are pretty good. If the project does not have consensus on both sides it moves to the last stage which is:

- d) **Conference Committee, final resolution**
At this stage a final resolution is made.

9. Final Notes on Budget Packages

- a) **Most important part of project**
A good initial budget package while not a guarantee, generally means a good project. The better the presentation and finer the detail the greater the level of comfort for the DOF and the LAO. Typically, politics aside, good packages slide through while poorly prepared packages receive scrutiny.

- b) **Most important part of project**
The initial budget package is the most crucial part of any project. By this document the project lives or dies in hearings. This document sets the budget for the life of the project, any change to the cost from here on out must be justified and approved by the DOF, and the Legislature through the PWB or the Budget Process.

Major Capital Outlay
2000-01 FY Five Year Plan

Location	Priority	Start	Facility	Project	Type	Action	Object	Prior Year	Budget Year	BY +1	BY +2	BY +3	BY +4	BY +5	Total	Commutative
REG	RU							1999-00 FY	2000-01 FY	2001-02 FY	2002-03 FY	2003-04+FY	2004-05 FY	2005-06 FY and Beyond		
(All Dollars in Thousands)																
Major Capital Outlay																
Minor Capital Outlay																
Total Capital Outlay																
RSS	BDU	1998	Owens Valley		CC	Construct	Wastewater System/AppBldg	700 C	57,433	55,441	59,668	39,415	24,454	118,840	383,694	700
RCC	HUU	1998	Alder		CC	Construct	Facilities and Utilities	2,059 WC	12,535	12,431	11,204	10,044	12,655	29,680	94,304	2,059
RSS	RRU	1998	Hemet-Ryan		AAB	Replace	Facility	3,266 C	68,968	67,872	70,870	49,458	37,109	148,520	2,059	
RCC	SHU	1998	Ogo		FFS	Relocate	Facility	822 C							3,266	
RSS	MMU	1998	Batherson		FFS	Relocate	Facility	776 C							822	
RSS	BDU	1998	Hesperia		FFS	Relocate	Facility	964 C							776	
RSS	TUU	1998	Hammond		FFS	Relocate	Facility	920 C							964	
RSS	TUU	1999	Porterville		FFS	Relocate	Facility	2,255 PWC							920	
RCC	SCU	1998	Pacheco		AAB	Replace	Facility	1,014 C							2,255	
RCC	LMU	1998	Lessen-Mudoc		FFS	Replace	Facility	1,099 C							1,014	
RCC	SCU	1998	Stevens Creek		RUH	Replace	AutoShop and AppBldg	944 C							1,099	
RCC	LMU	1999	Susanville		FFS	Relocate	Emergency Command Center	550 C							944	
RCC	SHU	1998	Weaverville		FFS	Relocate	Facility	127 PW	1,199 C						550	
RCC	TGU	1998	Manton		FFS	Relocate	Facility	122 PW	997 C						1,328	
RCC	HUU	1998	Bridgeville		FFS	Relocate	Facility	149 PW	1,291 C						1,119	
SHQ	SHQ	1998	Stalewida		COM	Construct	Communications Facilities	5,253 PWC	5,494 C	5,778 C	5,250 C	5,500 C	5,050 C	28,400 C	1,440	
RCC	MEU	1998	Utah		AAB	Relocate	Facility	646 PW	6,069 C						60,725	
RSS	MMU	1998	Valley Center		FFS	Relocate	Facility	118 PW	1,048 C						6,735	
RSS	TCU	1998	Sonora		FFS	Relocate	Facility	220 PW	1,998 C						1,166	
RCC	BTU	1998	Harts Mill		FFS	Relocate	Facility	112 PW	923 C						2,218	
RSS	MMU	1998	San Marcos		FFS	Relocate	Facility	114 PW	919 C						1,035	
RSS	FKU	1998	Sand Creek		FFS	Relocate	Facility	123 PW	980 C						91,133	
RSS	BDU	1999	Independence		FFS	Construct	Facility	108 PW	804 C						92,166	
RSS	BEU	1999	Hollister		AAB	Relocate	Facility	100 A	300 P	400 W	5,403 C				1,083	
RSS	SLU	1998	Paso Robles		AAB	Replace	Facility	360 PW	2,477 C						910	
RSS	SLU	1998	San Luis Obispo		RUH	Replace	Facility	1,174 PW	3,519 C						94,159	
RCC	SKU	1999	Fort Jones		FFS	Replace	Facility	159 A	134 PW	1,104 C					6,203	
RSS	MMU	1999	Rancheta		FFS	Replace	Facility	109 PW	926 C						2,837	
RSS	BEU	1999	Antelope		FFS	Replace	Barracks, Messhall, Improve Site	70 PW	569 C						4,693	
RCC	MEU	1999	Utah		FFS	Replace	Facility	130 PW	1,007 C						1,397	
RSS	FKU	1999	Bishopname		FFS	Replace	Facility	100 A	84 PW	673 C					639	
RSS	MMU	1999	Warner Springs		FFS	Replace	Facility	250 A	169 PW	1,040 C					1,137	
RCC	SCU	1999	Sweetwater		FFS	Relocate	Facility	172 A	97 PW	893 C					857	
RSS	RRU	1999	Elsinore		FFS	Relocate	Facility	220 A	121 PW	909 C					1,459	
RSS	SLU	1999	Nipomo		FFS	Replace	Facility	119 PW	936 C						1,162	
RSS	AEU	1999	Dew Drop		FFS	Replace	Facility	115 PW	896 C						1,250	
RSS	MMU	1999	Usona		FFS	Replace	Facility	100 PW	819 C						1,055	
RCC	HUU	1999	Elk Camp		FFS	Relocate	Facility	150 A	140 PW	652 C					1,011	
RSS	TCU	1999	Twain Harte		FFS	Relocate	Facility	200 A	130 PW	1,022 C					919	
RCC	HUU	1999	Fortuna		FFS	Remodel	Facility	150 A	139 PW	973 C					942	
RSS	TUU	1999	Springville		FFS	Relocate	Facility	200 A	112 PW	899 C					1,262	
															1,211	
															124,580	

2000-01 FY Major Capital Outlay
Proposed Project Listing

Location	Priority	Project	Type	Action	Object	Prior Year 1999-00 FY	This Request 2000-01 FY	BY +1 2001-02 FY	BY +2 2002-03 FY	Project Total	Commutative This Request
Major Capital Outlay											
Minor Capital Outlay											
Total Capital Outlay											
RSS	BDU	1998	CC	Construct	Wastewater System/AppBldg	28,445	57,433	48,766	68,157		
RCC	HUU	1998	CC	Construct	Facilities and Utilities	5,755	12,535	12,431	11,204		
RSS	RRU	1998	AAB	Replace	Facility	34,200	69,958	62,197	79,361		
RCC	SHU	1998	FFS	Relocate	Facility	700 C					
RSS	MMU	1998	FFS	Relocate	Facility	2,059 WC					
RSS	BDU	1998	FFS	Relocate	Facility	3,266 C					
RSS	TUU	1998	FFS	Relocate	Facility	822 C					
RSS	TUU	1999	FFS	Relocate	Facility	776 C					
RCC	SCU	1998	FFS	Relocate	Facility	964 C					
RCC	LMU	1998	AAB	Replace	Facility	920 C					
RCC	SCU	1998	FFS	Replace	Facility	2,255 PWC					
RCC	SCU	1998	RUH	Replace	AutoShop and AppBldg	1,014 C					
RCC	LMU	1999	FFS	Replace	Utility	1,099 C					
RCC	LMU	1999	FFS	Replace	Emergency Command Center	944 C					
1	RCC	SHU	FFS	Relocate	Facility	550 C					
2	RCC	TGU	FFS	Relocate	Facility	127 PW	1,199 C				
3	RCC	HUU	FFS	Relocate	Facility	122 PW	997 C				
4	SHQ	SHQ	COM	Construct	Communications Facilities	149 PW	1,291 C				
5	RCC	MEU	AAB	Relocate	Facility	5,253 PWC	5,494 C	5,778 C	44,200 C		
6	RSS	MVU	FFS	Relocate	Facility	646 PW	6,099 C				
7	RSS	TCU	FFS	Relocate	Facility	118 PW	1,048 C				
8	RCC	BTU	FFS	Relocate	Facility	220 PW	1,998 C				
9	RSS	MVU	FFS	Relocate	Facility	112 PW	923 C				
10	RSS	FKU	FFS	Relocate	Facility	114 PW	919 C				
11	RSS	BDU	FFS	Relocate	Facility	123 PW	960 C				
12	RSS	BEU	AAB	Construct	Facility	106 PW	804 C				
13	RSS	SLU	AAB	Relocate	Facility	100 A	300 P	400 W	5,403 C		
14	RSS	SLU	RUH	Replace	Facility	360 PW	2,477 C				
15	RCC	SKU	FFS	Replace	Facility	1,174 PW	3,519 C				
16	RSS	MMU	FFS	Replace	Facility	159 A	134 PW	1,104 C			
17	RSS	BEU	FFS	Replace	Barracks, Messhall, Improve Site	109 PW	926 C				
18	RCC	MEU	FFS	Replace	Facility	70 PW	569 C				
19	RSS	FKU	FFS	Replace	Facility	130 PW	1,007 C				
20	RSS	MVU	FFS	Replace	Facility	100 A	84 PW	673 C			
21	RCC	SCU	FFS	Relocate	Facility	250 A	169 PW	1,040 C			
22	RSS	RRU	FFS	Relocate	Facility	172 A	97 PW	893 C			
23	RSS	SLU	FFS	Relocate	Facility	220 A	121 PW	909 C			
24	RSS	AEU	FFS	Replace	Facility	119 PW	936 C				
25	RSS	MMU	FFS	Replace	Facility	115 PW	896 C				
26	RCC	HUU	FFS	Relocate	Facility	100 PW	819 C				
27	RSS	TCU	FFS	Relocate	Facility	150 A	140 PW	652 C			
28	RCC	HUU	FFS	Remodel	Facility	200 A	130 PW	1,022 C			
29	RSS	TUU	FFS	Relocate	Facility	150 A	139 PW	973 C			
30	RSS	BDU	FFS	Relocate	Facility	200 A	112 PW	899 C			
						93 PW	737 C				

STATE OF CALIFORNIA
CAPITAL OUTLAY BUDGET CHANGE PROPOSAL (COBCP)
COVER SHEET
(REV 11/98)

Department of Finance
915 L Street
Sacramento, CA 95814
IMS Mail Code: A-15

BUDGET YEAR 2000-01

ORG CODE: 3540 COBCP NO: 99.2067 PRIORITY: 47 PROJECT ID: 30.20.125
DEPARTMENT Forestry and Fire Protection
PROJECT TITLE Higgins Corner Forest Fire Station - Replace Barracks/Messhall

TOTAL REQUEST (DOLLARS IN THOUSANDS): \$ 275 MAJOR/MINOR MA
PHASES TO BE FUNDED A PROJ CAT: CRI CCC/EPI: 3847

SUMMARY OF PROPOSAL

Acquire the existing 4 acres of land on which the Higgins Corner FFS is presently situated, to protect the State's investment and replace the barracks/messhall with a new standard CDF two-engine station barracks/messhall (12 beds, 2944+ sf) as well as connect the sewer system to the proposed County Sanitation Department's sewer main. Replace utilities, storm drains, water lines, paving, landscaping, walkways and other appurtenances as necessary. The design and construction phases of this project will be Agency retained items.

HAS A BUDGET PACKAGE BEEN COMPLETED FOR THIS PROJECT? (E/U/N)? N
REQUIRES LEGISLATION (Y/N)? N IF YES, LIST CODE SECTIONS: _____
REQUIRES PROVISIONAL LANGUAGE (Y/N)? Y
IMPACT ON SUPPORT BUDGET: ONE-TIME COSTS (Y/N)? Y FUTURE COSTS (Y/N)? Y
FUTURE SAVINGS (Y/N)? N REVENUE (Y/N)? N
DOES THE PROPOSAL AFFECT ANOTHER DEPARTMENT (Y/N): N IF YES, ATTACH
COMMENTS OF AFFECTED DEPARTMENT SIGNED BY ITS DIRECTOR OR DESIGNEE.

SIGNATURE APPROVALS

PREPARED BY	DATE	REVIEWED BY	DATE
Richard Wilson		Mary D. Nichols	
DEPARTMENT DIRECTOR	DATE	AGENCY SECRETARY	DATE

DOF ANALYST USE

DOF ISSUE #: _____ POLICY CAT: _____ PROJECT CAT: _____ BUDGET PACKAGE STATUS: _____
ADDED REVIEW : SUPPORT: _____ TIRU: _____ FSCU: _____ OSAE: _____ CALSTARS: _____

BUDGET YEAR 2000-01

A. PURPOSE OF THE PROJECT:

Purchase the present CDF site which has been leased since 1958 from the County of Nevada. The lease will expire on January 31, 2008. CDF needs to continue long term control of the site. Connect the site sewage system to the proposed County Sanitation Department's new sewer main; replace utilities, storm drains, water lines, paving, landscaping, walkways and other appurtenances as necessary.

The barracks/messhall is too small to meet the needs of the station personnel; the kitchen does not have enough food preparation area, pantry storage, and cooking space. The sleeping quarters area is too small to accommodate the firefighting personnel (there are only 10 beds where 12 are needed); the bathrooms are too small to accommodate the firefighters, and do not meet handicapped requirements. The women's bathroom is a converted cooks's washroom , is next to the kitchen and is barely large enough for a person to turn around. Access to this bathroom is through the kitchen, away from the sleeping quarters. There is dry rot in the posts supporting the porch roof of the barracks. The iron plumbing is deteriorating and needs to be replaced in the walls. The walls are poorly insulated, there is asbestos floor tile and asbestos attic insulation which must be removed before any repairs or demolition can be done.

B. RELATIONSHIP TO THE STRATEGIC PLAN:

This project relates to the CDF Strategic Plan of March 1994, revised November 17, 1995, by addressing Strategy #8: "Obtain and maintain high quality firefighting equipment, apparatus, and facilities." This strategy is in support of Goal #1: "Respond to California's Changing Fire Protection Needs by Improving CDF's Statewide Fire Protection System."

C. ALTERNATIVES:

1. Purchase Site Will allow CDF to maintain long term control of the site and capital improvements.
2. Renew lease The County has not committed to renew the lease in 2008.
3. Close the FFS Coverage of SRA would be diminished and response times to Higgins Corners SRA would be dangerously long. The State has legal responsibility for providing wildland fire protection in the area and local government in not able to assume this responsibility. The State would lose the existing Forest Fire Station improvements and capitol investment at the Forest Fire Station.
4. Relocate the FFS to a new site Moving to another site would result in the State purchase of a new site and construction of a new Forest Fire Station. The relocation option would require the abandonment of a site that is located in an optimal position to respond to SRA incidents.

BUDGET YEAR 2000-01

D. RECOMMENDED SOLUTION:

1. WHICH ALTERNATIVE AND WHY?

Acquisition of Higgins Forest Fire Station's leased four (4) acre site. State would purchase the site from the property owner/lessor, thus protecting existing and proposed FFS improvements and capital investment. This would allow permanent land control for long term continuance of FFS operations. State ownership of the parcel would also provide security for improving the facilities. Replace the barracks messhall (2944± sf) and connect the site sewer system to the County Sanitation Department's proposed sewer main to provide more effective sewage disposal .

2. DETAIL SCOPE DESCRIPTION:

Acquisition of Higgins Forest Fire Station's leased four (4) acre site, demolition of existing barracks and replacement of the barracks/messhall (12 beds, 2944± sf), connection of the site sewer system to the County Sanitation Department's new sewer main; replace utilities, storm drains, water lines, paving, landscaping, walkways and other appurtenances as necessary. The existing septic system is failing and needs to be replaced; connecting the sewer lines to the proposed Sanitation Department sewer main is a cost effective and efficient solution to the septic system failure (septic system would no longer be needed). The design and construction phases of this project will be Agency retained items.

3. BASIS FOR COST INFORMATION:

Cost information supplied by CDF Technical Services based on previous projects.

4. FACTORS/BENEFITS FOR RECOMMENDED OTHER THAN THE LEAST EXPENSIVE ALTERNATIVE:

The current leased site is properly located to meet the emergency response needs of the State Responsibility Area. Purchasing the site would allow permanent land control for long term continuance of FFS operations.

5. COMPLETE DESCRIPTION OF IMPACT ON SUPPORT BUDGET:

The State, through agreement with contract counties that protect SRA, must allocate a proportionate share of capital outlay funds provided to CDF in the form of a budget item to the contract counties. Therefore the estimated future year total impact based upon the contract county's share of this project is approximately \$186,000 (22% of \$844,000). The current impact for this phase only is \$61,000 (22% of \$275,000)

6. IDENTIFY AND EXPLAIN ANY PROJECT RISKS:

There are no project risks identified at this time.

7. LIST REQUIRED INTERDEPARTMENTAL COORDINATION AND/OR SPECIAL PROJECT APPROVAL (INCLUDING MANDATORY REVIEWS AND APPROVALS, E.G. TECHNOLOGY PROPOSALS) :

This project will require a CEQA compliant environmental review.

STATE OF CALIFORNIA
CAPITAL OUTLAY BUDGET CHANGE PROPOSAL (COBCP)
SCOPE WORKSHEET

2000-01 BUDGET YEAR
Org Code: 3540
COBCP #: 99.2067
Priority: 47
Proj ID: 30.20.125
MA/MI: MA

Department Title: Forestry and Fire Protection
Project Title: Higgins Corner FFS - Replace Facility

For new projects provide proposed SCOPE language. For continuing projects leave blank or provide revised SCOPE language (enter in cell A111).

Acquire the existing 4 acres of land on which the Higgins Corner FFS is presently situated, to protect the State's investment and replace the barracks/messhall with a new standard CDF two-engine station barracks/messhall (12 beds, 2944+/- sf) as well as c

Higgins Corner FFS
 Replace Barracks/Messhall

County: Nevada
 Area: Cascade

Structure			Sq. Ft. (±)
Item	Use Code	Structure	
1	5670	Barracks/Messhall	2,944
2			
3			
4			
5			
6			
7			
8			
9			
10			

Barracks/Messhall

- Bedspaces 12
- Apparatus Building
- Offices _____
- Bays _____

Restrooms

- Womens
- Mens
- Unisex

Special Exterior Treatment

Special Details or Remarks

Fuel

- Island
- Pumps
- Tanks
- Water Tanks

Number	Size

Other Items

- Wash Rack
- Hose Wash Rack
- Transport Storage Pad
- Equipment

Building Summary								
Description/Type		Area (Sq. Ft.)	Cost		RESD	CDF		Total
Item	Use Code		Unit	Const.		Contract	Day Labor	
1	5670	2,944	124	365,000			365,000	365,000
2								
3								
4								
5								
6								
7								
8								
9								
10								
Building Summary Total:							365,000	365,000

**Higgins Corner FFS
Replace Barracks/Messhall**

**County: Nevada
Area: Cascade**

Site Development	RESD	CDF		Total
		Contract	Day Labor	
Demolition			10,000	10,000
Earthwork			15,000	15,000
Drainage			10,000	10,000
Roads, Curbs and Paving			25,000	25,000
Gutters and Walks			10,000	10,000
Fuel Island				
Site Lighting			5,000	5,000
Site Electrical			10,000	10,000
Wash Rack/Wash Slab/Hose Rack				
Fencing				
Landscaping			3,000	3,000
Miscellaneous				
Site Development Subtotal			88,000	88,000
Utilities	RESD	CDF		Total
		Contract	Day Labor	
Water			10,000	10,000
Sanitary Sewers			25,000	25,000
Electrical Power			2,000	2,000
LPG/Natural Gas			2,000	2,000
Telephone			2,000	2,000
Radio			2,000	2,000
Miscellaneous				
Utilities Total			43,000	43,000
Construction Total	RESD	CDF		Total
		Contract	Day Labor	
Buildings			365,000	365,000
Site Development			88,000	88,000
Utilities			43,000	43,000
Inspection			20,000	20,000
Construction Total			516,000	516,000
Cost Estimate	RESD	CDF		Total
		Contract	Day Labor	
Study				
Acquisition	250,000			250,000
Preliminary Plans			25,000	25,000
Working Drawings			28,000	28,000
Construction			516,000	516,000
Equipment				
Other (CEQA)	25,000			25,000
Total Estimated Project Cost:			569,000	844,000

This Request	
Phase	A
Amount	\$275,000

Total RESD	275,000
Total CDF Retained	569,000
Total Project Cost	844,000



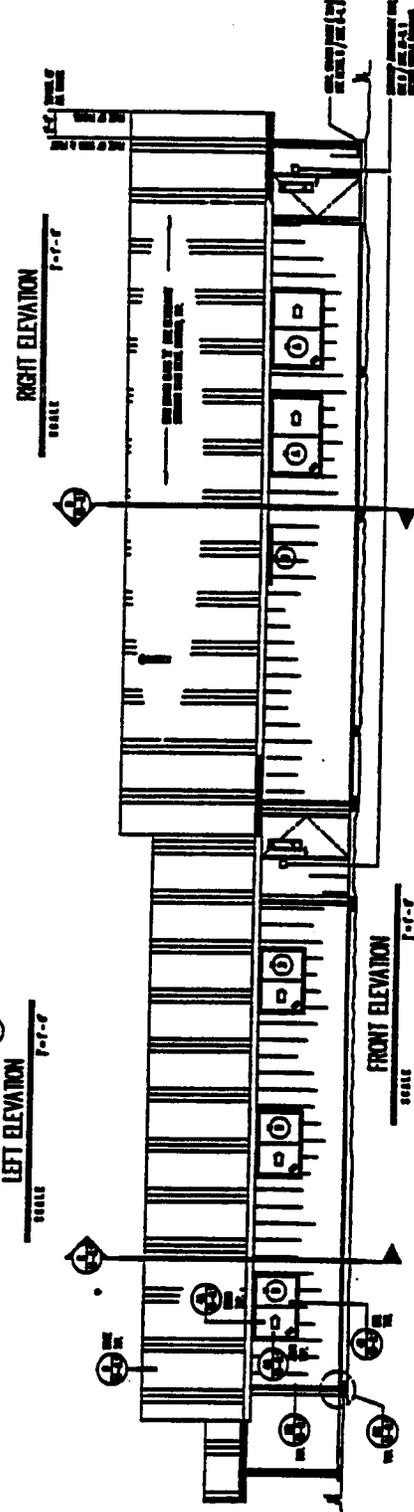
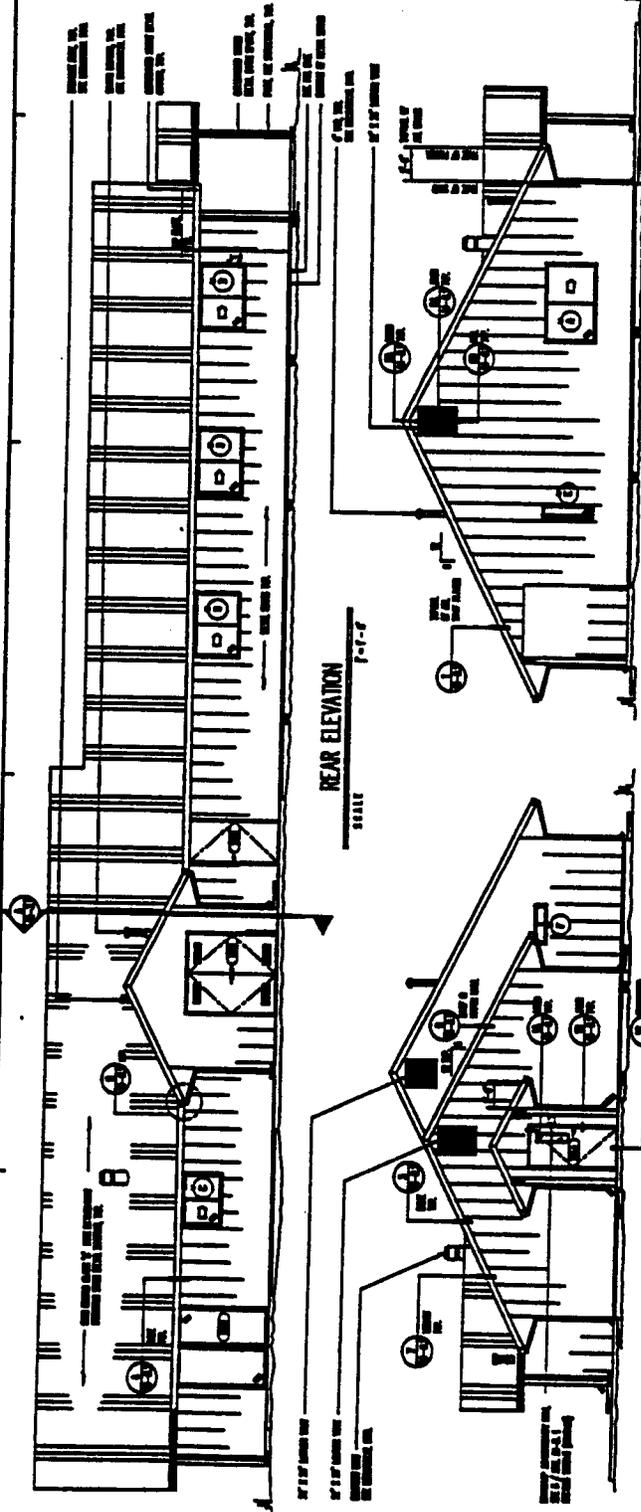
DRAWING NOTE:

1. ALL WORK TO BE DONE IN ACCORDANCE WITH THE SPECIFICATIONS AND DRAWINGS.
2. ALL MATERIALS TO BE USED SHALL BE OF THE BEST QUALITY AVAILABLE.
3. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND REGULATIONS.

EXTERIOR PAINT SCHEDULE

NO.	DESCRIPTION	PAINT
1	EXTERIOR WALLS	WHITE WASH
2	WOODWORK	SEMI-GLOSS PINK
3	IRONWORK	BLACK PAINT
4	ROOFING	ASBESTOS CEMENT
5	GLASS	GLASS PAINT

- EXTERIOR ELEVATION GENERAL NOTES**
1. ALL WORK TO BE DONE IN ACCORDANCE WITH THE SPECIFICATIONS AND DRAWINGS.
 2. ALL MATERIALS TO BE USED SHALL BE OF THE BEST QUALITY AVAILABLE.
 3. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND REGULATIONS.



EXTERIOR ELEVATIONS

NO. 7

DATE: 1/1/51

PROJECT: A1-2.1

BY: [Signature]

CHECKED: [Signature]

APPROVED: [Signature]

DEPARTMENT OF FORESTRY & FIRE PROTECTION

STATION: [Blank]

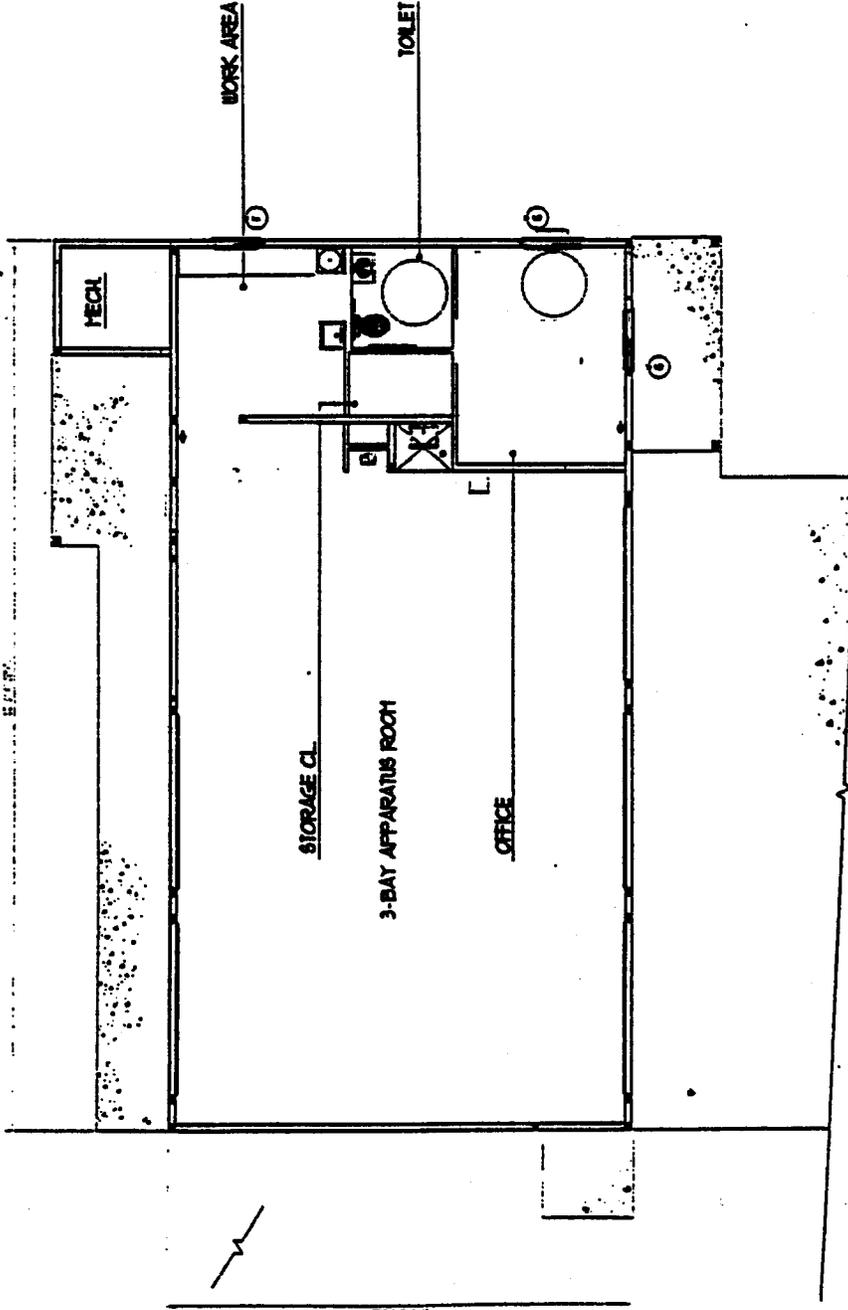
SCALE: [Blank]

DATE: [Blank]

BY: [Blank]

CHECKED: [Blank]

APPROVED: [Blank]



GROUND FLOOR PLAN

SCALE: 1/8" = 1'-0"

KEY NOTES:

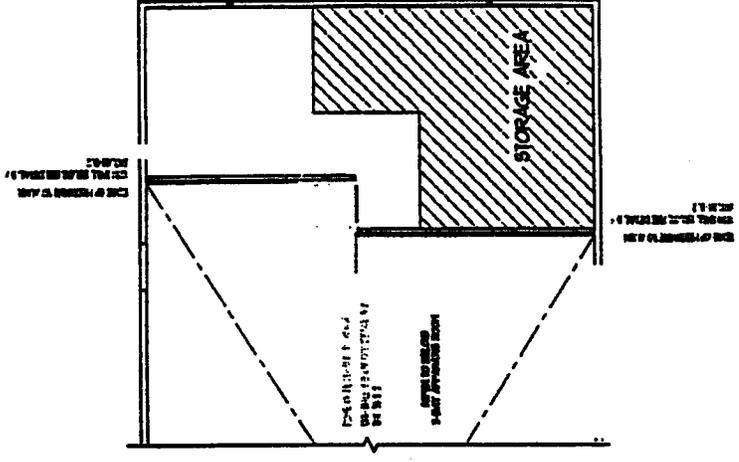
- 1) WALLS TO BE CONCRETE ON GRADE
- 2) FLOOR TO BE CONCRETE ON GRADE
- 3) ROOF TO BE 2" POLYSTYRENE INSULATION OVER 4" CONCRETE
- 4) ROOF TO BE 2" POLYSTYRENE INSULATION OVER 4" CONCRETE
- 5) ROOF TO BE 2" POLYSTYRENE INSULATION OVER 4" CONCRETE
- 6) ROOF TO BE 2" POLYSTYRENE INSULATION OVER 4" CONCRETE
- 7) ROOF TO BE 2" POLYSTYRENE INSULATION OVER 4" CONCRETE
- 8) ROOF TO BE 2" POLYSTYRENE INSULATION OVER 4" CONCRETE

GENERAL NOTES:

- 1) ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND SPECIFICATIONS.
- 2) ALL MATERIALS SHALL BE OF THE BEST QUALITY AVAILABLE.
- 3) ALL WORK SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE LOCAL BUILDING DEPARTMENT.

LEGEND:

- FILL
- WALL
- FLOOR
- ROOF
- MECHANICAL
- TOILET
- STORAGE



MEZZANINE FLOOR PLAN

SCALE: 1/8" = 1'-0"

	PLAN NO. A2-11 PROJECT LOCATION
	SHEET NO. 50 TOTAL SHEETS 200
DATE DRAWN BY CHECKED BY APPROVED BY	CUSTOMER NAME AND ADDRESS

Memorandum

Date: July 14, 1997

File No.: B97CDF23

To: Chuck Horel, Chief Engineer, A45
Department of Forestry and Fire Protection
1021 O Street, Third Floor
Sacramento, CA 95814

From: Department of General Services - Office of Project Development and Management

Subject: **1997/1998 BUDGET PACKAGE - DEPARTMENT OF FORESTRY AND FIRE PROTECTION**

Budget Package B97CDF23, Replacement of the Forest Fire Station at Stevens Creek has been reviewed by the Office of Project Development and Management (OPDM) for consistency between project description and scope of work, reasonableness of construction cost and of architectural/engineering (A&E) fees. architectural/engineering (A&E) fees.

The OPDM has sent copies of this budget package to the Department of Finance (DOF). It is understood that you or your staff will notify the DOF that this package is acceptable to the Department of Forestry and Fire Protection.

ACQUISITION COSTS:

None: Will replace at existing site.

CONSTRUCTION COSTS:

The estimated construction contract cost is \$675,000 (CCCI 3577). This replacement project constructs a one engine station. The new station consists of the following prototypical buildings: a 2,100 sf wood-framed living quarters building (8 beds); a 1,697 sf wood-framed apparatus building (1 office, 2 bays); a 100 sf fuel building (1 pump, 1-1000 gal. fuel tank); site work; utilities; paving and all appurtenances.

A&E COSTS:

A&E fees for basic and non-basic services for this project total \$144,000 which represents 21.33 percent of the estimated contract cost. This exceeds the 13 percent SAM standard by 8.33 percent and is attributed to the small size of this project in relation to the typical project.

SPECIAL PROJECT COSTS:

Included Are: (1) \$15,000 for Special Consultants (Survey/Geotech); (2) \$4,000 for Material Testing; (3) \$44,900 for Project/Construction Management (OPDM); (4) \$30,000 for Agency Retained Items. (5) \$1,900 for Small and Minority Assessment; (6) \$1,200 for Handicapped Plan checking; and (7) \$20,000 for environmental documents.

II. C. 2. b.

PROPOSED SCHEDULE:

Based on information currently available, the attached schedule identifies key milestones.

Complete Preliminary Plans:	December, 1997
Complete Working Drawings:	April, 1998
File for Bids:	May, 1998
Project Completion:	September, 1999

These dates are for budgetary purposes only, indicating the duration and relationship of each phase relative to the funding process. These dates are subject to the total level of capital outlay funding in any one year over the project's duration.



Dave Edwards, Senior Estimator
Project Control Unit
327-9144

DE:рге

Attachments

cc: Department of Finance
Project File
Chron File

M e m o r a n d u m

Date: July 14, 1997

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To: Chuck Horel, Chief Engineer, A45
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A&E COSTS:

A&E fees for basic and non-basic services for this project total \$144,000 which represents 21.33 percent of the estimated contract cost. This exceeds the 13 percent SAM standard by 8.33 percent and is attributed to the small size of this project in relation to the typical project.

SPECIAL PROJECT COSTS:

Included Are: (1) \$15,000 for Special Consultants (Survey/Geotech); (2) \$4,000 for Material Testing; (3) \$44,900 for Project/Construction Management (OPDM); (4) \$30,000 for Agency Retained Items. (5) \$1,900 for Small and Minority Assessment; (6) \$1,200 for Handicapped Plan checking; and (7) \$20,000 for environmental documents.

II. C. 2. b.

PROPOSED SCHEDULE:

Based on information currently available, the attached schedule identifies key milestones.

Complete Preliminary Plans:	December, 1997
Complete Working Drawings:	April, 1998
File for Bids:	May, 1998
Project Completion:	September, 1999

These dates are for budgetary purposes only, indicating the duration and relationship of each phase relative to the funding process. These dates are subject to the total level of capital outlay funding in any one year over the project's duration.



Dave Edwards, Senior Estimator
Project Control Unit
327-9144

DE:рге

Attachments

cc: Department of Finance
Project File
Chron File

**DEPARTMENT OF GENERAL SERVICES
OFFICE OF PROJECT DEVELOPMENT AND MANAGEMENT
CAPITAL OUTLAY COST ESTIMATE**

II. C. 2. b.

PROJECT: STEVENS CREEK FOREST FIRE STATION	BUDGET ESTIMATE:	B97CDF23
LOCATION: SANTA CLARA COUNTY	WORK ORDER NO:	OPDM 0639
CLIENT: FORESTRY AND FIRE PROTECTION	ESTIMATE RUN DATE:	14-Jul-97
DESIGN BY: OPDM/CONSULTANT	PREPARED BY:	RGE
PLAN DATE: N/A	ESTIMATE CCCI:	3474

DESCRIPTION

This replacement project remains at the existing site and constructs a new CDF one-engine Forest Fire Station. The new station consists of the following: a 2,100 sf wood-framed living quarters building (8 beds); a 1,697 sf wood-framed apparatus building (1 office, 2 bays); a 100 sf fuel building (1 pump, 1-1000 gal. fuel tank); site work; utilities; paving and all appurtenances.

ESTIMATE SUMMARY

Site Work	
1-Lot	\$259,000
8-Bed Standard Barracks	
2100 sf at \$106.84/sf	\$224,000
1 Engine 2 Bay Apparatus Building	
1697 sf at \$90.49/sf	\$154,000
Fuel Storage Building	
100 sf at \$88.67/sf	<u>\$9,000</u>

ESTIMATED TOTAL CURRENT COSTS:	\$646,000
Adjust CCCI From 3474 to 3577	<u>\$19,000</u>
ESTIMATED TOTAL CURRENT COSTS ON JULY 1, 1997:	\$665,000
Escalation to Midpoint 6 Months @ .25%/mo.	<u>\$10,000</u>
ESTIMATED TOTAL CONTRACTS	\$675,000
Contingency At: 5%	<u>\$34,000</u>
ESTIMATED TOTAL CONSTRUCTION COST	\$709,000

PROJECT: STEVENS CREEK FOREST FIRE STATION
 WORK ORDER NO: OPDM 0639

BUDGET ESTIMATE:
 ESTIMATE RUN DATE:

B97CDF23
 14-Jul-97

ESTIMATED TOTAL CONSTRUCTION COST

\$709,000

ARCHITECTURAL & ENGINEERING SERVICES

\$144,000

OTHER PROJECT COSTS

Special Consultants (See note 5)	\$15,000
Materials Testing	\$4,000
Project/Construction Management	\$44,900
On-Site Construction Management	\$0
A&E Travel and Expense	\$0
OREDS Fees	\$0
Agency Retained Items	\$30,000
Small and Minority Assessment - A&E	\$300
Small and Minority Assessment - Const.	\$1,600
School Checking	\$0
Hospital Checking	\$0
Essential Services	\$0
Handicapped Checking	\$1,200
Environmental Document	\$20,000

OTHER PROJECT COSTS TOTAL

\$117,000

ESTIMATED TOTAL PROJECT COST

\$970,000

FUND TRANSFERS

None

\$0

TOTAL FUNDS TRANSFERRED

\$0

BALANCE OF FUNDS REQUIRED

\$970,000

NOTES:

1. The construction costs in this estimate are indexed from the CCCI Index as of the date of estimate preparation to the CCCI index that is projected as of July 1, 1997. The project estimate is then escalated for a 6.0 month period to an assumed construction midpoint. When an actual construction start date is established, escalation to the index for that date will be an added cost.
2. The Agency may have retained items that are not included in this estimate. OPDM has not verified Agency retained pricing. The following items are included:

Land Acquisition	\$0
Equipment	\$30,000
Total Agency Retained	\$30,000
3. The estimated cost for the CEQA Document includes biological and archeological reviews. Mitigation costs not included.
4. This estimate does not include the following:
 - A. Moving or Leasing Costs
 - B. Emergency Generator
5. Special Consultant activities included in this estimated consist of Geotechnical and Surveying.
6. Demolition of existing buildings is included in the cost of the project.

**DEPARTMENT OF GENERAL SERVICES
OFFICE OF PROJECT DEVELOPMENT AND MANAGEMENT
CAPITAL OUTLAY COST ESTIMATE**

II. C. 2. b.

PROJECT: STEVENS CREEK FOREST FIRE STATION	BUDGET ESTIMATE:	B97CDF23
LOCATION: SANTA CLARA COUNTY	WORK ORDER NO:	OPDM 0639
CLIENT: FORESTRY AND FIRE PROTECTION	ESTIMATE RUN DATE:	14-Jul-97
DESIGN BY: OPDM/CONSULTANT	PREPARED BY:	RGE
PLAN DATE: N/A	ESTIMATE CCCI:	3474

DESCRIPTION

This replacement project remains at the existing site and constructs a new CDF one-engine Forest Fire Station. The new station consists of the following: a 2,100 sf wood-framed living quarters building (8 beds); a 1,697 sf wood-framed apparatus building (1 office, 2 bays); a 100 sf fuel building (1 pump, 1-1000 gal. fuel tank); site work; utilities; paving and all appurtenances.

ESTIMATE SUMMARY

Site Work	
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2100 sf at \$106.84/sf	\$224,000
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ESTIMATED TOTAL CURRENT COSTS:	\$646,000
Adjust CCCI From 3474 to 3577	\$19,000
ESTIMATED TOTAL CURRENT COSTS ON JULY 1, 1997:	\$665,000
Escalation to Midpoint 6 Months @ .25%/mo.	\$10,000
ESTIMATED TOTAL CONTRACTS	\$675,000
Contingency At: 5%	\$34,000
ESTIMATED TOTAL CONSTRUCTION COST	\$709,000

PROJECT: STEVENS CREEK FOREST FIRE STATION
 WORK ORDER NO: OPDM 0639

BUDGET ESTIMATE:
 ESTIMATE RUN DATE:

B97CDF23
 14-Jul-97

ESTIMATED TOTAL CONSTRUCTION COST \$709,000

ARCHITECTURAL & ENGINEERING SERVICES \$144,000

OTHER PROJECT COSTS

Special Consultants (See note 5)	\$15,000
Materials Testing	\$4,000
Project/Construction Management	\$44,900
On-Site Construction Management	\$0
A&E Travel and Expense	\$0
OREDS Fees	\$0
Agency Retained Items	\$30,000
Small and Minority Assessment - A&E	\$300
Small and Minority Assessment - Const.	\$1,600
School Checking	\$0
Hospital Checking	\$0
Essential Services	\$0
Handicapped Checking	\$1,200
Environmental Document	\$20,000

OTHER PROJECT COSTS TOTAL \$117,000

ESTIMATED TOTAL PROJECT COST \$970,000

FUND TRANSFERS

None \$0

TOTAL FUNDS TRANSFERRED \$0

BALANCE OF FUNDS REQUIRED \$970,000

NOTES:

1. The construction costs in this estimate are indexed from the CCCI Index as of the date of estimate preparation to the CCCI index that is projected as of July 1, 1997. The project estimate is then escalated for a 6.0 month period to an assumed construction midpoint. When an actual construction start date is established, escalation to the index for that date will be an added cost.
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 - A. Moving or Leasing Costs
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5. Special Consultant activities included in this estimated consist of Geotechnical and Surveying.
6. Demolition of existing buildings is included in the cost of the project.

**SUMMARY OF COSTS
BY PHASE**

II. C. 2. b.

PROJECT:	STEVENS CREEK FOREST FIRE STATION	BUDGET ESTIMATE:	B97CDF23
LOCATION:	SANTA CLARA COUNTY	WORK ORDER NO:	OPDM 0639
CLIENT:	FORESTRY AND FIRE PROTECTION	ESTIMATE RUN DATE:	14-Jul-97
PREPARED BY:	RGE		

CONSTRUCTION DURATION	12 MONTHS	
ESTIMATED CONTRACT COST	\$675,000	\$675,000
CONSTRUCTION CONTINGENCY	\$34,000	\$34,000
TOTAL	\$709,000	\$709,000

CATEGORY	STUDY 00	PRELIMINARY PLANS 01	WORKING DRAWINGS 02	CONSTRUCTION 03	TOTAL
ARCHITECTURAL AND ENGINEERING SERVICES					
A&E Design	\$0	\$19,000	\$24,000	\$11,800	\$54,800
Construction Inspection	\$0	\$0	\$0	\$31,000	\$31,000
Construction Inspection Travel	\$0	\$0	\$0	\$40,000	\$40,000
Coordination & Contract Management	\$0	\$0	\$0	\$0	\$0
Advertising, Printing and Mailing	\$0	\$0	\$15,000	\$0	\$15,000
Post Construction	\$0	\$0	\$0	\$3,200	\$3,200
SUBTOTAL A&E SERVICES	\$0	\$19,000	\$39,000	\$86,000	\$144,000

OTHER PROJECT COSTS					
Special Consultants (See note 5)	\$0	\$5,000	\$7,000	\$3,000	\$15,000
Materials Testing	\$0	\$0	\$0	\$4,000	\$4,000
Project/Construction Management	\$0	\$12,900	\$12,700	\$19,300	\$44,900
On-Site Construction Management	\$0	\$0	\$0	\$0	\$0
A&E Travel and Expense	\$0	\$0	\$0	\$0	\$0
OREDS Fees	\$0				\$0
Agency Retained Items	\$0	\$0	\$0	\$30,000	\$30,000
Small and Minority Assessment - A&E		\$100	\$100	\$100	\$300
Small and Minority Assessment - Const.	\$0	\$0	\$0	\$1,600	\$1,600
School Checking	\$0	\$0	\$0	\$0	\$0
Hospital Checking	\$0	\$0	\$0	\$0	\$0
Essential Services	\$0	\$0	\$0	\$0	\$0
Handicapped Checking	\$0	\$0	\$1,200	\$0	\$1,200
Environmental Document	\$0	\$20,000	\$0	\$0	\$20,000
SUBTOTAL OTHER PROJECT COSTS	\$0	\$38,000	\$21,000	\$58,000	\$117,000

TOTAL ESTIMATED PROJECT COST	\$0	\$57,000	\$60,000	\$853,000	\$970,000
LESS FUNDS TRANSFERRED	\$0	\$0	\$0	\$0	\$0
LESS FUNDS AVAILABLE NOT TRANSFERRED	\$0	\$0	\$0	\$0	\$0
CARRY OVER	\$0	\$0	\$57,000	\$117,000	
BALANCE REQUIRED	\$0	\$57,000	\$117,000	\$970,000	\$970,000

**SUMMARY OF COSTS
BY PHASE**

II. C. 2. b.

PROJECT:	STEVENS CREEK FOREST FIRE STATION	BUDGET ESTIMATE:	B97CDF23
LOCATION:	SANTA CLARA COUNTY	WORK ORDER NO:	OPDM 0639
CLIENT:	FORESTRY AND FIRE PROTECTION	ESTIMATE RUN DATE:	14-Jul-97
PREPARED BY:	RGE		

CONSTRUCTION DURATION	12 MONTHS
ESTIMATED CONTRACT COST	\$675,000 \$675,000
CONSTRUCTION CONTINGENCY	\$34,000 \$34,000
TOTAL	\$709,000 \$709,000

CATEGORY	STUDY 00	PRELIMINARY PLANS 01	WORKING DRAWINGS 02	CONSTRUCTION 03	TOTAL
ARCHITECTURAL AND ENGINEERING SERVICES					
A&E Design	\$0	\$19,000	\$24,000	\$11,800	\$54,800
Construction Inspection	\$0	\$0	\$0	\$31,000	\$31,000
Construction Inspection Travel	\$0	\$0	\$0	\$40,000	\$40,000
Coordination & Contract Management	\$0	\$0	\$0	\$0	\$0
Advertising, Printing and Mailing	\$0	\$0	\$15,000	\$0	\$15,000
Post Construction	\$0	\$0	\$0	\$3,200	\$3,200
SUBTOTAL A&E SERVICES	\$0	\$19,000	\$39,000	\$86,000	\$144,000

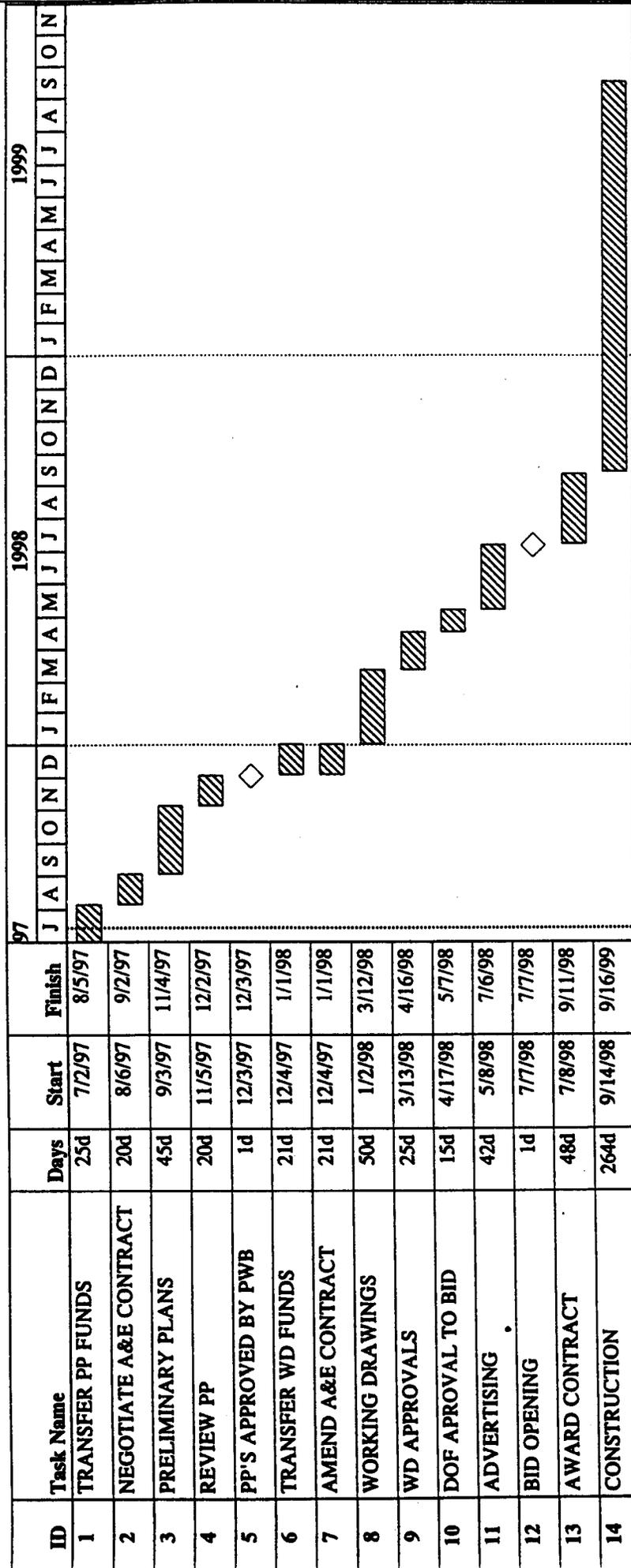
OTHER PROJECT COSTS					
Special Consultants (See note 5)	\$0	\$5,000	\$7,000	\$3,000	\$15,000
Materials Testing	\$0	\$0	\$0	\$4,000	\$4,000
Project/Construction Management	\$0	\$12,900	\$12,700	\$19,300	\$44,900
On-Site Construction Management	\$0	\$0	\$0	\$0	\$0
A&E Travel and Expense		\$0	\$0	\$0	\$0
OREDS Fees	\$0				\$0
Agency Retained Items	\$0	\$0	\$0	\$30,000	\$30,000
Small and Minority Assessment - A&E		\$100	\$100	\$100	\$300
Small and Minority Assessment - Const.	\$0	\$0	\$0	\$1,600	\$1,600
School Checking	\$0	\$0	\$0	\$0	\$0
Hospital Checking	\$0	\$0	\$0	\$0	\$0
Essential Services	\$0	\$0	\$0	\$0	\$0
Handicapped Checking	\$0	\$0	\$1,200	\$0	\$1,200
Environmental Document	\$0	\$20,000	\$0	\$0	\$20,000
SUBTOTAL OTHER PROJECT COSTS	\$0	\$38,000	\$21,000	\$58,000	\$117,000

TOTAL ESTIMATED PROJECT COST	\$0	\$57,000	\$60,000	\$853,000	\$970,000
LESS FUNDS TRANSFERRED	\$0	\$0	\$0	\$0	\$0
LESS FUNDS AVAILABLE NOT TRANSFERRED	\$0	\$0	\$0	\$0	\$0
CARRY OVER	\$0	\$0	\$57,000	\$117,000	
BALANCE REQUIRED	\$0	\$57,000	\$117,000	\$970,000	\$970,000

STEVENS CREEK FOREST FIRE STATION - REPLACE

SANTA CLARA COUNTY

DESIGN AND CONSTRUCTION SCHEDULE

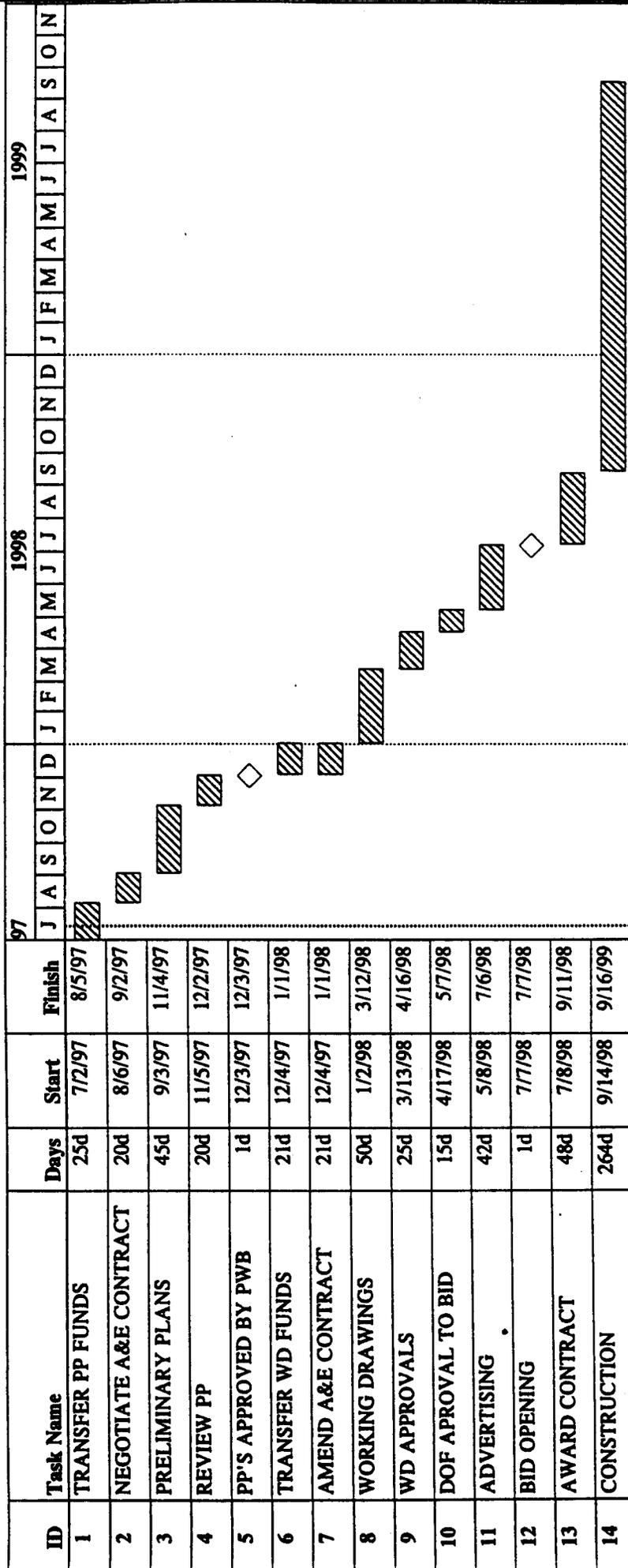


II. C. 2. b.

STEVENS CREEK FOREST FIRE STATION - REPLACE

SANTA CLARA COUNTY

DESIGN AND CONSTRUCTION SCHEDULE



II. C. 2. b.

Conceptual Budget Package 7/14/97 RGE
 B97CDF23

Task [Hatched] Progress [Solid] Milestone [Diamond]

Item	Amount
3540-011-0928—For transfer to the General Fund, no more than the amount of nursery sale receipts collected during the period July 1, 1998, through June 30, 1999, for the actual costs of State Nursery operations, payable from the Forest Resources Improvement Fund	(300,000)
3540-101-0001—For local assistance, Department of Forestry and Fire Protection.....	465,000
Schedule:	
(a) Lake Nacimiento Fire and Rescue Boat	65,000
(b) Stokes Mountain Solar Powered Repeater	400,000
3540-101-0786—For local assistance, Department of Forestry and Fire Protection, Program 12.10-Resources Protection and Improvement, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 for the California Wildlife, Coastal, and Park Land Conservation Program.	400,000
3540-301-0001—For capital outlay, Department of Forestry and Fire Protection.....	32,286,000
Schedule:	
(1) 30.10.005-Alma Helitack Base: Replace Facility—Preliminary plans and working drawings.....	218,000
(2) 30.10.010-Sonoma Air Attack Base: Replace Facility—Construction and equipment.....	1,937,000
(3) 30.10.030-Bridgeville Forest Fire Station: Relocation Facility—Acquisition	149,000
(4) 30.10.035-Stevens Creek Forest Fire Station: Replace Facility—Preliminary plans and working drawings.....	123,000
(5) 30.10.050-Rohnerville Air Attack Base: Replace Facility—Construction and equipment	1,479,000
(6) 30.10.055-Ukiah Air Attack Base: Replace Facility—Acquisition	670,000
(7) 30.10.090-Pacheco Forest Fire Station: Replace Facility—Preliminary plans and working drawings.....	131,000

Item	Amount
(8) 30.20.020-Lassen-Modoc Ranger Unit Headquarters: Replace Apparatus Building and Auto Shop—Preliminary plans and working drawings.....	174,000
(9) 30.20.025-Ogo Forest Fire Station: Relocate Facility—Preliminary plans and working drawings.....	104,000
(10) 30.20.030-Harts Mills Forest Fire Station: Relocate Facility—Acquisition	172,000
(11) 30.20.040-Manton Forest Fire Station: Relocate Facility—Acquisition.....	147,000
(12) 30.20.045-Weaverville Forest Fire Station: Relocate Facility—Acquisition.....	208,000
(13) 30.20.070-Truckee Forest Fire Station: Relocate Facility—Construction	1,100,000
(14) 30.20.075-Tehama-Glenn Ranger Unit Headquarters—Acquisition ..	160,000
(15) 30.20.090-Alder Conservation Camp: Replace Wastewater and Water System/Construct Access Road—Preliminary plans	111,000
(16) 30.30.030-Riverside Ranger Unit Headquarters: Replace Emergency Command Center—Construction and equipment.....	1,741,000
(17) 30.30.035-San Bernardino Ranger Unit Headquarters: Replace Emergency Command Center—Construction and equipment	1,591,000
(18) 30.30.045-Hesperia Forest Fire Station: Relocate Facility—Preliminary plans and working drawings.....	114,000
(19) 30.30.050-Ramona Air Attack Base: Replace Facility—Construction and equipment	2,291,000
(20) 30.30.060-Hemet-Ryan Air Attack Base: Replace Facility—Preliminary plans and working drawings.....	330,000

Item	Amount	Item	Amount
3540-011-0928—For transfer to the General Fund, no more than the amount of nursery sale receipts collected during the period July 1, 1998, through June 30, 1999, for the actual costs of State Nursery operations, payable from the Forest Resources Improvement Fund	(300,000)	(8) 30.20.020-Lassen-Modoc Ranger Unit Headquarters: Replace Apparatus Building and Auto Shop—Preliminary plans and working drawings	174,000
3540-101-0001—For local assistance, Department of Forestry and Fire Protection.....	465,000	(9) 30.20.025-Ogo Forest Fire Station: Relocate Facility—Preliminary plans and working drawings	104,000
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3540-101-0786—For local assistance, Department of Forestry and Fire Protection, Program 12.10-Resources Protection and Improvement, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 for the California Wildlife, Coastal, and Park Land Conservation Program.	400,000	(13) 30.20.070-Truckee Forest Fire Station: Relocate Facility—Construction	1,100,000
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Department of Forestry and Fire Protection (3540)

The California Department of Forestry and Fire Protection operates 460 facilities--consisting of 2,500 structures, many of which were built before 1960. The department's five-year capital outlay plan totals \$363 million and emphasizes replacement of older facilities, relocations where conditions have changed, and acquisition of leased sites. The Governor's budget proposes \$32.3 million (all General Fund) in capital outlay for the department--including \$25.8 million for 32 major projects and \$6.5 million for 27 minor projects. The future cost to complete projects proposed for partial funding in this budget is \$16 million.

Statewide: Construct Telecommunication Towers and Vaults, Phase 2

We recommend the Legislature delete this \$9,148,000 request for preliminary plans, working drawings, and construction of telecommunication towers and vaults because the department has not specified which facilities it proposes to construct or provided cost estimates to justify the amount of this proposal. (Delete \$9,148,000 from Item 3540-301-0001 [32].)

The department operates 103 telecommunications facilities, which generally consist of an antenna tower, communications equipment building, emergency power generator, and microwave dishes. These are used to support not only the department's fire and emergency response activities but the telecommunications needs of numerous federal, state, and local agencies.

Background. The 1995-96 Budget Act appropriated \$10 million to construct 22 towers. Those facilities did not proceed on schedule and the \$10 million was reappropriated in the 1996-97 Budget Act. At the time the Legislature reappropriated these funds, the department gave no indication the \$10 million would not be sufficient to construct all 22 towers. When bids were received for this work in October 1996, the bids were significantly *higher* than the appropriation authority so they did not proceed with the projects. Consequently, in the 1997-98 Governor's Budget the department requested a \$12.4 million augmentation (a 124 percent increase) to undertake the original project. The Legislature denied this request and adopted supplemental report language directing the department to fund the 11 highest priority towers with the original \$10 million appropriation.

Current Proposal. The \$9 million budget request is to fund the replacement of ten of the remaining 11 towers the Legislature denied in 1997-98. The department has provided limited information in support of this request. It has not (1) specified which towers it proposes to construct, (2) addressed the need to replace more towers in view of the Legislature's directive in the current year to replace the highest priority towers with the original \$10 million, or (3) provided project-specific cost estimates. Given the history of this tower replacement project and prior legislative action, we recommend the Legislature delete the requested \$9,148,000. If the department provides more definitive information as described above, a proposal to replace some towers may warrant legislative consideration.

Department of Forestry and Fire Protection (3540)

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4. Long Beach--Purchase of Leased Facility. The amount of \$4,558,000 is provided for the purchase (\$4,550,000) and administrative fees (\$8,000) to exercise a purchase option by June 1, 1999. This facility represents a 13,587 gross square foot (gsf) drivers license only office on 2.73 acres of land.

5. Oakland-Claremont Field Office--Building Replacement. The amount of \$5,289,000 is provided for construction to demolish the existing building and construct a new 28,891 gsf office. This amount includes \$5,210,000 for construction consisting of \$4,539,000 for construction contracts; \$227,000 for contingency; \$444,000 for contract administration, testing, and inspection; and \$79,000 as agency retained items for cabling. Construction is scheduled for completion in October 1999.

Item 3540-301-0001--Department of Forestry and Fire Protection--Capital Outlay

1. Alma Helitack Base--Replace Facility. The budget provides \$218,000 for Stage II, preliminary plans and working drawings to replace the helitack base/forest fire facility in Santa Clara County. The project includes construction of two new two-engine apparatus buildings (1,984 gross square feet [gsf] each); a 22-bed barracks/messhall building (3,740 gsf); a hazmat building (150 gsf); demolition of five existing buildings; site work, new asphalt paving, sidewalks, grading, above-ground fuel storage installation, and associated utility tie-ins. The total estimated project cost is \$2,367,000 including acquisition (\$500,000); preliminary plans (\$114,000); working drawings (\$104,000); and construction (\$1,649,000) (CCCI 3722). Building construction cost is \$795,000. Preliminary plans are to begin upon approval of the 1998-99 budget and working drawings are to be completed by April 1999.

2. Sonoma Air Attack Base--Replace Facility. The budget provides \$1,937,000 for the construction of this second and final stage to replace the Sonoma Air Attack Base in Sonoma County including the construction of a new 4,167 gsf air operations building; a 150 gsf hazmat building; and replacement of the roof of the existing warehouse. Site work consists of the repair or replacement of existing taxiways and installations of new taxiways, loading pits, asphalt paving, sidewalks, grading and above-ground fuel storage facilities, and associated tie-ins. The total estimated project cost is \$2,156,000 including preliminary plans (\$108,000); working drawings (\$111,000); and construction (\$1,937,000) (CCCI 3722). Building construction cost is \$610,000. Construction phase is to begin upon approval of the 1998-99 budget and to be completed by December 2000.

3. Bridgeville Forest Fire Station--Relocate Facility. The budget provides \$149,000 for the acquisition phase of the project to select and acquire a site suitable for relocation of the Bridgeville Forest Fire Station in Humboldt County. The project includes site selection and acquisition of a 5 acre site suitable for construction of a standard one-engine forest fire station consisting of a 2,330 gsf barracks/messhall; a 1,697 gsf apparatus building; a 100 gsf fuel building; site work, paving, utilities and appurtenances. The total estimated project cost is \$1,513,000 including acquisition (\$149,000); preliminary plans (\$55,000); working drawings (\$90,000); and construction (\$1,219,000) (CCCI 3722). Building construction cost is \$694,000. Site selection and acquisition to begin upon approval of the 1998-99 budget and to be completed by June 1999.

4. Stevens Creek Forest Fire Station--Replace Facility. The budget provides \$123,000 for the preliminary plans and working drawings to replace the Stevens Creek Forest Fire Station in Santa Clara County. The project includes construction of a 2,330 gsf barracks/messhall building; a 1,697 gsf apparatus building; a 100 gsf fuel building; demolition of existing facilities; site work, paving, utilities and appurtenances. The total estimated project cost is \$1,006,000 including preliminary plans (\$59,000); working drawings (\$64,000); and construction (\$883,000) (CCCI 3722). Building construction cost is \$438,000. Preliminary plans are to begin upon approval of the 1998-99 budget and working drawings to be completed by June 1999.

5. Rohnerville Air Attack Base--Replace Facility. The budget provides \$1,479,000 for the construction phase of this second and final stage to replace the Rohnerville Air Attack Base in

4. Long Beach--Purchase of Leased Facility. The amount of \$4,558,000 is provided for the purchase (\$4,550,000) and administrative fees (\$8,000) to exercise a purchase option by June 1, 1999. This facility represents a 13,587 gross square foot (gsf) drivers license only office on 2.73 acres of land.

5. Oakland-Claremont Field Office--Building Replacement. The amount of \$5,289,000 is provided for construction to demolish the existing building and construct a new 28,891 gsf office. This amount includes \$5,210,000 for construction consisting of \$4,539,000 for construction contracts; \$227,000 for contingency; \$444,000 for contract administration, testing, and inspection; and \$79,000 as agency retained items for cabling. Construction is scheduled for completion in October 1999.

Item 3540-301-0001--Department of Forestry and Fire Protection--Capital Outlay

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Design Process

Concept &
Budget Phase

Administration
Legislature

- Needs Assessment
- Capital Outlay Budget change Proposal
- * • Budget Package
- Governor's Budget
- Legislative Approval

- * 1. Scope
- 2. Cost Estimate
- 3. Schedule
- 4. Environmental Assessment

Preliminary
Plans

RES
A/E

- Programming
- Schematic Design
- Engineering
- Design Development
- Environmental Documents
- Cost Estimate
- Schedule Update
- Code Waivers
- Client Reviews

Public Works
Board Approval

Client/RES
DOF/PMB

- Scope Verification
- Cost & Schedule Review
- Approval to Proceed (Working Drawings)

Working Drawing
Phase

RES
A/E

- Construction Documents
- Client Review
- ** • Regulatory Reviews
- Construction Contract Development
- Cost Estimate
- Schedule Update
- Request DOF Approval to Bid

- ** 1. State Fire Marshal
- 2. Access Compliance
- 3. OSHPD (Hospitals)
- 4. Field Act (Schools)

Design Process

**Concept &
Budget Phase**

**Administration
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**Preliminary
Plans**

**RESD
A/E**

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**Working Drawing
Phase**

**RESD
A/E**

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- Client Review
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Development
- Cost Estimate
- Schedule Update
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PRELIMINARY PLAN PHASE

By the time a project reaches the preliminary plan stage, the budget and scope are set. One of the first things that the RESD Project Director does when the final budget is signed and printed is to verify the budget information with the budget package numbers. If a discrepancy exists, the Project Director will notify the client agency and request direction.

A. FUND TRANSFERS

RESD CAM Branch will create a separate work order number for each project. The Project Director will prepare either a Form 22 (cash) or 220 (bond funds) for the amount appropriated for preliminary plans, forwarding this document to the client agency for processing. RESD logs and monitors each Form 22/220 to ensure that they are processed in a timely manner. Upon receipt of the completed form, the RESD forwards a copy to the Capital Outlay section of DGS Office of Fiscal Services.

B. DESIGN EFFORT

If in-house staff is not utilized to design the project, then consultant selection is initiated, consisting of the following steps:

1. Define scope of project for advertising in the State Contracts Register (SCR) and professional publications.
2. Place ad in the SCR and professional publications for Statements of Qualifications.
3. Review Statements of Qualifications.
4. Determine DVBE goals are met, and good faith effort performed.
5. Determine short list of qualified consultants.
6. Notify short list of qualified consultants.
7. Conduct Interviews.
8. Select Consultant.
9. Notify consultants and professional publications.
10. Negotiate scope and fees.
11. Execute a contract.
12. Smaller projects may be accomplished with the use of a retainer contract.

C. CEQA PROCESS

During the development of preliminary plans, the client agency has the responsibility to comply with the California Environmental Quality Act (CEQA). The Public Works Board will not allow project to move forward into working drawings until the CEQA process is completed.

RESD/PSB has staff and consultants on retainer who can and do prepare CEQA documents for various agencies upon request.

D. DESIGN DOCUMENT DEVELOPMENT

1. Prepare PP's PS&E (Plans, Specifications, and Estimate).
2. Review PP's.
3. Prepare PP Estimate for PWB approval and, if required, for budget consideration.

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RESD

ORIGINATING OFFICE

PSB

PMB

BPM

Other

DOCUMENT NUMBER

WORK ORDER NUMBER

DATE

PUBLIC WORKS PROJECT AUTHORIZATION AND TRANSFER REQUEST - FORM 22

DSA Form 22 (Rev. 1/87)

The Department of General Services is hereby authorized to proceed with the following project, and the State Controller is hereby requested to transfer funds to the Architecture Re Fund in the amount shown below in accordance with Sections 14957 et seq of the Government Code.

DESCRIPTION OF PROJECT

PUBLIC WORKS BOARD APPROVAL DATE	TOTAL ESTIMATED PROJECT COST
PRIOR EXPENDITURES FOR PRELIMINARY PLANNING (To be capitalized on completion of project)	APPROVED, DEPARTMENT OF GENERAL SERVICES <i>[Signature]</i>
	TITLE
	DATE

SPACE BELOW FOR AGENCY USE

SOURCE OF FUNDS

(IF MORE THAN ONE FUND OR APPROPRIATION, SHOW AMOUNT TO BE TRANSFERRED FROM EACH)

FUND	APPROPRIATION (Name and Chapter Number)

APPROVED BY <i>[Signature]</i>	DATE	BUDGET ALLOTMENT TITLE	DATE
I hereby certify upon my own personal knowledge that budgeted funds are available for this encumbrance.		UNENCUMBERED BALANCE BEFORE POSTING THIS ESTIMATE	
		(AFTER T.B.A. OR B.R. NO...)	
<i>[Signature]</i>	Accounting Officer	AMOUNT TO BE TRANSFERRED	
APPROVED BY <i>[Signature]</i>		TITLE	DATE

DEPARTMENT OF FINANCE APPROVAL

SIGNATURE <i>[Signature]</i>	TITLE	DATE
---------------------------------	-------	------

DISTRIBUTION: 1. Original - CONTROLLER, ACCOUNTING 2. DSA/OPDM 3. AGENCY 4. DEPT OF FINANCE 5. ACCOUNTING (Cap. Outlay)

**PUBLIC WORKS PROJECT AUTHORIZATION
AND TRANSFER REQUEST - FORM 22**

DSA Form 22 (Rev. 1/97)

RESD

ORIGINATING OFFICE

PSB

PMB

BPM

Other

DOCUMENT NUMBER

WORK ORDER NUMBER

DATE

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	TITLE
	DATE

SPACE BELOW FOR AGENCY USE

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RESD

ORIGINATING OFFICE

PSB PMB

BPM Other

DOCUMENT NUMBER

WORK ORDER NUMBER

**PUBLIC WORKS PROJECT AUTHORIZATION
BOND PROCEEDS FUNDED PROJECTS**

DSA - Bond Form 220 (Rev 9/96)

NOTE: A COPY OF THIS FORM MUST BE ATTACHED TO THE FACE SHEET OF EACH CLAIM SCHEDULE

The Department of General Services is hereby authorized to proceed with the following project. Pursuant with Sections 14957 et. seq. of the Government Code, The State Controller is hereby notified of funds needed for the described project. Transfer of funds to the Architecture Revolving Fund is to be processed when payment of expenditures is presented.

Description of project:

PUBLIC WORKS BOARD APPROVAL DATE	AMOUNT REQUESTED	CUMULATIVE AUTHORIZATION
SIGNATURE 	TITLE	DATE

SPACE BELOW FOR AGENCY USE

SOURCE OF FUNDS	AGENCY APPROPRIATION
<p>FROM:</p> <p>1. PMIA Loan No. (If Applicable) _____</p> <p>TO:</p> <p>1. Bond Expenditure Sub-cash Account No. _____</p>	<p>CHAPTER NUMBER / ITEM / PROGRAM / CATEGORY (IF MORE THAN ONE FUND OR APPROPRIATION, SHOW AMOUNT TO BE TRANSFERRED FROM EACH)</p> <p>REVERSION DATE</p>

AGENCY CERTIFICATION

I hereby certify upon my own personal knowledge that budgeted funds are available for this encumbrance.

SIGNATURE (Agency Accounting Officer) 	TITLE	PHONE NUMBER	DATE
SIGNATURE (Authorized Agency Signator) 	TITLE	PHONE NUMBER	DATE

TRANSFER REQUEST (COA USE ONLY)

The State Controller is hereby requested to transfer these funds to the Architecture Revolving Fund in accordance with Chapter 6, Statutes of 1987, transfer cash to cover expenditures for:

AMOUNT TO BE TRANSFERRED: \$

FOR CONTROLLER'S USE ONLY

SCO ACCOUNT NUMBER	REVERSION DATE
Bond Loan Proceeds/Upfront Bond Sale Proceeds Sub-Cash Account No.	

DEPARTMENT OF FINANCE APPROVAL

SIGNATURE 	TITLE	DATE
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- DISTRIBUTION: 1. Original - CONTROLLER, ACCOUNTING 2. DSA/OPDM/OBG/OREDS 3. AGENCY 4. DEPT OF FINANCE 5. ACCOUNTING (Cap. Outlay)

RESD

ORIGINATING OFFICE

PSB PMB

BPM Other

DOCUMENT NUMBER
WORK ORDER NUMBER

**PUBLIC WORKS PROJECT AUTHORIZATION
BOND PROCEEDS FUNDED PROJECTS**

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CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

II. C. 3. c.

1.0 GENERAL

The California Legislature enacted the California Environmental Quality Act (CEQA) in 1970. CEQA requires public agency decision makers to document and consider the environmental implications of their actions. Section 6850 of the State Administrative Manual (SAM) requires that CEQA be followed for all capital outlay projects.

2.0 PROCEDURE

A. Projects Subject to CEQA

The CEQA process begins with the client agency determining whether the activity is a "project" as defined by CEQA. CEQA defines a project as being the whole of an action which has a potential for resulting in a physical change in the environment directly or indirectly. A flow chart showing the CEQA process is attached.

The agency must consider the following possibilities:

1. If the agency action does NOT constitute a project subject to the act, no further review is required.
2. If the action meets the definition of a project, it could nevertheless be exempted from the act either by statute or by the Resources Agency's list of "categorical exemptions." There are 29 classes of categorical exemptions. Review is required to determine if the project falls into any of the classes. Statutory exemptions are listed in the Public Resources Code Section 21080 and Guidelines Sections 15260 through 15277. A copy of CEQA Guidelines, Sections 15301 through 15305 is attached. It lists the most relevant classes. New exemptions may be added every year.
3. If the project is categorically exempt, it must be determined that the exemption is not negated by one of the following considerations:
 - a. The project site is environmentally sensitive.
 - b. The project and successive projects of the same type in the same place will result in cumulative impacts.
 - c. There are unusual circumstances creating the reasonable possibility of significant effects.
4. If the agency determines its action is a project, but is not subject to either a statutory or categorical exemption, but common sense shows with certainty that there is no possibility that the project will result in significant impacts then no further review is required.

The client agency may need to file a Notice of Exemption (NOE) which is a brief notice indicating the agency has decided to carry out this project and that it is exempt from CEQA review. A sample form is attached. A State agency files an NOE with the Office of Planning & Research (OPR). If a NOE is filed, interested persons have thirty-five days to file a challenge. If the agency does not file a NOE, the statute of limitations is one hundred-eighty days.

B. Application of CEQA:

Once an action is determined to be a project, the agency needs to determine if the project will have a significant effect, this will assist in determining which type of environmental document will be required:

1. A Categorical Exemption,
2. A Negative Declaration, or
3. An Environmental Impact Report.

C. Procedure:

At the beginning of Preliminary Plans, ask the client agency for a copy of the Notice of Determination (NOD). A sample is attached. An NOD is filed, required by statute, by an agency after it has approved the project at the end of the CEQA process. If the project went through the Environmental Impact Report (EIR) process, also request a copy of the Resolution/Certification and Findings issued by the lead agency. Review these documents for any required mitigation in the design of the project. Give a copy of the NOD and the Resolution/Certification and Findings to the Project Coordinator for filing and future sign off prior to Filing for Bid.

The NOD, for either Negative Declarations or EIRs, must be filed with the Office of Planning and Research (OPR) when the lead agency is a state agency and within five (5) working days of agency's approval of the Negative Declaration. Only accept a copy of the NOD which has been stamped by OPR. If there is any question, ask the designated CEQA lead for direction. Filing of the NOD triggers a 30-day statute of limitations during which legal challenges may be filed.

If a NOD is not available because the California Environmental Quality Act process has not been activated or completed, advise the Client Agency, in writing, of potential time delays to the project if the process is not completed. Projects which have not gone through the required CEQA process, should not be filed for bids.

D. Attachments

1. SAM Section 6850
2. CEQA Process Flow Chart
3. CEQA Guideline Sections 15301 through 15305
4. CEQA Notice of Exemption
5. CEQA Note of Determination

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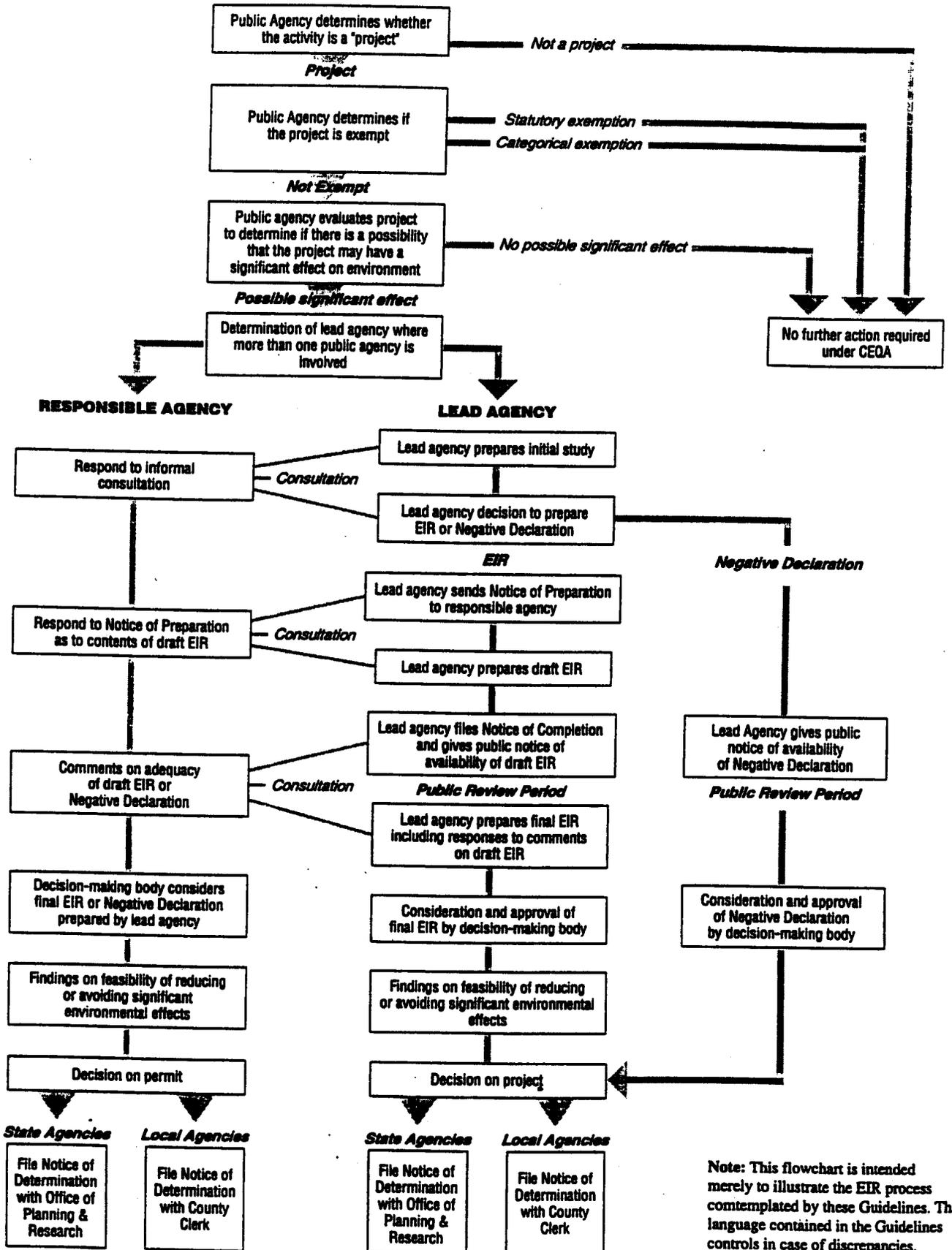
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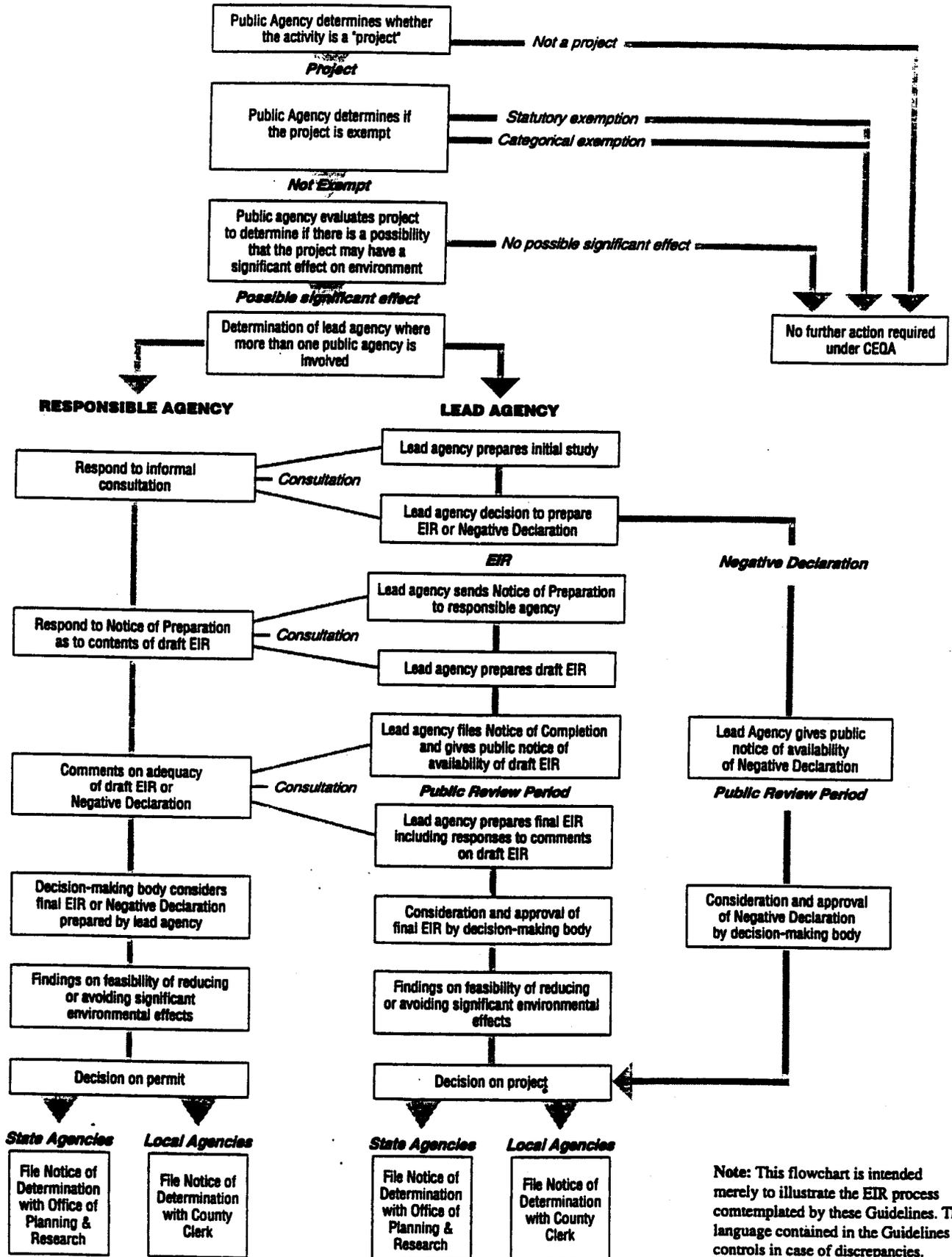
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CEQA PROCESS FLOW CHART



Note: This flowchart is intended merely to illustrate the EIR process contemplated by these Guidelines. The language contained in the Guidelines controls in case of discrepancies.

CEQA PROCESS FLOW CHART



ENVIRONMENTAL IMPACT REVIEW PROCESS

6850

(New 5/98)

PWB requires satisfaction of environmental concerns in accordance with the California Environmental Quality Act (CEQA) before it will approve preliminary plans for a project and generally prior to approval of site selection as well. Legal statutes and related regulations covering CEQA can be found in Public Resource Code Section 21000 et seq. and its accompanying regulations, California Code of Regulations (CCR) 15000 et seq. Many actions brought before PWB for consideration and approval are "projects" within the definition of CEQA. These statutes and regulations set out the environmental review requirements for such projects.

Key definitions: For assistance on understanding the documents and notices required by CEQA, see the *Guidelines for California Environmental Quality Act*, Section 15000–15387, CCR, Title 14, Chapter 3. The guidelines provide an explanation of the environmental process and the definition of many common terms. The following summarizes a few frequently used terms and describes what CEQA documents include:

1. **Project per CEQA:** The term *project* per CEQA is defined in CCR Section 15378(a) (3) as an activity involving a lease, permit, or license issued to a person or entity.
2. **Environmental impact report:** An *environmental impact report (EIR)* is one of the three basic types of environmental documents that may be prepared by a lead agency to disclose the potential environmental consequences of an action. An EIR consists of draft and final documents. There are several types of EIR (focused, supplemental, program, etc.). An EIR "... is an informational document which will inform public agency decision-makers and the public generally of the significant environmental effect of a project, identify possible ways to minimize significant effects, and describe reasonable alternatives to the project" (Section 15121, Title 13, Chapter 3 of the CCR). An EIR is required when a project will have one or more significant environmental effects that cannot be either avoided or reduced to a level of insignificance through the use of mitigation measures or changes to the project.
3. **Negative declaration/initial study:** A second type of environmental document is a *negative declaration*. A negative declaration may be used if the project is not expected to have one or more significant effects on the environment. A negative declaration typically is supported by an initial study or initial study checklist.
4. **Categorical exemption:** A *categorical exemption* is an exemption from CEQA based on one or more classes of actions/projects established in regulation. Each class of projects has been determined to not have a significant effect on the environment.

Related notices include:

1. **Notice of determination:** A *notice of determination* is a brief notice filed by the lead or responsible agency after it approves or determines to carry out a project or action that was subject to CEQA. For state projects, the notice is filed with the State Clearinghouse, Office of Planning and Research. Filing of this notice starts a 30-day litigation period. See Sections 15075 and 15094 of CCR, Title 14, for the contents of this notice. A notice of determination is used for both EIRs and negative declarations.
2. **Notice of exemption:** A *notice of exemption* is a brief notice that may be filed by the lead agency after it approves or determines to carry out a project or action that was exempt from CEQA because the project was *ministerial*, *categorically exempt*, etc. For state projects, the notice is filed with the State Clearinghouse. Filing of this notice starts a 35-day litigation period.

Client department's role: Environmental review is typically required for construction projects, projects funded through multi-year capital programs, land acquisitions, and land transfers. Other PWB actions may also be subject to the CEQA environmental review process. The lead agency in each case has the responsibility for determining whether the project is subject to CEQA.

The client department is responsible for meeting the requirements of CEQA. Departments must certify to the PWB that CEQA requirements have been met, including successful completion of the litigation period on each respective project approval, and must provide corroborating evidence (such as a date-stamped notice of determination or categorical exemption). In addition, departments must notify DOF of any developments, subsequent to completion of CEQA, that may indicate environmental contamination or other environmental issues that may require additional activities and/or costs.

Changes in the project: The client department as lead agency ensures that there have been no changes in the project, site conditions, or other factors that may make it necessary to prepare additional environmental documentation. The need for additional documentation could arise for a variety of reasons, especially if there has been a substantial period between completion of the environmental review process and project submittal to the board. For example, if information becomes available that there is an unexpected problem of soil contamination within the project site, the lead agency may need to revise the previously approved environmental document. Other examples include the adoption of new regulatory standards that impose constraints on the project, changes in the setting of the project site such as the reduced availability of on-site utilities (water supplies, sewer service, etc.), increased traffic congestion, or the development of adjacent land uses that conflict with the project.

The client department must also ensure that all projects remain in compliance with the environmental document prepared and adopted for each respective action. In some cases, it may be necessary to provide additional documentation to support the finding that the original environmental process remains valid. Both state and federal environmental review processes provide guidance on when supplemental or revised environmental documentation may be needed subsequent to the approval of a project.

PWB practices: Because resolution of CEQA concerns should generally precede PWB's approval of state funds for a project, PWB follows these practices:

1. **When processes should be completed:** Departments must provide PWB with evidence that the state's environmental review process has been completed by the lead agency (the public agency with primary authority for carrying out the action) *prior* to the required PWB action.
 - a. For construction projects, this means prior to approval of preliminary plans; and
 - b. For acquisition projects, this means prior to approval of site selection and acquisition.
2. **Notice of determination, categorical exemption:** In most cases, completion involves filing of the applicable project approval notice by the lead agency—either a *notice of determination* or a *categorical exemption*, as required by state regulation.
3. **Litigation period:** The litigation period (described in the preceding text) on the notice must have expired without a valid challenge *before* PWB will consider the item. The litigation period for a notice of determination is 30 calendar days; the litigation period for a categorical exemption is 35 calendar days. Consult the regulations for litigation periods for other types of notices.

ENVIRONMENTAL IMPACT REVIEW PROCESS
(New 5/98)

6850

PWB requires satisfaction of environmental concerns in accordance with the California Environmental Quality Act (CEQA) before it will approve preliminary plans for a project and generally prior to approval of site selection as well. Legal statutes and related regulations covering CEQA can be found in Public Resource Code Section 21000 et seq. and its accompanying regulations, California Code of Regulations (CCR) 15000 et seq. Many actions brought before PWB for consideration and approval are "projects" within the definition of CEQA. These statutes and regulations set out the environmental review requirements for such projects.

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The client department is responsible for meeting the requirements of CEQA. Departments must certify to the PWB that CEQA requirements have been met, including successful completion of the litigation period on each respective project approval, and must provide corroborating evidence (such as a date-stamped notice of determination or categorical exemption). In addition, departments must notify DOF of any developments, subsequent to completion of CEQA, that may indicate environmental contamination or other environmental issues that may require additional activities and/or costs.

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3. **Litigation period:** The litigation period (described in the preceding text) on the notice must have expired without a valid challenge *before* PWB will consider the item. The litigation period for a notice of determination is 30 calendar days; the litigation period for a categorical exemption is 35 calendar days. Consult the regulations for litigation periods for other types of notices.

Evidence of the completion of this process assures the board that it has minimized risk in committing state funds to a particular project or undertaking.

CEQA compliance outside the PWB process: CEQA requirements are not limited to projects reviewed by PWB. Actions not reviewed by PWB, such as minor capital outlay projects, may nonetheless constitute "projects" within the definition of CEQA and its accompanying regulations. Again, in each case the lead agency is responsible for determining the application of CEQA to each project and fulfilling the relevant requirements.

Sections 6849 and 6851 describe how CEQA compliance should be presented in the PWB agenda package.

Notice of Determination

TO: Office of Planning and Research FROM: (Public Agency) _____
 1400 Tenth Street
 Sacramento, California 95814
 or
 County Clerk
 County of _____

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code

Project Title _____

State Clearinghouse Number (If submitted to State Clearinghouse) _____

Contact Person _____ Telephone Number _____

Project Location _____

Project Description _____

This is to advise that the _____ (Lead Agency or Responsible Agency)

has approved the above described project and has made the following determinations regarding the above described project:

1. The project will have a significant effect on the environment.
 will not
2. An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
 A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
 The EIR or Negative Declaration and record of project approval may be examined at: _____

3. Mitigation measures were, were not, made a condition of the approval of the project.
4. A statement of Overriding Considerations was, was not, adopted for this project.

Date Received for Filing _____

Signature _____

Title _____

Notice of Exemption

II. C. 3. c.

TO: Office of Planning and Research
1400 Tenth Street
Sacramento, California 95814
 County Clerk
County of _____

From:

Project Title _____

Project Location—Specific _____

Project Location—City _____

Project Location—County _____

Description of Nature, Purpose, and Beneficiaries of Project _____

Name of Public Agency Approving Project _____

Name of Person or Agency Carrying Out Project _____

Exempt Status: (Check One)

_____ Ministerial (Sec. 15073)

_____ Declared Emergency (Sec. 15071(a))

- 7. Health Services—Beach sanitation, water pollution, solid waste and mosquito control.
- 8. Health Services—Pertains to health component.
- 9. Health Services—Most of these are strongly related to health.
- 10. Health Services—Pertains to noise.
- 11. Health Services—Pertains to personal and environmental health components.
- 12. Health Services—As it may pertain to human health hazards.
- 13. Health Services—Pertains to comprehensive health planning.
- 14. Colorado River Board—As pertains to the Colorado, New and Alamo Rivers.
- 15. Fish and Game—As field development and distribution systems may affect fish and wildlife.
- 16. Fish and Game—As may affect migrating and resident wildlife.

_____ Emergency Project (Sec. 15071(b) and (c))

_____ Categorical Exemption. State type and section number: _____

Reasons why project is exempt: _____

Contact Person _____

Area Code _____

Telephone _____

Extension _____

If filed by applicant:

- 1. Attach certified document of exemption finding.
- 2. Has a notice of exemption been filed by the public agency approving the project?
Yes _____ No _____

Date Received for Filing _____

Signature _____

Title _____

Design Process

**Concept &
Budget Phase**

**Administration
Legislature**

- Needs Assessment
- Capital Outlay
Budget change
Proposal
- * • Budget Package
- Governor's Budget
- Legislative Approval

- * 1. Scope
- 2. Cost Estimate
- 3. Schedule
- 4. Environmental Assessment

**Preliminary
Plans**

**RESD
A/E**

- Programming
- Schematic Design
- Engineering
- Design Development
- Environmental Documents
- Cost Estimate
- Schedule Update
- Code Waivers
- Client Reviews

**Public Works
Board Approval**

**Client/RESD
DOF/PMB**

- Scope Verification
- Cost & Schedule Review
- Approval to Proceed
(Working Drawings)

**Working Drawing
Phase**

**RESD
A/E**

- Construction Documents
- Client Review
- ** • Regulatory Reviews
- Construction Contract
Development
- Cost Estimate
- Schedule Update
- Request DOF Approval
to Bid

- ** 1. State Fire Marshal
- 2. Access Compliance
- 3. OSHPD (Hospitals)
- 4. Field Act (Schools)

PUBLIC WORKS BOARD APPROVAL SAM SEC 6842 ET SEQ

At the completion of design development, the design team will provide the Project Director with a preliminary estimate of the future phases and construction costs. Under the direction of the Project Director, the RESD estimating staff will review and comment on the estimate to ensure that the project cost presented is as accurate as possible and in accordance with the scope and budget as appropriated. Additionally, the estimators will prepare the official preliminary plan estimate as well as a five percent letter, if required. The five percent letter (side by side comparison) is required any time the current project estimate exceeds the budgeted cost (cost recognized by the legislature through appropriation) by five percent or more. The five percent letter compares the last recognized estimate with the current estimate. The estimate, plans and specifications are submitted to the Agency for forwarding to the DOF in their capacity as staff to PWB.

The Project Director has the primary responsibility to ensure the project remains within budget and scope and is delivered on time.

RESD, through the Project Director, provides technical support to the client agency and the DOF at both PWB meetings and budget hearings.



MEMORANDUM

Date: March 16, 1998

To: Greg Rogers
Department of Finance
915 L Street, Ninth Floor
Sacramento, CA 95814

From: Department of General Services – Real Estate Services Division
Customer Account Management Branch
400 R Street, Suite 5000, Sacramento, CA 95814

Subject: LEGISLATIVE OFFICE BUILDING ANNEX - DEMOLITION
DEPARTMENT OF GENERAL SERVICES, SACRAMENTO

Attached for your review and approval are completed Preliminary Plans, Outline Specifications and Preliminary Estimate No. 96DGS031-A, dated March 12, 1998, for the subject project. In addition, we have provided a copy of the Notice of Determination fulfilling all CEQA requirements for this project. These documents are being presented to you for submission to the State Public Works Board (PWB) for approval of Preliminary Plans and authorization to proceed with Working Drawings.

Chapter 162/96, Item 1760-301-0768 (6.5) appropriated funds of \$1,451,000 for Preliminary Plans (\$86,300), Working Drawings (\$88,400), and Construction (\$1,276,300) for the subject project. Construction funds reverted June 30, 1997, but Working Drawings funds of \$88,000 were reappropriated in Chapter 928/97, Section 11. Based upon the attached Preliminary Estimate, new funding for Construction (\$2,004,000) is being requested in the 1998 Budget Bill.

The project consists of the Demolition of the existing Annex at the Legislative Office Building. Existing architectural finishes and mechanical/electrical services will be removed and utilities capped as necessary to complete the demolition project. A new utility trench will be constructed to maintain existing utilities to the main building originating on N Street. Costs are included for backfilling the demolished structure, asphalt paving and striping of a new parking area within the footprint of the structure. The increase in Construction phase cost is attributable to: (1) increased hazardous materials abatement determined in the Preliminary Plans phase from hazardous material surveys and sampling; and (2) mechanical costs as they relate to the underground utilities trench.

The proposed project schedule is as follows:

Start Working Drawings:	4/98
Bid Date:	10/98
Completion Date:	7/99

Based upon this schedule (copy attached), we are requesting that this project be submitted to the April 10, 1998 meeting of the PWB. Pursuant to Section 6720 of the State Administrative Manual, the following documents are also provided:

- Proposed PWB agenda item
- Completed "Request for Approval to Proceed" (DF-14d)
- Project Cost and Funding Summary Worksheet
- PWB Briefing Document
- Notice of Determination (CEQA)

Since the project remains within the legislatively approved scope, we are requesting the project be placed on the consent calendar.

If you have any questions or require additional information, please contact Ann Cavanagh, at 445-4495, or me.



Theodore P. Park
Customer Account Manager
Real Estate Services Division
322-5281

Attachments

cc: Margaret Hudson, Chief, Project Management Branch, Real Estate Services Division, Department of General Services
Jack Barr, Chief, Professional Services Branch, Real Estate Services Division, Department of General Services
Joel McDonald, Program Manager, Special Programs, Professional Services Branch
Ann Cavanagh, Project Manager, Project Management Branch, Real Estate Services Division, Department of General Services
Tim Klinefelter, Project Management Branch, Real Estate Services Division, Department of General Services
Turner/Vanir, Construction Manager

**DEPARTMENT OF GENERAL SERVICES
CAPITAL OUTLAY COST ESTIMATE**

PROJECT: Legislative Office Building Annex
 LOCATION: 1021 O Street, Sacramento
 CLIENT: Department of General Services
 DESIGN BY: TBD
 PLAN DATE: NONE

PRELIMINARY ESTIMATE: 96DGS031-A
 WORK ORDER NO: SPS 616
 ESTIMATE RUN DATE: 13-Mar-98
 PREPARED BY: T/V
 ESTIMATE CCCI: 3650

DESCRIPTION

This project consists of demolition of the existing Annex at the Legislative Office Building in Sacramento. Existing architectural finishes, mechanical/electrical services and hazardous materials are removed and utilities capped as necessary, to complete the demolition project. A new utility trench is constructed to maintain existing utilities to the main building originating on N Street. Costs are included for backfilling the demolished structure, asphalt paving and striping of new parking area within foot print of Structure.

ESTIMATE SUMMARY

General Requirements	\$40,000
Demolition/Sitework	\$491,000
Concrete	\$20,000
Masonry	\$0
Metals	\$0
Wood	\$0
Roofing/Waterproofing	\$3,000
Doors/Glazing	\$16,000
Finishes	\$11,000
Specialties	\$0
Equipment	\$0
Historical Items Salvage	\$10,000
Special Construction	\$0
Vertical Transportation	\$0
Mechanical	\$396,000
Electrical	\$44,000
Hazardous Material Abatement	\$575,000

ESTIMATED TOTAL CURRENT COSTS:	\$1,606,000
Adjust CCCI From 3650 to 3722	\$32,000
	<hr/>
ESTIMATED TOTAL CURRENT COSTS ON JULY 1, 1998	\$1,638,000
Escalation to Midpoint 3 Months @ .25%/mo.	\$12,000
	<hr/>
ESTIMATED TOTAL CONTRACTS	\$1,650,000
Contingency At: 7%	\$116,000
	<hr/>
ESTIMATED TOTAL CONSTRUCTION COST	\$1,766,000

PROJECT: Legislative Office Building Annex
 WORK ORDER NO: SPS 616

PRELIMINARY ESTIMATE: 96DGS031-A
 ESTIMATE RUN DATE: 13-Mar-98

ESTIMATED TOTAL CONSTRUCTION COST		\$1,766,000
STRUCTURAL ENGINEERING SERVICES (BASIC)		\$193,000
OTHER PROJECT COSTS (NON-BASIC)		
Special Consultants (Asbestos)	\$71,000	
Materials Testing	\$2,000	
Project Management (State)	\$39,000	
Pre/Con/Construction Management	\$44,000	
DSA Plan Check	\$2,000	
Agency Retained Items	\$3,000	
Small and Minority Assessment - A&E	\$300	
Small and Minority Assessment - Const.	\$3,000	
Peer Review	\$0	
Hospital Checking	\$0	
Essential Services	\$0	
Handicapped Checking	\$0	
Environmental Document	\$55,000	
	<hr/>	
OTHER PROJECT COSTS TOTAL		\$219,300
		<hr/>
ESTIMATED TOTAL PROJECT COST		\$2,178,300
FUND TRANSFERS		
Ch. 162/96 Item 1760-301-0768 (6.5)	\$86,300	
	<hr/>	
TOTAL FUNDS TRANSFERRED		(\$86,300)
FUNDS AVAILABLE NOT TRANSFERRED		
Chp 928/97, Section 11	\$88,000	
	<hr/>	
TOTAL FUNDS AVAILABLE NOT TRANSFERRED		(\$88,000)
BALANCE OF FUNDS REQUIRED		\$2,004,000

NOTES:

1. The construction costs in this estimate are indexed from the CCCI Index as of the date of estimate preparation to the CCCI index that is projected as of July 1, 1998. The project estimate is then escalated for a 3 month period to an assumed construction midpoint. Escalation to an estimated construction start date is included.
2. The Agency may have additional retained items that are not included in this estimate.
3. This estimate is based on Preliminary Plans and Outline Specifications.

**SUMMARY OF COSTS
BY PHASE**

PROJECT: Legislative Office Building Annex
 LOCATION: 1021 O Street, Sacramento
 CLIENT: Department of General Services
 PREPARED BY: T/V

PRELIMINARY ESTIMATE: 96DGS031-A
 WORK ORDER NO: SPS 616
 ESTIMATE RUN DATE: 13-Mar-98

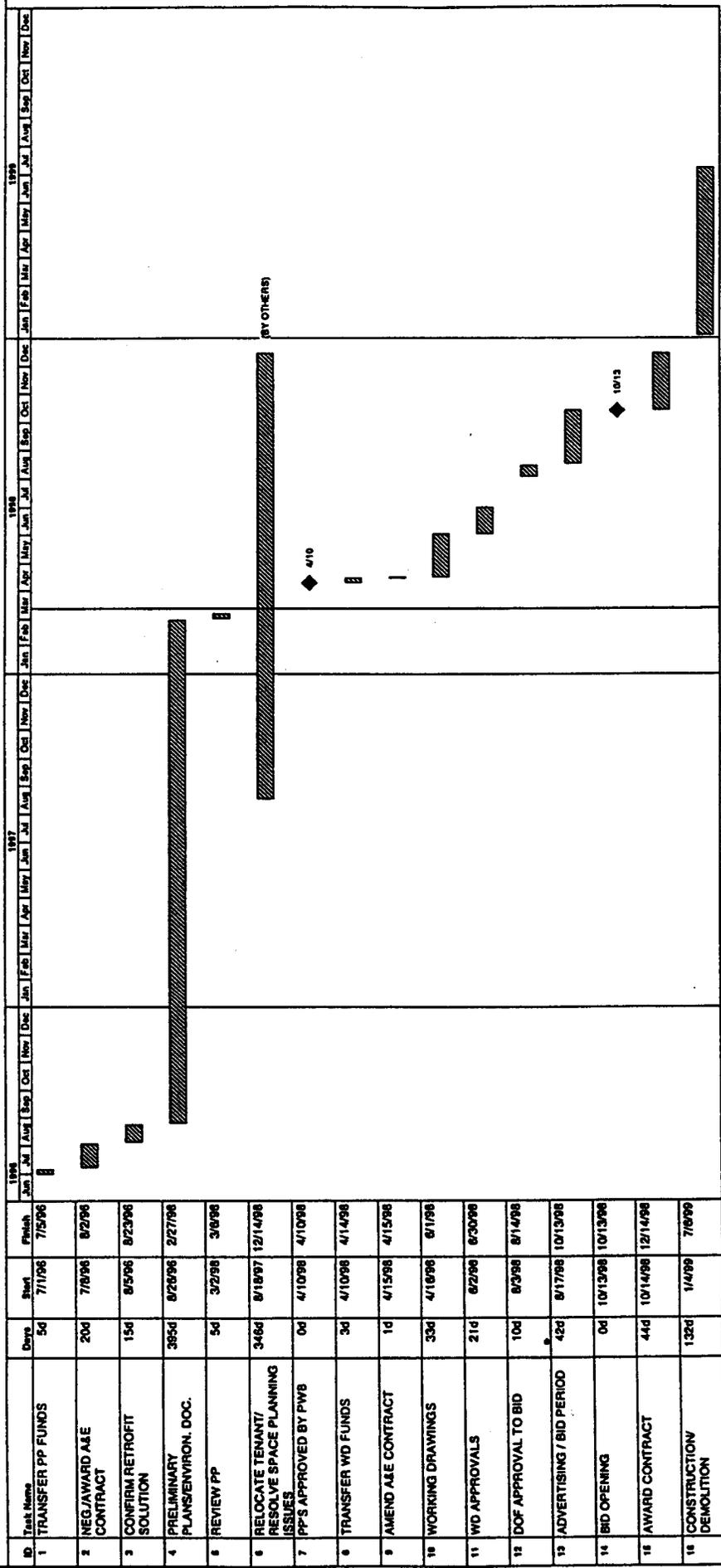
CONSTRUCTION DURATION		6 MONTHS
ESTIMATED CONTRACT COST	\$1,650,000	\$1,650,000
CONSTRUCTION CONTINGENCY	\$116,000	\$116,000
TOTAL	\$1,766,000	\$1,766,000

CATEGORY	STUDY 00	PRELIMINARY PLANS 01	WORKING DRAWINGS 02	CONSTRUCTION 03	TOTAL
STRUCTURAL ENGINEERING SERVICES					
Structural Engineering Design	\$0	\$17,000	\$48,000	\$19,000	\$84,000
Construction Inspection	\$0	\$0	\$0	\$100,000	\$100,000
Construction Inspection Travel	\$0	\$0	\$0	\$0	\$0
Coordination & Contract Management	\$0	\$0	\$0	\$0	\$0
Advertising, Printing and Mailing	\$0	\$0	\$8,000	\$1,000	\$9,000
Post Construction	\$0	\$0	\$0	\$0	\$0
SUBTOTAL SE SERVICES	\$0	\$17,000	\$56,000	\$120,000	\$193,000

OTHER PROJECT COSTS					
Special Consultants (Asbestos)	\$0	\$6,000	\$10,000	\$55,000	\$71,000
Materials Testing	\$0	\$0	\$0	\$2,000	\$2,000
Project Management (State)	\$0	\$7,000	\$12,000	\$20,000	\$39,000
Pre/Con/Construction Management	\$0	\$6,000	\$8,000	\$30,000	\$44,000
DSA Plan Check	\$0	\$0	\$2,000	\$0	\$2,000
Agency Retained Items	\$0	\$0	\$0	\$3,000	\$3,000
Small and Minority Assessment - A&E	\$0	\$300	\$0	\$0	\$300
Small and Minority Assessment - Const.	\$0	\$0	\$0	\$3,000	\$3,000
Peer Review	\$0	\$0	\$0	\$0	\$0
Hospital Checking	\$0	\$0	\$0	\$0	\$0
Essential Services	\$0	\$0	\$0	\$0	\$0
Handicapped Checking	\$0	\$0	\$0	\$0	\$0
Environmental Document	\$0	\$50,000	\$0	\$5,000	\$55,000
SUBTOTAL OTHER PROJECT COSTS	\$0	\$69,300	\$32,000	\$118,000	\$219,300

TOTAL ESTIMATED PROJECT COST	\$0	\$86,300	\$88,000	\$2,004,000	\$2,178,300
LESS FUNDS TRANSFERRED	\$0	\$86,300	\$0	\$0	\$86,300
LESS FUNDS AVAILABLE NOT TRANSFERRED	\$0	\$0	\$88,000	\$0	\$88,000
CARRY OVER	\$0	\$0	\$0	\$0	
BALANCE REQUIRED	\$0	\$0	\$0	\$2,004,000	\$2,004,000

**DEMOLITION - LEGISLATIVE OFFICE ANNEX
1021 O STREET, SACRAMENTO - DSA NUMBER 48 - SPS 9616
LEGISLATIVE OFFICE**



ACTION – ITEM X

DEPARTMENT OF GENERAL SERVICES (1760)

SACRAMENTO COUNTY

Legislative Office Building Annex - Demolition

*Authority: Chp 162/96, Item 1760-301-768 (6.5)
Chp 928/97, Section 11*

- a. **Approve Preliminary Plans**

BRIEFING DOCUMENT – ITEM X

Department of General Services – Legislative Office Building Annex Demolition

Action Requested

PWB approval of Preliminary Plans

Scope Description

The project scope has not changed. The project consists of the demolition of the existing Annex at the Legislative Office Building, 1021 O Street, in Sacramento. Existing architectural finishes, mechanical/electrical services and hazardous materials will be removed and utilities capped as necessary to complete the demolition project. A new utility trench will be constructed to maintain existing utilities to the main building originating on N Street. Costs are included for backfilling the demolished structure, asphalt paving and striping of a new parking area within the footprint of the structure.

Funding and Project Cost Verification

Chapter 162/96, Item 1760-301-0768 (6.5) appropriated funds of \$86,300 for Preliminary Plans, \$88,400 for Working Drawings, and \$1,276,300 for Demolition of the project. Construction funds were reverted June 30, 1997. Working Drawing funds of \$88,000 were reappropriated by Chapter 928/97, Section 11. New Construction funds (\$ 2,004,000) are being requested in the 1998 Budget Bill. The increase in construction funds is attributable to increased hazardous material abatement and mechanical costs associated with the utilities trench.

\$174,300	funding in place
\$2,004,000	proposed funding necessary – to be determined in future budget
\$2,178,300	total estimated project cost
\$86,300	previously allocated for preliminary plans
\$2,092,000	to be allocated for working drawings \$88,000 and construction \$2,004,000 (\$1,650,000 contract, \$116,000 contingency, and \$238,000 A&E) at CCCI 3650.

CEQA

A Notice of Determination has been completed and was filed at the State Clearinghouse on August 15, 1997, with the 30 day Statute of Limitations under CEQA expiring September 14, 1997.

Project Schedule

The proposed project schedule is as follows:

Start Working Drawings:	4/98
Bid Date:	10/98
Completion Date:	7/99

Staff Recommendation

Approve Preliminary Plans.

PROJECT: LEGISLATIVE OFFICE BUILDING ANNEX - DEMOLITION

Date: 3/16/98

DEPARTMENT: Department of General Services

Work Order: SPS 616

LOCATION: 1021 O Street, Sacramento

PROJECT COST AND FUNDING SUMMARY WORKSHEET

COST DATA

A CHRONOLOGICAL HISTORY OF PROJECT COSTS. Initial date and authority will normally be Supplemental Language related to the implementing Budget Act. The data and authority for all subsequent changes must be reflected (i.e. subsequent legislation, PWB action, DOF action).

Date Authority	17-Apr-96 Budget Estimate 96DGSB96.031	13-Mar-98 Preliminary Estimate 96DGS031-A				
Study						
Schematics						
PP	\$86,300	\$86,300				
WD	\$88,400	\$88,000				
Construction	\$1,276,300	\$2,004,000				
Contract	\$1,063,300	\$1,650,000				
Contingency	\$74,000	\$116,000				
A&E Cost	\$139,000	\$238,000				
Retained	\$0	\$0				
Total Project Cost	\$1,451,000	\$2,178,300				

FUNDING DATA

Display all funding which has been provided and any adjustments which have been made. (This includes budget package funds provided from Department of Finance, as well.)

Chapter/Item	Phase	Amount	Dollars Transferred or Allocated and Adjustments*	Net	Comments
162/96, 1760-301-768 (6.8) 928/97, Section 11	P W	\$86,300 \$88,000	(\$86,300)	\$0 \$88,000	WD funds were reappropriated Constr funds were reverted.
TOTALS		\$174,300	(\$86,300)	\$88,000	

*Includes reversions and augmentations - Indicates E.O. # in "Comments".

SAM—CAPITALIZED ASSETS

Capital Outlay Cost, Funding and Schedule Summary						
Organization Code: _____	Department: _____					
Project ID Code: _____	Project Title: _____					
<i>This form provides a chronological history of the project. The initial column reflects the detail related to implementing the Budget Act or authorizing legislation. Subsequent columns reflect all reportable project phases listed in the schedule section below plus additional reporting for mid-phase scope/funding changes.</i>						
Requested Action: _____						
PWB/DOF Action Date: _____						
COSTS - Display new totals for each category.						
Study						
Acquisition						
Preliminary Plans						
Working Drawings						
Total Construction						
Equipment Phase (Group 2)						
Other						
Total Costs		-	-	-	-	-
Construction Detail - Must tie to total construction costs above.						
Contract						
Contingency						
A&E Costs						
Group 2 Equipment						
Agency Retained						
Total Construction		-	-	-	-	-
FUNDING DATA - Include all funding provided. For reversions and augmentations indicate EO number.						
Chapter / Item	Must tie to Total Costs, above					
97-3680-301-0516						

Change Requested						
Future Funding						
Total Funding		-	-	-	-	-
SCHEDULE - Include all project dates (MM/DD/YYYY).						
Study Completion						
Acquisition Completion						
Start Preliminary Plans						
Preliminary Plan Approval						
Approval to Proceed to Bid						
Contract Award Approval						
Project Completion						

NOTICE OF DETERMINATION

TO: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

FROM: California Department of General Services
1325 J Street, Suite 1910
Sacramento, CA 95814

SUBJECT: Filing of Notice of Determination in compliance with
Section 21108 of the Public Resources Code

Project Title:
Legislative Office Building Annex Demolition Project

State Clearinghouse Number	Contact Person	Telephone Number
97012044	Carol Guilbault	(916) 324-6945

Project Location:
The Legislative Office Building (LOB) Annex is located at 1021 O Street in downtown Sacramento

Project Description:
The project involves the demolition of the Legislative Office Building (LOB) Annex at 1021 O Street in downtown Sacramento. As part of the State Seismic Program, it was determined that the LOB Annex could experience substantial damage during an earthquake, with moderate to extensive risk to occupants. Because renovation of the LOB Annex is cost prohibitive, the State proposes to demolish it. The objective of the proposed project is to ensure that seismic risk to human life would be minimized through the removal of a seismically unsafe building.

This is to advise that the Department of General Services has approved the above described project and has made the following determinations regarding the above described project:

1. The project will have a significant effect on the environment.
2. An Environmental Impact Report (EIR) was prepared and approved for the project pursuant to the provisions of CEQA. The EIR and record of project approval may be examined at the offices of the California Department of General Services, 400 R Street, Suite 5100, Sacramento, CA 95814.
3. Mitigation measures were made a condition of the approval of the project.
4. A Statement of Overriding Considerations was adopted for this project.

Date received for filing:



Peter G. Stamison
PETER G. STAMISON, Director
Department of General Services

8/14/97
Date

REQUEST FOR APPROVAL TO PROCEED OR ENCUMBER FUNDS

The DEPARTMENT OF GENERAL SERVICES hereby requests PWB / DOF action related to the following project:

1. Project ID: 59.99.031 Project Title: DEMOLITION, LEGISLATIVE OFFICE BUILDING ANNEX, SACRAMENTO

2. Requested PWB/DOF Action Date: APRIL 10, 1998 Date of last approval: N/A

3. Requested Action: (all reporting requirements related to this request as defined in SAM, are attached)

___ Site Acquisition - Section 6848 (an agenda package has been submitted to DGS)

Approve Preliminary Plans - Section 6851

___ Approve Working Drawings - Section 6852

___ Approve Proceed to Bid - Section 6852

___ Approve Construction Contract Award - Section 6853

___ Request for Augmentation / Reversion - Section 6861, 6862

___ Approve Scope Change - Section 6863

___ Other, Specify: _____

4. Project Completion Reporting: (reporting requirements as defined in Section 6856 are attached)

___ Project Occupancy

___ Project Completion

___ Project Close-out

5. Project Certifications:

CEQA Compliance: (reporting requirements as defined in Section 6850 are attached)

This project meets CEQA compliance requirements.

___ The action requested does not invalidate the CEQA compliance.

___ The action requested mandated a review of the CEQA compliance.

Scope Changes: (reporting requirements as defined in Section 6863 are attached)

Project scope has not changed from that as defined in the previous reporting.

___ A change in project scope is necessary in order to proceed with the project.

Costs/Funding/Schedule Changes: (reporting requirements as defined in Section 6861 are attached)

Costs, funding, and schedules have not changed from that as defined in the previous reporting.

___ Changes in cost, funding and/or schedules are necessary in order to proceed with the project.

I hereby certify that the above is accurate and that the necessary reporting requirements as defined in SAM are included with this request.

Project Manager

Date: _____

Department Director/Designee

Date: _____

RESULTING ACTION

___ The following action(s) are approved. Authority is granted to proceed when funding authority permits.

___ The following must be addressed prior to granting approval of all actions: _____

Department of Finance

Date: _____

DF 14D (rev 12/97)

Design Process

**Concept &
Budget Phase**

**Administration
Legislature**

- Needs Assessment
- Capital Outlay
Budget change
Proposal
- * • Budget Package
- Governor's Budget
- Legislative Approval

**Preliminary
Plans**

**RESD
A/E**

- Programming
- Schematic Design
- Engineering
- Design Development
- Environmental Documents
- Cost Estimate
- Schedule Update
- Code Waivers
- Client Reviews

**Public Works
Board Approval**

**Client/RESD
DOF/PMB**

- Scope Verification
- Cost & Schedule Review
- Approval to Proceed
(Working Drawings)

**Working Drawing
Phase**

**RESD
A/E**

- Construction Documents
- Client Review
- ** • Regulatory Reviews
- Construction Contract
Development
- Cost Estimate
- Schedule Update
- Request DOF Approval
to Bid

- * * 1. Scope
2. Cost Estimate
3. Schedule
4. Environmental Assessment

-
- * * 1. State Fire Marshal
2. Access Compliance
3. OSHPD (Hospitals)
4. Field Act (Schools)

WORKING DRAWING PHASE

A. FUND TRANSFER

1. Prepare and distribute fund transfer document.

B. CONSTRUCTION DOCUMENT DEVELOPMENT

1. Amend A&E Contract or Project Service Agreement as necessary .
 2. Prepare PS&E, options of 50, 75 and 100 percent submittals for review.
 3. Review PS&E.
- a) Plans and specifications reviewed by RESD and other state reviewing agencies such as the State Fire Marshal, Access Compliance, Structural Safety and OSHPD when required.
 - b) Make final revisions.
 - c) Certify OSHPD when required.
 - d) Estimate reviewed and updated by RESD as necessary.
 - e) Prepare final estimate.
 - f) Request DGS accounting to certify availability of funds.
 - g) Compile and submit SAM 6852 Data to Client Agency.
Form DF14D (SAM sec 6845 ill. 1)
Updated Project Schedule
Project Cost, Funding and Schedule Summary (SAM Section 6845 ill. 2)
Certify the scope of the project is the same as the legislatively approved scope.
 - h) Client Agency reviews and submits SAM 6852 Data to DOF.
 - i) DOF reviews and approves form DF14D to Bid the project.
 - j) Client Agency Notifications (Assembly Members, Senate Members, Local Officials).

Bidding Phase

Cont./RESD

- Advertise DVBE
- Issue any needed Addenda
- Prepare / Submit Bid

Pre-Bid Conference

Advertise for Bids

Open Bids

Verify Bid Documents

Approve Funds for Construction

Award Construction Contract

RESD

- Sec 10140 SCA
- Issue Bid Documents
- Site Tour
- Project Presentation
- Mandatory DVBE Requirements (Sec 10115 SCA)

RESD

RESD

- Public Opening
- Signed Bid Form
- Bid Bond (Sec 10167 SCA)
- DVBE Documentation
- Preliminary Bid Tabulation

RESD

- Approve DVBE Subcontractor Listing (SEC 4104 SCA)
- Verify License
- Issue Final Bid Tabulation
- Request Approval to Award *

DOF

- Approve Payment and Performance Bonds (Sec 10221 SCA)
- Approve Insurance
- Issue Contract
- Issue Notice to Proceed

RESD

Legend

RESD DGS / Real Estate Services Division

DOF Department of Finance

CONT. Contractor

August 1997

- * 1. Financial Statement
- 2. Funds Transfer Document
- 3. DF-14d
- 4. Schedule

BIDDING PHASE

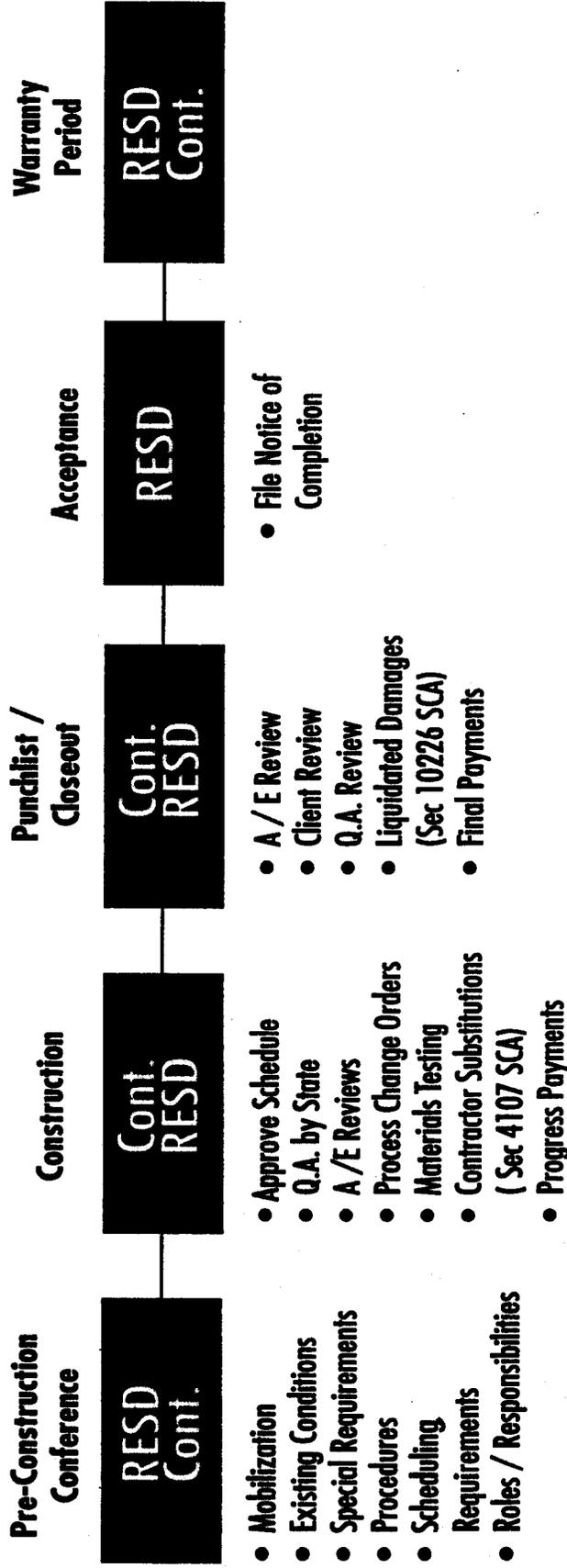
A. ADVERTISING

- a) Prepare Advertisement and Schedule. Submit to BOPP Contracts Section and SCR/Trade papers
- b) Review and print specifications/drawings
- c) Issue plans and specs to interested parties, builders exchanges, plan rooms
- d) Contractor's Pre-qualifications: now discretionary to the department.
Currently RESD examining projects on a case-by-case basis to determine the necessity of pre-qualification
- e) Conduct Pre-bid Conference
- f) Conduct DVBE Seminar at pre-bid conference
- g) Issue Bid Proposal Forms based on contractor requests/attendance at mandatory pre-bids
- h) Answer and resolve bid questions and requests for clarifications from prospective bidders and issue addenda as required

B. AWARD PROCESS (SAM 6853)

- a) Receive bids, analyze bids for DVBE, Licenses, Small Business Preference, Bid Bonds, etc. Certify DVBE or good faith effort.
- b) Resolve any bid discrepancies.
- c) Prepare and distribute bid tabulation and financial statement.
- d) If bid is over appropriation for construction, augmentation will be required. PWB may authorize augmentation up to twenty (20) percent. Any single augmentation or aggregate augmentations that exceed ten (10) percent of the fund appropriated, require a twenty (20) day letter notification to the Joint Legislative Budget Committee (ref SAM 6861).
- e) Prepare and distribute DF14D and seek DOF approval to award (statement of funds, bid tabulation, project cost and funding summary).
- f) Transfer Construction funds (Form 22/220).
- g) Obtain and verify bonds and insurance.
- h) Issue notice to proceed.
- i) Obtain/rule on any substitutions of contractors.
- j) Execute Contract.

Construction Phase



Legend

RESD

Real Estate Services Division

CONT.

Contractor

August 1997

CONSTRUCTION PHASE

- 1) **CONSTRUCTION MANAGEMENT (SAM Section 6854)**
 - a) Kick-off meeting
 - b) Monitor construction progress/schedule.
 - c) Review and process progress payments.
 - d) Process Change Orders.
 - e) Close out contract; final inspection; punch list; warranties and guarantees; keys and manuals; acceptance of contract.
 - f) Resolution of contract time and assessment of liquidated damages (if any).
 - g) Notice of Completion.
 - h) Final payment.

- 2) **PROJECT COMPLETION (SAM Section 6856)**
 - a) Return balance of funds.

- 3) **WARRANTY PHASE**
 - a) Monitor warranty issues to ensure proper compliance with the contract warranty requirements.

PROJECT COMPLETION

6856

(Revised 5/98)

Project Occupancy: DOF must be notified by the department when the project is ready for occupancy (the date of final inspection, beneficial use or occupancy of the project, whichever is earliest). For lease/revenue funded projects, this is typically the date when insurance must be in place and triggers when lease payments begin.

1. Information requirements related to notification of project occupancy:

- a. The standard fiscal reporting requirements described in Section 6845; and
- b. The project occupancy letter. For projects managed by DGS, DGS sends a letter to the client department attesting to the project occupancy including project occupancy date. The department must forward a copy to DOF. Departments exempt from DGS project management must prepare a letter attesting to project occupancy. (For lease/revenue funding projects, this letter must also be sent to the STO.)

Modifications after occupancy: If the client department has determined that there are modifications necessary to complete the project after occupancy, and savings are available or an augmentation can be justified, the department may submit an item to the board for either a "cost increase within appropriation" or an augmentation (Section 6861). The board item should include a list of proposed modifications to be completed under the existing contract and, for each modification, a justification narrative including cost estimates and scheduled completion date. This board item should be submitted with the Project Occupancy Letter.

Project Completion: When the contract has been accepted and completed by both the contractor and DGS (or exempt department) and claims have been settled, the DGS (or exempt department) prepares a "Notice of Completion" pursuant to Section 3093 of the Civil Code. A copy of this notice is sent to DOF and for lease / revenue funded projects a copy is also sent to the STO. This notification must be prepared within 1 year of the date of occupancy as described in the preceding text. Extensions to the deadline (i.e. for scheduled completion of approved "modifications after occupancy") must be approved by DOF.

1. Information requirements related to notification of completion:

- a. The standard fiscal reporting requirements described in Section 6845; and
- b. A copy of the "Notice of Completion."

Project Close Out: "Project close out" reflects the closing of the financial records related to a project. Final project financial statements are reportable to DOF within three months of project completion unless an extension has been approved by DOF.

1. **Return of Funds Transfer:** Government Code, Section 14959 requires that DGS transfer the unencumbered project funds out of the Architectural Revolving Fund to the originating appropriation within three months of project completion. The client department must submit a Return of Funds Transfer form (available from DGS) to effect that transfer.
2. **Financial statements:** Departments shall provide final project financial statements to DOF. These statements should include an accountability for agency retained authority. Outstanding claims should be treated as encumbrances.

3. **Reversion of remaining project funds:** Departments must submit an item to the board for reversion of any remaining project appropriation authority to the originating fund (Section 6862). Reversion items should include an accountability for agency retained authority. Outstanding claims should be treated as encumbrances.

Description of Fund Classifications in the State Treasury

Revenues and expenditures in the program budget and the summary schedules reflect the activities of many separate funds. Schedules 10 and 11 provide a complete list of these funds. The Index lists those funds for which Fund Conditions are included in the budget and references the page number. General Fund and Special Fund expenditures represent the cost of government and are included in budget totals, and along with selected Bond Funds, are included in the overall expenditure totals. In 1981-82 the State of California began to change classification of funds in the state treasury to conform to Generally Accepted Accounting Principles as set forth by the National Council on Governmental Accounting. Schedule 3 includes a description of these changes and shows their effect on the budget totals.

General Fund: Used to account for all revenues and activities financed therefrom which are not required by law to be accounted by any other fund. Most state expenditures are financed from the General Fund. Normally, the only difference between the General Fund and the other governmental cost funds is the restriction placed on the use of the other governmental cost funds.

Special Funds: Consists of governmental cost funds used to account for taxes and revenues which are restricted by law for particular functions or activities of government. The funds included in these classifications are primarily for the regulation of businesses, professions and vocations; transportation; law enforcement; and capital outlay.

General Fund Special Accounts. Legislatively created accounts or dedicated revenues within the General Fund. Moneys credited to such accounts may be used only for the purposes specified in the legislation. As a result of Chapter 942, Statutes of 1977, these special accounts are treated as special funds and revenues and expenditures are included in the special funds totals in the summary schedules of the budget. They are therefore excluded from the General Fund unrestricted revenues, expenditures and reserves.

Other Funds: See Schedule 11 for a list of funds which do not represent a cost of government. Expenditures from these funds are not included in the budget totals. They consist of moneys which were derived from sources other than general or special taxes, licenses, fees or other state revenues. Included are receipts from the Federal Government, funds created for accounting purposes, receipts from sale of lands, or moneys held in trust. These funds are segregated into the following classifications:

Working Capital and Revolving Funds. Funds created to finance internal service activities rendered by a state agency to other state agencies or to local governments for which charges are made at cost. The charges are reflected as expenditures in the budget of the agency receiving the commodity or service.

Public Service Enterprise Funds. Self supporting activities operated by the State for the benefit of the public. Funds are derived from charges to those who use the service and no support is derived from taxes, licenses or other state revenues.

Bond Funds. Used to account for the receipt and disbursement of proceeds from the sale of bonds and to finance projects for which the bonds were authorized. Expenditures are considered a cost of government at the time interest payments are made and as the bonds are redeemed.

Retirement Funds. Moneys held in trust by the State for retirement benefit payments.

Trust and Agency Funds. Funds holding moneys in trust pending disbursements to trustors, moneys received from the Federal Government to be expended for specific purposes, and other funds which do not derive their sources from taxes or other state revenues, or are in the nature of transitory funds created for the convenience of accounting receipts or disbursements which are not necessarily revenues or expenditures.

Selected Bond Funds

Selected bond funds are General Obligation Bond funds which are non-self liquidating. Included in the overall expenditures totals of Schedules 1 and 9 for budget purposes are expenditures from the selected bond funds. The following page provides a complete listing of all selected bond funds.

<i>Fund No.</i>	<i>Fund Name</i>	<i>Fund No.</i>	<i>Fund Name</i>
732	Beach, Park, Recreational and Historical Facilities Fund of 1964, State	714	Home Building and Rehabilitation Fund
733	Beach, Park, Recreational and Historical Facilities Fund of 1974, State	720	Lake Tahoe Acquisition Fund
743	Bond Proceeds Account, State School Building Lease-Purchase Fund	794	Library Construction and Renovation Fund, California
703	Clean Air and Transportation Improvement Fund	723	New Prison Construction Fund
740	Clean Water Bond Fund of 1984, State	781	New Prison Construction Revenue Fund
734	Clean Water Fund, State	762	Oil Spill Bond Expense Account, Oil Spill Prevention and Administration Fund
737	Clean Water and Water Conservation Fund, State	712	Park, Recreation and Wildlife Enhancement Bond Fund
764	Clean Water and Water Reclamation Fund of 1988	721	Parkland Fund of 1980
730	Coastal Conservancy Fund of 1984, State	722	Parkland Fund of 1984
716	Community Parklands Fund	756	Passenger Rail Bond Fund of 1990
736	Construction Program Fund, State	751	Prison Construction Bond Fund of 1990
711	County Correctional Facility Capital Expenditure Fund of 1986	724	Prison Construction Fund of 1984
796	County Correctional Facility Capital Expenditure and Youth Facility Bond Fund of 1988	746	Prison Construction Fund of 1986
725	County Jail Capital Expenditure Fund, Bond Act of 1981	747	Prison Construction Fund of 1988
727	County Jail Capital Expenditure Fund, Bond Act of 1984	754	Public Safety Fund, 1994 (Proposed)
788	Earthquake Safety and Housing Rehabilitation Bond Account, Housing Rehabilitation Loan Fund, California	728	Recreation and Fish and Wildlife Enhancement Fund
768	Earthquake Safety and Public Building Rehabilitation Fund of 1990	749	Refunding Escrow Fund
748	Fish and Wildlife Habitat Enhancement Fund	707	Safe Drinking Water Fund, California
755	Flood Control Bond Fund	793	Safe Drinking Water Fund of 1988, California
710	Hazardous Substance Cleanup Fund	789	School Facilities June 1988 Bond Account, State School Building Lease-Purchase Fund
718	Health Science Facilities Construction Program Fund	776	School Facilities November 1988 Bond Account, State School Building Lease-Purchase Fund
782	Higher Education Capital Outlay Bond Fund	774	School Facilities June 1990 Bond Account, State School Building Lease-Purchase Fund
785	Higher Education Capital Outlay Bond Fund of 1988	708	School Facilities Bond Act, November 1990, State School Building Lease-Purchase Fund
791	Higher Education Capital Outlay Bond Fund, June 1990	745	School Facilities Bond Act, June 1992
705	Higher Education Capital Outlay Bond Fund of 1992	765	School Facilities Bond Act, November 1992
842	Higher Education Capital Outlay Bond Fund of 1994 (Proposed)	719	School Finance Authority Fund, California
		729	Senior Center Bond Act Fund
		715	SSC Development Fund
		742	Urban and Coastal Park Fund, State
		790	Water Conservation Fund of 1988
		744	Water Conservation and Water Quality Bond Fund of 1986
		786	Wildlife, Coastal and Park Land Conservation Fund of 1988, California
		787	Wildlife and Natural Areas Conservation Fund (subfund of 786)

Budgetary Process

The Governor's Budget is the result of a process which begins more than one year before the budget becomes law. When presented to the Legislature on January 10 of each year, the Governor's Budget incorporates revenue and expenditure estimates based upon the most current information available through late December. In the event that the Governor wants to change the budget presented to the Legislature, including adjustments resulting from changes in population, caseload or enrollment estimates, the Department of Finance proposes adjustments to the Legislature during budget hearings through Finance Letters. During late spring, usually May and June, the Department of Finance submits revised expenditure and revenue estimates for both the current and budget years to the Legislature. This update process is referred to as the May Revision. The Department of Finance also prepares updates on revenues and expenditures at interim points of the fiscal year. Listed below are the key documents used in the budget process.

Title	Purpose	Prepared/Issued By	When
Budget Letters and Management Memos	Convey Administration guidelines for budget preparation to agencies and departments.	Governor/Department of Finance	April through December
Budget Change Proposals	Proposes and documents budget changes to maintain the existing level of service or to change the level of service.	Agencies and departments submit to Department of Finance for analysis	July through September
Governor's Budget	Governor proposes budget for the upcoming fiscal year.	Governor/Department of Finance	January 10
Governor's Budget Summary	A summary of the Governor's Budget.	Governor/Department of Finance	January 10
Budget Bill	Requests spending authorization to carry out Governor's expenditure plan (Legislative budget decision document.)	Department of Finance/ Legislature	January 10
Budget Analysis	Analysis of the budget, including recommendations for changes to the Governor's Budget.	Legislative Analyst	February
May Revision of General Fund Revenues and Expenditures	Update of General Fund revenues, expenditures and reserve estimates based on the latest economic forecast.	Department of Finance	Mid-May
Budget Act	The primary annual expenditure authorization as approved by the Governor and Legislature, including a listing of Governor's vetoes.	Legislature/Governor	Late June
Final Budget Summary	Update of the individual Budget Act items with changes by the Governor's vetoes, including summary budget schedules.	Department of Finance	Mid-July
Final Change Book	Update of the changes to the detailed fiscal information in Governor's Budget in accordance with the Budget Act.	Department of Finance	Late July

KEY CONTROL SECTIONS OF THE BUDGET ACT

➤ **SECTION 2.00: *Tenure of Capital Outlay Funds***

b) Appropriations and reappropriations for capital outlay, unless otherwise specified herein, shall be available for expenditure during the 1997-98, 1998-99, and 1999-2000 fiscal years, except that appropriations and reappropriations for **studies, preliminary plans, working drawings, or minor capital outlay**, except as provided herein, shall be available for expenditure only during the 1997-98 fiscal year.

In addition, the balance of every appropriation or reappropriation made in this act that contains funding for **construction** that has not been allocated, through fund transfer (F22) or approval to proceed to bid (DF-14d), by the Department of Finance on or before June 30, 1998, except as provided herein, shall revert as of that date to the fund from which the appropriation was made.

➤ **SECTION 3.00: *Definitions of Capital Outlay Terms***

Whenever herein an appropriation is made for capital outlay, it shall include acquisition of land or other real property, major construction, improvements, equipment, designs, working plans, specifications, repairs, and equipment necessary in connection with a construction or improvement project. Whenever herein any item of appropriation contains provisions for acquisition of land or other real property, it shall include all necessary expenses in connection with the acquisition of the property.

c) **"Preliminary Plans"** are defined as a site plan, architectural floor plans, elevations, outline specifications, and a cost estimate. For each utility, site development, conversion and remodel project, the drawings shall be sufficiently descriptive to accurately convey the location, scope, cost and the nature of the improvement being proposed.

(d) **"Working Drawings"** are defined as a complete set of plans and specifications showing and describing all phases of a project, architectural, structural, mechanical, electrical, civil engineering, and landscaping systems to the degree necessary for the purposes of accurate bidding by contractors and for the use of artisans in constructing the project. All necessary professional fees and administrative service costs are included in the preparation of these drawings.

(e) **"Construction"**...shall include all such related things as fixtures, installed equipment, auxiliary facilities, contingencies, project construction, management, administration and associated costs.

- **SECTION 6.00: Use of Support Funds for Capital Outlay**
No more than \$35,000 of the funds appropriated for support purposes under Section 2.00 or any other sections of this act may be encumbered for preliminary plans, working drawings, or construction of any project for the alteration of a state facility unless the Director of Finance determines that the proposed alteration of a state facility is critical and that it is necessary to proceed using funds appropriated for support purposes. The maximum cost of any such project shall not exceed \$250,000, and any approved critical project costing more than \$35,000, but not greater than \$250,000, shall be reported to the Chairperson of the Joint Legislative Budget Committee or his/her designee, not less than 30 days prior to requesting bids for the project. The report shall detail those factors that make the project so critical that it must proceed using support funds.

- **SECTION 27.00: Deficiency Requests**

- **SECTION 28.00: Augmentation Requests (Non-state fund sources)**

Description of Key Schedules

The Budget includes summary information in various schedules. The following schedules are those which may be the most useful for the public, private sector, or other levels of government.

SCHEDULE 1. *General Budget Summary*—Provides for a summary of total statewide revenues and expenditures for the General Fund and Special funds plus expenditure totals for the Selected Bond funds.

SCHEDULE 2. *Total State Spending Plan*—Provides in a single schedule the State's total spending plan. In addition to the General Fund, Special funds, and Selected Bond funds, expenditures from Nongovernmental Cost funds and Federal funds are shown.

SCHEDULE 3A. *Total State Spending Plan by Generally Accepted Accounting Principles (GAAP) Fund Classifications*—Provides in a single schedule the State's Total Spending Plan (Schedule 2) rearranged into GAAP Fund Classifications.

SCHEDULE 3B. *Comparison of California's Current Fund Structure to Recommended GAAP Fund Classifications*—Provides a comparison of California's Current Fund Structure to recommended GAAP Fund Classifications.

SCHEDULE 4A. *Personnel Years and Salary Cost Estimates*—Provides personnel year data and corresponding dollar amounts by functional breakdown and position classifications. This schedule reflects net data after salary savings.

SCHEDULE 4B. *Positions and Salary Cost Estimates*—Provides position and personnel year data and corresponding dollar amounts by functional breakdown. This schedule reflects both gross data before salary savings and net totals salaries and wages.

SCHEDULE 5. *Summary of State Population, Employees, and Expenditures*—Provides historical data of State population, employees and expenditures.

SCHEDULE 6. *General Fund—Analysis of Change in Reserves*—Provides a comparison of the General Fund amounts presented in the pre-

vious Governor's Budget to the amounts presented in this Governor's Budget.

SCHEDULE 7. *General Fund: Statement of Financial Condition*—Provides the financial condition of the General Fund as of June 30 from the most recently available information from the State Controller.

SCHEDULE 8. *Comparative Statement of Revenues*—Provides General Fund and Special fund revenue detailed amounts within three main breakdowns of: (1) major taxes and licenses, (2) other revenues, and (3) transfers.

SCHEDULE 9. *Comparative Statement of Expenditures*—Provides a listing of expenditures in the order of printing of individual budgets from the General Fund, Special funds, selected Bond funds and Federal funds for State Operations, Local Assistance and Capital Outlay.

SCHEDULE 10. *Summary of Fund Condition Statements*—Provides for the General Fund and each Special fund the beginning reserve, income, expenditures, transfers, and ending reserve for each of the three fiscal years displayed in the Governor's Budget.

SCHEDULE 11. *Statement of Cash and Securities*—Provides a listing of cash, securities and amounts due from the Surplus Money Investment Fund for all funds maintained in the State Treasury.

SCHEDULE 12. *Statement of Bonded Debt*—Provides a listing of all general obligation bonds including maturity dates, authorized amount of bond issues, unsold issues, redemptions and outstanding issues.

SCHEDULE 13A. *State Appropriations Limit Summary*—Provides a summary of Schedules 13B through 13E and calculates the State Appropriations Limit (SAL), total SAL Appropriations and the Appropriation Limit Room or Surplus.

SCHEDULE 13B. *Revenues to Excluded Funds*—Provides a listing of revenues to special funds that are not included in the calculation of total appropriations subject to the State Appropriations Limit.

SCHEDULE 13C. *Non-tax Revenues in Funds Subject to Limit*—Provides a total of non-tax revenues for General and Special funds deposited in funds that are included in the calculation of total appropriations subject to the State Appropriations Limit.

SCHEDULE 13D. *Transfers from Excluded Funds to Included Funds*—Provides a listing of transfers between funds that are included in calculating the appropriations subject to the State Appropriations Limit.

SCHEDULE 13E. *Expenditures Excluded from Limit by Agency*—Provides a distribution of actual gross appropriations that are excluded from appropriations subject to the State Appropriations Limit.

SAM—CAPITALIZED ASSETS

CITATIONS FOR CAPITALIZED ASSETS AND FINANCING

	Annual Budget Act	Government Code	Public Contract Code	Public Resources Code	Other
Public Works Board		Title 2, Div 3, Part 10.5, 10b & 11			
Creation, membership		15770			
Authority to purchase in lieu of construct		15791			
Authority for long-lead equipment		15792			
Authority to augment, restrictions, approval of prelim plans, notify Legislature		13332.11			
Source of augmentation & transfer of unexpended (see also DOF below)		16352, 16352.5,16354, 16409 16351.5 et seq. 15812			
Inmate labor			10103.5		
Emergency public works		15799 et seq. (Chap 5, 10.5)			
State Building Construct. Act (general)		Title 2, Div 3, Part 10b			
PWB capital outlay definitions		15802			
Right of eminent domain		15855			
PWB powers, including debt financing		15809			
Art in public buildings		15813 et seq. (Chap 2, 10b)			
Energy conservation in public buildings, including financing		15814.10 (Chap 2.7, 10b)			
Energy efficiency in public buildings, including financing		15814.30 et seq. (Chap 2.8, 10b)			
PWB lease-purchase of public buildings		15815 et seq. (Chap 3, 10b)			
PWB lease-purchase of prison construction/fund		15819.1 et seq. (Chap 3.1, 10b)			
Financing of various specific programs		15819.30 to 15820.90 (Chap 3.2 & 3.1, 10b))			
High technology facilities/fund		15820 et seq. (Chap 3.5, 10b)			
Financing of various higher ed. facilities		15820.15 to 15820.74 (Chap 3.6 to 3.9)			

SAM—CAPITALIZED ASSETS

CITATIONS FOR CAPITALIZED ASSETS AND FINANCING (continued)

	Annual Budget Act	Government Code	Public Contract Code	Public Resources Code	Other
PWB (continued)					
Lease-revenue bond requirements		15830 et seq. (Chap 5, 10b)			
Authority to employ financial consultants		15837.5			
Inapplicability of specified Public Contract Codes		15837.6			
Public Building Construction Fund		15845 et seq. (Chap 6, 10b)			
<i>Property Acquisition Law</i>		Title 2, Div. 3, Part 11, 15850 et seq.			
Parks and Recreation sites				5006	
Property acquisition: additional requirements		13332.12 & 13332.13			
Public land trusts		831.5			
Parks concession agreements				5080.20	
Combined bids—approval			10127		
Joint Powers Authorities					
Rules, authorities, powers		6500 et seq. (Title 1, Div. 4, Chap 5)			
DGS & state office buildings		6517			
Power to issue revenue bonds		6540 et seq.			
Minor Capital Outlay	Sec 3.00(f)		10808		
Higher thresholds, Resources Agency			10808.5		
Capital Outlay Budgeting Requirements					
Appropriation availability	Sec 2.00				
Defined, phases	Sec 3.00				
Restrict use of support funds for CO	Sec 6.00				
No deficiency for CO	Sec 27.00(a)				
Augmentations		see PWB			
Capital Outlay Planning		13100			
Financing					
General obligation bonds authority		T. 2, Div 4, Pt. 3; 16550 et seq.			Calif. Const. Art. XVI, Section 18
Use of proceeds restricted to capital assets, defined		16727			
GO commercial paper		16731.6			

SAM—CAPITALIZED ASSETS

CITATIONS FOR CAPITALIZED ASSETS AND FINANCING (continued)

	Annual Budget Act	Government Code	Public Contract Code	Public Resources Code	Other
Financing, continued					
GO refundings		16780 et seq.			
Lease-revenue bonds: authority: <i>see PWB and JPA above</i>					
Not constitutional debt (<i>aka Offner-Dean rule</i>)					City of LA v. Offner (1942) 19 Cal.2 nd 483, 486
Continuous appropri- ations for		15848			
Financing of:					
Higher ed. facilities			see PWB above		
Prisons			see PWB above		
Office buildings					
Interim financing for LR:					
Negotiable		15809			
Loans		15489.1 15819.13, 15820.19 15820.41 15820.61			
Continuing disclosure Period of challenge to a bond issue					SEC 15c2-12 Code of Civil Proc. 860 et seq.; "validation acts"
Financing as lease—see DGS					
DGS & state office buildings		6517			
Department of Finance					
General powers over financial and business		13070			
Approve scope changes, bid alternates and prelim. plans; notify Legislature		13332.11			
Transfer of unused balance (<i>see also PWB above</i>)		15812			
Administers PWB		15792			
Report on capital outlay plan		13100 et seq.			
Report on capital outlay for cogeneration		13304			
Time-frames for capital outlay budget adjustments		13308			
Adjustment of dollar threshold of "project" per Public Contract Code			10105		
Bid alternates—approval		13332.11(b)	10126		

SAM—CAPITALIZED ASSETS

CITATIONS FOR CAPITALIZED ASSETS AND FINANCING (continued)

	Annual Budget Act	Government Code	Public Contract Code	Public Resources Code	Other
Department of Finance (cont)					
Combined bid—allocation of costs			10127		
Approve preliminary plans and working drawings		13332.11			
State Treasurer's Office					
As agent for sale		5700			
See also <i>Financing</i> , above					
Department of General Services					
Asset management, general		14650 et seq.			
General authority to hire, lease, lease-purchase, or purchase-option		14669			
Notification of long- term leases		13332.10			
Specific project authorities		14669.1-14673			
Proactive asset management goals		14680.8			
State Contract Act					
Exclusions, emergencies			10100 et seq.		
Exclusions, inmate labor			10101		
Project, defined			10103.5		
State procurement			10105		
University of California			10290 et seq.		
CA State University			10500 et seq.		
			10700 et seq.		
Building Codes					
					CA Code of Reg., Title 24
Rules Governing Selection of A&E Firms					
		4525	6106		CA Code of Reg., Title 21
California Environmental Quality Act (CEQA)					
				21000 et seq. (Div. 13)	CA Code of Reg., Sec 15000 et seq.
Eminent Domain					
		15854			Code Civil Proc 1230.010 et seq.
		15802			
		7267.2			
Arbitration of Public Construction					
					Code Civil Proc 1296 et seq.
Historical Resources					
			10110	5024 et seq.	CA Code of Reg., Title 24

**AUGMENTATIONS, ADDITIONAL COSTS (WITHIN
APPROPRIATION)
AND RECOGNITION OF DEFICITS**
(Revised 5/98)

6861

PWB's authority to augment: PWB's authority to augment capital outlay projects, and the appropriations for those augmentations, are set out in Government Code Sections 16352, 16352.5, 16354, and 16409. Section 13332.11 of the Government Code limits that authority as follows:

1. Augmentations are limited to 20 percent of the amount appropriated;
2. PWB must defer approval of preliminary plans or any portion of an acquisition project if the estimated cost of the total project exceeds 20 percent of the amount appropriated. (A limited exception is provided for acquisition projects—see Section 6849.) If construction has not yet been appropriated, there is no requirement under law to defer action on preliminary plans, but PWB will nonetheless calculate the project's estimated percentage increase based on the last legislatively recognized cost. As appropriate, it is generally board practice to defer action and notify the Legislature when such increases exceed 20 percent;
3. Any single augmentation or cumulative augmentation exceeding 10 percent of the funds appropriated requires a 20-day notification to JOBC *prior* to action by the PWB;
4. Augmentations of construction phases have specific limits discussed in the following text under "How to compute an augmentation;" and
5. PWB may recognize a potential augmentation of a future project phase, which the board terms a *recognized anticipated deficit*.

In addition, by board policy and practice:

1. Recognition of anticipated deficits is generally limited to the construction phase.
2. Augmentations of less than 10 percent *may* be treated as a delegated item to DOF, and at DOF discretion *may* be approved prior to the PWB monthly meeting.

The balance of this section describes PWB procedures in implementing Section 13332.11. A broad overview of PWB authority is provided in Section 6842.

Compelling need: While PWB is authorized to augment capital outlay projects, augmentations are not approved unless there is a compelling need, and only after:

1. Non-committed project funds (contingencies) have been considered as a possible source of funding;
2. Cost reductions which do not affect scope are evaluated. PWB staff may request the client department to evaluate and include deductive alternates before proceeding to bid (see Section 6852); and
3. For higher education projects, use of non-state funds is evaluated.

PWB authority to augment projects in no way relieves departments of the responsibility to keep projects within approved cost and scope to the maximum extent possible. PWB will not use its augmentation authority to fund client revisions for "nice-to-have" items.

How to compute the augmentation:

1. If an appropriation is for a single project phase—such as preliminary plans, working drawings or construction—the amount of the phase is used to calculate the allowable augmentation (i.e., no more than 20 percent).
2. If the appropriation funds both preliminary plans and working drawings, PWB staff has the option to use the total of these two phases to determine the allowable augmentation for any one phase. However, PWB does not normally entertain augmentations for preliminary plans or working drawings.
3. Augmentations for construction are based on the total amount appropriated for the construction phase and are calculated on construction contract costs and A&E costs (Government Code Section 13332.11 [e]).
 - a. Construction contract costs include the principal construction contract or bid packages, agency-retained activities, landscaping, change orders and contingencies to the principal contract or bid packages.
 - b. A&E services are interpreted to mean architecture and engineering services including architectural supervision, project administration and/or management, testing, inspection, specialized consultation and other similar line items in support of the actual construction of the project.
 - c. Amounts for planning, working drawings or equipment will not be used to calculate the allowable augmentation to the construction phase.
4. All other existing restrictions, such as policy limits on contingency (Section 6854) and A&E fees (Section 6818, "Technical Notes") are to be observed.

PWB agenda item requirements for augmentations, anticipated deficits, and cost increases within appropriation: A PWB agenda item is required for any augmentation or departmental request for PWB to recognize an anticipated deficit or cost increase within appropriation. If the request requires formal board action (i.e., not delegated to PWB staff), it must be submitted to DOF 20 working days preceding the PWB meeting. Those requests for augmentation and recognition of anticipated deficits which require legislative notification (i.e., those in excess of 10 percent) must be submitted to DOF 30 working days prior to the scheduled PWB meeting. Formats and examples for agenda items are available from the DOF Capital Outlay unit.

Agenda packages for augmentations:

1. **Construction augmentations to award bid.** Provide the following:
 - a. All information requested in Section 6845, including the standard fiscal reporting requirements and the agenda package;
 - b. A draft legislative notification if the augmentation exceeds 10 percent;
 - c. A copy of the bid tabulation for construction augmentations (see the illustration in Section 6853); and
 - d. A narrative description justifying the need for such augmentation. This must address efforts to include deductive alternates, value engineering, contingency reductions or

scope modifications to address augmentations needs, and the consequences if the request is not approved.

2. Construction augmentations during construction. Provide the following:

- a. All information requested in Section 6845, including the standard fiscal reporting requirements and the agenda package;
- b. A draft legislative notification if the augmentation exceeds 10 percent;
- c. A complete narrative description justifying the need for such cost increases, including the following:
 1. Status of the project and percentage complete;
 2. Full description of the unanticipated items, their cost, why needed, and alternative solutions;
 3. Reason(s) why costs were not included in the original bidding documents and/or as deductive or additive alternatives to the bid, as appropriate;
 4. Reason(s) why deductive alternates cannot be change ordered to cover the additional costs;
 5. Reasons why these items cannot be funded within the construction contingency;
 6. Explanation of efforts to value engineer remaining project components;
 7. Consequences if not approved; and
 8. Whether the additional items are within the scope approved by the Legislature.

3. Agenda package for augmentations of land acquisition projects. Provide the following:

- a. All information requested in Section 6845, including the standard fiscal reporting requirements and the agenda package;
- b. A draft legislative notification if the augmentation exceeds 10 percent;
- c. A listing of all budgeted parcels and a description of the acquisition status of each parcel (acquired, in negotiation, etc.);
- d. A complete narrative description of alternative solutions, including why the augmentation is the correct solution, and consequences if not approved; and
- e. A parcel map showing the relationship of the parcels requiring augmentation to the total funded acquisitions.

Agenda packages for recognized anticipated deficits: At the end of the preliminary plans or working drawing phase, if the project is estimated to exceed its construction budget, the client department may request PWB to approve the preliminary plans or working drawings *and* to recognize an anticipated deficit. PWB notifies the JLBC of the anticipated deficit if it exceeds 10 percent of the construction appropriation. In the absence of a construction appropriation, PWB generally interprets these limits and notification requirements based on the last legislatively recognized estimate for construction.

1. When requesting a recognized deficit as part of preliminary plans approval, provide:
 - a. A *sub-item* recognizing the anticipated deficit including a complete narrative description justifying the need for the cost increase in the briefing text as follows:
 1. A full description of the unanticipated items and estimated cost;
 2. The need for the items, the reasons why those items were not included in the original proposal, alternative solutions, and consequences if not approved;
 3. Discussion of alternatives such as value engineering, deductive alternates, or reworking the preliminary plans or working drawings; and
 4. Whether the additional items are within the scope approved by the Legislature (if not, a separate scope change item is required with the information specified in Section 6863).
 - b. A draft legislative notification if the anticipated deficit exceeds 10 percent.
2. When requesting a recognized deficit at the working drawings stage, prepare a *full agenda item* in accordance with Section 6845, plus all information noted immediately preceding.

When the bid is awarded, if the augmentation actually needed is equal to or less than the anticipated deficit as recognized by PWB, PWB does not notify the JLBC again. However, the client department must submit the formal augmentation request to PWB as outlined in the preceding text.

Agenda packages for cost increases within appropriation: Occasionally a department may need PWB to approve additional project costs for items not anticipated in the bidding documents. If there are bid savings to cover the costs (i.e., revised project cost remains within the original appropriation), and the additional items are within approved scope, PWB may approve the increase without notifying the Legislature. (Otherwise, such a request must be for an augmentation and/or scope change). For cost increases within appropriation, provide the following information:

1. All information requested in Section 6845, including the standard fiscal reporting requirements and the agenda package;
2. A complete narrative description justifying the need for such cost increases. At a minimum, include the following:
 - a. Full description of the unanticipated items;
 - b. Reasons why they were not included in the original bidding documents;
 - c. Reasons why these items cannot be funded within the construction contingency;
 - d. Consequences if not approved; and
 - e. Whether the additional items are within the scope approved by the Legislature

SCOPE CHANGES
(Revised 5/98)

6863

What is scope? The scope of a project is *what* will be constructed (or acquired) and *why*. Thus, scope encompasses both the physical characteristics of the project and the intended program use. Scope is established initially in the COBCP, with key elements reiterated (or restricted) in supplemental language to the Budget Act. The preliminary plans—and later the working drawings—refine scope in terms of the physical characteristics of the project. The various information sources for a project's scope are discussed in more detail in the following text.

Scope changes require DOF approval. Section 13332.11 (b) of the Government Code states that "no substantial change shall be made from the preliminary plans or working drawings as approved by the State Public Works Board and the Department of Finance without written approval by the Department of Finance." This approval must be granted *before* the department can make any expenditures to redesign the project or to revise the plans, unless those revisions are authorized in the budget act or other subsequent legislation.

Subparagraph (9) of Section 13332.11 (b) requires DOF to report approved scope changes to the Legislature. In practice, this restriction and related notification requirement *begins with project authorization*, even before preliminary plans are considered by PWB.

After DOF approves a scope change and the Legislature has been noticed, PWB "recognizes" the scope change in a board item, incorporating it into the board's official record for the project. As appropriate, PWB may also require that a formal revision to the preliminary plans be submitted for approval.

When is a proposed change *substantial*? DOF determines whether a proposed change is substantial and therefore a scope change, based on a review of the facts on a case-by-case basis and in consideration of legislative intent. Therefore, it is not practical to publish absolute definitions for scope. However, administrative guidelines follow for determining which project changes should be discussed with DOF to assess their significance.

Guidelines to determine which project changes are *potentially substantial*: The client department is required to report to DOF any proposed project change as outlined in the following text. DOF will work with the client department to assess whether the change meets the definition of *substantial*. (The initial report can be made by phone or e-mail; DOF may require written follow-up for its records. For changes deemed to be scope adjustments, the client department must submit all information required at the end of this section.)

A client department must discuss the following with its DOF capital outlay analyst to determine whether a scope change would result:

1. Changes to the approved program use, as defined by:
 - a. Assigned program space for facilities. Any change which would add space for a new function, increase capacity for a program activity, use space for a function or activity different than originally intended, or alter the ratios in multi-use space, is reportable to DOF for evaluation as a *potential* scope change; •
 - b. Land use purpose for acquisition projects; and
 - c. Any other expectations or restrictions regarding program use set forth in the authorizing statute.

In this context, *program* is defined at the *activity* level (i.e., a more narrow definition of program than typically used in the Governor's Budget or the budget act).

2. Changes to the physical characteristics of the real asset as it relates to:
 - a. Facility size, shape, major structural characteristics, and location.
 1. Size generally may be described in either gross square feet or assignable square feet. For some projects, such as sewer, electrical or HVAC, size may be a function of capacity.
 2. Shape is a function of both the footprint and elevation of a structure. *Footprint* includes the interior arrangement as well as the facility perimeter.
 3. Major structural characteristics will vary by project, but may include the structural system, architectural style, construction materials, and major mechanical, electrical or utility systems.
 4. Location may be as specific as parcel number, or more generally city, county or region, depending upon initial definition in the COBCP, statutory language, or supplemental language.
 - b. Acreage size, land type, and location; and
 - c. Any other expectations or restrictions regarding the physical characteristics of the real asset as set forth by authorizing statute.

Changes which meet the reporting requirements to DOF, as described in the preceding text, are not necessarily scope changes unless DOF so determines. Reasonable judgment is required in contacting DOF; however, because the consequences of unapproved scope changes can be severe (including project termination), client departments and project managers should err on the side of caution.

Generally, the following project changes are not reportable to DOF (as potential *scope* changes):

1. **Cost**, although the impact of a scope change on project and related operational costs must be carefully considered (cost changes may or may not result in scope changes; conversely, scope changes can occur with or without associated cost changes). See Section 6861 for instructions on approval processes for project cost changes.
2. **Changes** to correct minor errors and omissions in the construction documents or to respond to minor unforeseen site conditions (i.e., substitution of fixtures when products are no longer manufactured, corrections required by code authorities, minor demolition of materials not foreseen during design, addition of electric services to motors, etc.). However, when such changes cannot reasonably be categorized as minor, or if they alter programmatic capability or requirements, the matter must be discussed with DOF to assess impact on project scope.

Construction contingency funds should be reserved for correcting problems in achieving approved scope and for essential scope changes. Construction contingency funds should be used to pay for the cost of resolving problems arising from design errors/oversights, unforeseen conditions, code requirements, and the cost (if any) for approved scope changes. Non-essential client change orders should be avoided. See Section 6854.

Source references for project scope: As noted in the preceding text, a project's scope is defined in several source documents.

1. For budget act projects, the **COBCP**: A detailed description of project scope is required in the COBCP (Section 6818). This description becomes one of the primary references for later interpretation of potential scope changes.
2. For budget act projects, the **supplemental language report of the Legislature**: This language summarizes the COBCP for each specific project and outlines costs for studies, acquisition, preliminary plans, working drawings, construction and equipment using the California Construction Cost Index (CCCI) as published in *Engineering News Record* for the year of the original project appropriation. While a proposed schedule for the commencement and completion of various phases of each project is contained in the scope language, this project schedule is not considered part of the project scope for purposes of scope changes.
3. For non-budget act projects, **special legislation**: For projects approved through special legislation, where preliminary program guides and budget packages are not available, the language in the legislation may provide initial definition of approved scope. Other documents used to support the need for the legislation, such as project descriptions, which may be included or supplemented in master plans, special reports, and costs estimates, may provide more detailed scope definition. Also, subsequent documents submitted to and approved by the Legislature (if applicable), further define legislatively approved scope.
4. **Preliminary plans and working drawings** as approved by DOF and PWB. Once preliminary plans have been approved by the board, the specific plans and specifications become the final definition of the scope of the project, as it pertains to physical characteristics.

Agenda packages for scope changes: Provide the following information:

1. All information requested in Section 6845, including the standard fiscal reporting requirements and the agenda package; and the following additional information:
 - a. Any mandated reviews and approvals required related to the project change;
 - b. Any required CEQA compliance related to the change;
 - c. What design corrections were required, and why;
 - d. *What* programmatic changes were required, *why*, and *when* those changes were approved by the DOF support analyst; and
 - e. What the change's savings or cost implications are, and why.
2. If an augmentation is also required, a sub-item must be attached consistent with Section 6861 (and also noticed to the Legislature, if necessary).

**GLOSSARY AND INDEX FOR CAPITAL OUTLAY TERMINOLOGY 6899
AND FORMS
(New 5/98)**

The following definitions and discussions clarify capital outlay and financing terms. These definitions are only a guide; statutory definitions and context take precedence.

20-day letters/ notifications: A notification to the Legislature that a project is proposed for either an augmentation between 10 and 20 percent, or a scope change. Section 6861, augmentations. Section 6863, scope changes. Section 6844, PWB processing requirements.

Additional costs within appropriation: PWB may approve additional project costs within the approved appropriation if there are bid savings to cover the costs. This action normally takes place within the construction phase. Section 6861.

Agency-retained items: Project elements which the department rather than the architect/engineer or contractor provides. Typical examples include equipment, moving, easements, installation, resource protection, etc. Section 6818, requirements related to COBCPs. Approval process uses a DF-14D form (see following *forms*).

Agent for sale: The entity providing sales services for the bonds on behalf of the issuer; for state and JPA issuances, this is the State Treasurer's Office. Sections 6805 and 6880.

Alterations: Any modification of existing space (buildings, structures or other facilities) that changes the use as to function, layout, capacity, or quality. Must be budgeted as a capital outlay expenditure; for exceptions, see Section 6807.

Anticipated deficit: See *recognized anticipated deficit*.

Arbitrage: Interest earnings on the investment of bond proceeds that result in a return in excess of borrowing costs. Section 6873.

Architect/engineer: Usually design work is done under the general direction of a professional architect. However, for very technical work (e.g., electrical upgrading, personal alarm systems, etc.), the lead may be assumed by an engineer. Architect/engineer services are provided by DGS or through contracts with approved firms in the private sector. Certain departments (such as the higher education segments) are authorized to secure these services directly.

Architecture and engineering(A&E) fees: Fees (basic and nonbasic) charged for architectural and engineering. These fees could be internal to the department or for external professional services. Items include professional charges for A&E construction management support that are project-related, such as construction inspection, travel, bidding expenses, and drawings. Depending on the nature of the project, A&E fees typically do not exceed 13 percent of the proposed construction contract amounts (excluding construction contingencies). See Section 6818 for requirements related to COBCPs.

Architectural Revolving Fund (ARF): A DGS non-governmental cost fund used for project management. Client departments transfer project monies to DGS which are held in this account. Section 6868.

ARF: See *Architectural Revolving Fund*.

Augmentation: PWB may approve allocations of additional funds to a project, up to 20 percent,

subject to reporting to the Legislature. Sections 6842 and 6861.

BCP: Budget change proposal—usually meaning a *support* proposal.

Betterments: Any modification that increases the designed level of services or life expectancy of a facility or program infrastructure. Section 6806.

Bid alternates: Additions to or deductions from a basic project bid, not to exceed ten percent of the estimated cost of the base project. If a project comes in over budget, deductive alternates can help avoid the need to re-bid the project; conversely, if bids comes in under budget, additive alternates can allow project improvements. DOF approval is required. Section 6852.

Bidding phase: The bidding phase is a set of activities, starting after completion of working drawings, which results in the selection of a contractor. Typical activities in this period are advertising the project in construction trade papers, submission of bids by interested parties; analysis of those bids, selection of the lowest responsible bidder, contract execution, and delivery of a "Notice to Proceed" to the contractor to begin the construction work. Section 6809, overview of capital outlay phases. Section 6852, working drawings and proceeding to bid.

Bid tabulation: A listing of bids received for a project; must be submitted to DOF when requesting release of construction funds. Section 6853.

Bond counsel: An attorney (or firm) retained by the issuer to give a legal opinion that the issuer is authorized to issuer proposed securities, has met all legal requirements, and that the interest will be exempt from federal income taxation and, where applicable, from state and local taxation. Sections 6873 and 6874.

Bond anticipation notes: Short-term negotiable instruments with a fixed maturity used to meet projects' interim financing needs. Section 6878.

Bonds: A method of financing capital projects through long-term borrowing. The state raises money by issuing financial securities to investors. Section 6870. See also *general obligation bonds* and *lease-revenue bonds*.

Bond insurance: Noncancellable insurance purchased by the issuer from a bond insurer where the insurer promises to make scheduled payments of interest, principal and mandatory sinking fund payments if the issuer fails to make timely payments. In an insured issue, the investor relies on the insurer's credit, not the issuer's. The insurer's payment of an installment does not relieve the issuer of repaying the insurer. Sections 6873 and 6874.

Bridging design-build: See *design-build*.

Budget letter: A statewide communication from the Department of Finance containing budget development or implementation instructions.

Budget packages, budget package estimate: Prepared under the direction of DGS, budget packages refine departments' initial project estimates and are used by DOF to evaluate a project and size a project appropriation. They generally contain a project description, pre-schematic drawings, outline specifications, and a cost estimate. Refined cost estimates developed in this process are referred to as budget package estimates (as distinguished from preliminary cost estimates of a project provided by the department in the COBCP). Section 6828.

Building Cost Index: See *California Construction Cost Index*.

California Construction Cost Index (CCCI): The construction cost index departments must use in escalating construction costs. Based on the average Building Cost Index (BCI) for Los Angeles and San Francisco as published in the Engineering News Record. Section 6818, technical notes.

California Environmental Quality Act (CEQA): A body of law and regulation setting out environmental review requirements for projects, including capital projects. Sections 6808, 6812, and 6850.

Capitalized assets: As used in this chapter, all processes which *may* result in the acquisition, new construction, alteration, renovation, extension or betterment of real assets, *regardless of character of appropriation* for the expenditure. Includes capitalized leases as well as processes which may result in a capital acquisition, such as leases with purchase options. Sections 6801, 6806, and 6876.

Capitalized interest account: Bond proceeds which are reserved to pay interest on a revenue (or lease-revenue) bond issue for a period of time early in the term of the issue; also called funded interest. Commonly, in a project financing, interest is capitalized through the date on which it is anticipated that construction will be completed and the project capable of providing lease payments for repayment of debt service.

Capitalized lease: A lease agreement is classified as a capital lease (in-substance purchase) when substantially all of the risks and benefits of ownership are assumed by the lessee. Sections 6818 and 6820.

Capital outlay: A subset of *capitalized asset* activities, funded specifically under the capital outlay character of appropriation. Includes acquisitions, new construction, alterations, renovations, extensions, and betterments. Does not include capitalized (financing) leases where payment is made through the rent line item. Sections 6801 and 6806.

Capital outlay budget change proposal (COBCP): A written request for funding required for each project proposed in the Governor's Budget (both new projects and continuing phases of previously funded projects). Section 6818.

Categorical exemptions: An exemption from CEQA based on one or more classes of actions/projects, as established in regulation. Section 6850.

Category codes: *Program* categories and *project type* categories are used on the COBCP to classify the broad purpose for the proposed project. Public safety and education are examples of program categories; fire/life safety, code correction are examples of project type categories. Section 6839.

CEQA: See *California Environmental Quality Act*.

Certification letters: A periodic notification from PWB to the Legislature certifying that projects on which it is taking action at its next meeting are within scope and cost, or (otherwise) the dates and amounts of approved changes. Sections 6842 and 6844.

Certificates of participation (COPs): A certificate (which looks like a bond) representing an undivided interest in the payments made by a public agency pursuant to a financing lease (or an installment purchase agreement). Although not treated as state constitutional debt, federal tax law treats the lease obligation as if it were debt. Section 6876.

Change orders: Formal revisions of the construction contract based on approved modifications to the capital outlay project. Change orders must be approved by DGS and are funded from the contingency line-item of the project budget. Section 6854.

Character of appropriation: The three broad classifications: (state operations, local assistance, and capital outlay) the state uses when appropriating. Generally, once a program or activity is budgeted as one of the three characters, it must follow the expenditure rules for that classification. Section 6806

Client department: Department which manages the programs for which capital outlay is needed. Section 6805.

COBCP: See *capital outlay budget change proposal*.

Combined bids: Bidding construction for two different projects as if they were one. Requires DOF and PWB approval. Section 6852.

Commercial paper: Short-term negotiable instruments with variable maturity and interest rates used to meet projects' interim financing needs. Section 6878.

Concession agreement: Subject to legislative notification, PWB has the power to review and approve the Department of Parks and Recreation's park concession agreements where the need arises off the normal budget cycle. Section 6842.

Condemnation authority: See *eminent domain*.

Constitutional debt: Article XVI of the California Constitution prohibits the Legislature from creating debt or liability which exceeds \$300,000 without a majority vote by the people, except in case of war.

Construction cost index: Standardized value for estimating construction cost escalation over time. In application, generally projected to the mid-point of construction. See *California Construction Cost Index (CCCI)*. Section 6818, technical notes.

Construction phase: The construction phase begins with the award of the construction contract (see Section 6853) and ends when construction is complete and a Notice of Completion is filed with DGS or other project manager (see Section 6854). An overview of capital outlay phases is provided in Section 6808.

Construction management: Construction management services include reviewing construction documents; clarifying contract documents during construction, including change order analysis and estimating; coordinating among designers, contractors, inspectors, facilities operations, etc.; monitoring schedules; and generally overseeing daily on-site construction operations. DGS is the project manager for most state departments. Departments which have the authority to manage their own projects may use contracted project management services. Such services are most commonly used for large or complex projects, (e.g. the construction of new prisons). Fees for these services typically range from 1.0 to 4.5 percent of the estimated contract cost and do not include fees for architectural and engineering services. Section 6854.

Construction support (project administration): The terms *construction support* or *project administration* are applied to all project expenses other than construction contract costs incurred during the construction phase. The major construction support/project administration cost items are inspection, construction management, architect/engineer review, and special consultants—primarily materials testing and asbestos abatement monitoring. Section 6854.

Contingency funds: The construction contingency is a prescribed percentage of the construction contract amount which is budgeted for unforeseen emergencies or design shortfalls identified after a construction project commences. Construction contingencies are limited to 5 percent of the

construction estimate/bid for a new facility and 7 percent of the construction estimate/bid for remodeling/renovation projects. Section 6854.

Contract documents: The agreement between the state and the contractor, notices to contractors, instructions to bidders, the written and diagrammatic instructions prepared by the architect/engineer for constructing a project, general and supplementary conditions, contract bonds, addenda, change orders, and supplementary agreements. Generally, the written source is referred to as the specifications and the diagrammatic source is referred to as the working drawings. The contract documents are typically developed in phases. Section 6854.

Contractor: The builder; generally selected through competitive bidding. In some instances, the contractor is DGS, the Inmate Day Labor Branch of the Department of Corrections, or the individual department. The contractor uses the contract documents prepared by the architect/engineer to build the project.

Cost changes: For augmentations, additional costs (within appropriation) and recognized deficits, see Section 6861. For bid savings, project savings, and reversions. See Section 6862.

Cost increase within appropriation: See *additional cost within appropriation*.

Cost index: See *construction cost index*.

Debt service ratio: Annual debt service (for non self-liquidating bonds) as a percentage of General Fund revenues or receipts. One of the most commonly used measure of debt.

Delegated items: By resolution. PWB has delegated selected non-policy actions to DOF for approval. Section 6844.

Department of Finance (DOF): Financial control agency for the state. For capital outlay, DOF reviews and approves project proposals for inclusion in the Governor's Budget, approves movement from one project phase to the next, releases funds for phases, and has other administrative oversight functions related to the Public Works Board.

Department of General Services (DGS): The state department responsible for real property management, project planning, project management, construction management, construction and leasing services, real property acquisition and sales, the Statewide Property Inventory (SPI), and energy efficiency services for state and K-14 school facilities. DGS is also staff to PWB for property acquisition and energy efficiency contracts.

Department of Information Technology (DOIT): Department charged with assessing the technical feasibility of information management proposals. Works with DOF's Technology Investment Review Unit (TIRU), which determines whether the proposal is the appropriate business solution. Capital outlay projects with technology components must be reviewed by DOIT and TIRU. Section 6818.

Design-bid-build: The state's traditional method of project delivery in which construction is not bid out until preliminary plans are approved by PWB and a full set of working drawings is produced. Section 6841.

Design-build: A method of project delivery that combines the design and construction of a facility into a single contract, preceded by a separate phase to develop project specifications, usually more detailed than a budget package, but less detailed than full preliminary plans.. *Modified* or *bridging* design-build is a version of the process that results in very detailed project specifications, more closely approximating preliminary plans. Section 6841.

Design documents: The final documents of the preliminary plans stage, including a site plan, architectural floor plans, elevations, outline specifications, and a cost estimate. Section 6851.

DGS: See *Department of General Services*.

DOF: See *Department of Finance*.

Due diligence: In preparing for a bond sale, the inquiry made to disclose facts about the issuer, the issue and the security for the issue that would be material to a prudent investor in making a decision to purchase the issue. Section 6880.

EIR: See *environmental impact report*.

Eminent domain: The taking of private property by a governmental entity for public necessity; also called condemnation authority. Sections 6842 and 6866.

Energy efficiency bonds: A PWB program administered by the Office of Energy Assessments of DGS. Energy-savings projects are completed through contracts financed by energy efficiency bonds. The savings are used to pay debt service. Section 6873.

Engineering News Record (ENR): See *cost index*.

Enterprise revenue bonds: Revenue bonds which are self-liquidating based on project-generated revenues such as airport fees, hospital fees, dormitory fees, etc. Section 6870 and 6872.

Environmental impact report (EIR): An informational document which informs public agency decision-makers and the public generally of the significant environmental effect of a project. Section 6850.

Equipment: Capital outlay equipment is divided into Group 1 and Group 2. Group 1 equipment is installed equipment such as heating and air conditioning units and is budgeted as part of the construction phase. Group 2 equipment is movable equipment, such as tables and chairs (but not replacement equipment) and is budgeted as its own project phase, typically following construction. Not all equipment is classified as capital outlay. See Section 6855 for a discussion of capital outlay equipment, Section 6818 for capital outlay budgeting instructions, and Section 6842 for PWB's role in approving long-lead equipment.

Finance Letter: An amendment to the Governor's Budget proposed by the Administration to the Legislature in the spring immediately following introduction of that budget. Finance Letters are considered by the Legislature in budget subcommittees coincident with review of the Governor's Budget. Sections 6812 and 6818.

Financial advisor: With respect to municipal securities, a consultant who advises an issuances' structure, timing, marketing, fairness of pricing, terms and bond ratings. May also provide advice on cash flow and investment matters. Sections 6872-6876.

Financing lease: The document by which the issuer leases to another public entity (the "obligor" the project to be acquired or constructed with the proceeds of the issue and by which the obligor agrees to make periodic lease payments to the issuer, generally for the period of time the issue is outstanding. Section 6876.

Fitch Investor Services: See *rating agency*.

Forms, standard notices and other required formats:

- **Bid Tabulation:** A listing of bids received for a project; a copy of the bid tabulation must be submitted to DOF when requesting release of construction funds. Section 6853.
- **Closure memo:** A notification from the client department to DOF, and in the case of bond projects, to the issuer and to the project bond trustee, that the project is complete, the construction account may be closed, and for bond projects, the surplus funds—if any—may be disposed of in accordance with the indenture. Sections 6856 and 6882.
- **DF-14D: Request For Approval to Proceed or Encumber Funds.** Used by client department to request DOF/PWB approval of various steps in capital outlay phases, e.g., approval of preliminary plans; approval to proceed to working drawings phase, approval to proceed to bid. Section 6845 Illustration 1.
- **DF-14E, Capital Outlay Budget Change Proposal.** Used to request funding for a capital outlay project to be included in the annual Governor's Budget. Section 6818.
- **FORM 22, Public Works Board Authorization and Transfer Request.** For state agencies which contract with DGS for project management, used to transfer funds to the Architecture Revolving Fund (ARF) for each budgeted phase of work. DGS initiates the form; the client department signs and forwards it to DOF for final approval. Section 68681 Illustration 1.
- **GS-OSA 220, Public Works Project Authorization Bond Proceeds Funded Projects.** This form is used to request SCO to reserve a portion of the department's project appropriation authority in a separate account within the appropriate bond fund. This reserve is used to reimburse the Architecture Revolving Fund for actual expenditures. Section 6868 Illustration 2.
- **Historic Resources Inventory (DPR 523):** A Department of Parks and Recreation form on which department's list their facilities, 50 years or older, which are on—or potentially on—the National Register of Historic Places. Section 6822.
- **Negative Declaration:** Under CEQA, a negative declaration is a form of finding which may be used if the project is not expected to have one or more significant effects on the environment. A negative declaration typically is supported by an initial study or initial study checklist. Section 6850.
- **Notice of Completion:** A notice initiated by DGS or the project manager to advise DOF of the completion of the project. Section 6856.
- **Notice of Determination:** A brief notice filed by the lead or responsible agency after it approves or determines to carry out a project or action subject to CEQ requirements. Section 6850.
- **Notice of Exemption:** A brief notice filed by the lead agency after it determines to carry out a project or action exempt from CEQA. Section 6850.
- **Project Cost, Funding and Schedule Summary:** A chronological history of costs, funds and project schedules which is part of the standard fiscal reporting requirements for any request to DOF or PWB to approve phase completion and release of funds for the next stage (or for project scope or funding changes). Section 6845.
- **Return of Funds Form:** A DGS form used to transfer surplus project funds at project

completion, or upon appropriation reversion, from ARF back to the source fund. Section 6856.

- **STD. 9, Space Action Request.** Used to request DGS real estate services; for projects meeting conditions specified in Section 6453, also used to solicit DOF approval for budget-related impacts of lease renewals, new space requests, and associated support impacts. The DOF review process for all STD. 9s is coordinated through the DOF capital outlay unit. Section 6818, technical notes.
- **STD. 23.** A DGS form used to request approval for departmental supervision of a minor capital outlay project. Sections 6807 and 6847.

General Fund: The state fund into which non-dedicated revenues are deposited and from which the majority of state expenditures are made.

General obligation (GO) bonds: A form of long-term borrowing in which the state issues municipal securities and pledges its full faith and credit to their repayment. Requires approval by a majority vote of the public. Section 6871.

Hard costs: Actual construction costs. See *architectural and engineering fees*.

Historical resources: Any state-owned structure over 50 years of age, which is listed—or could be listed—on either the National Register of Historic Places maintained by the United States Department of the Interior or as a state historical landmark. Section 6822. See also Historic Resources Inventory (DPR 523) under *forms* in this glossary.

Implied dedication: The term refers to a public easement which has been created through a history of use. Implied dedications can reduce the value of a property; such effects must be considered in appraisals for site selection. Section 6849.

Indenture: An agreement executed by an issuer and a trustee which pledges certain revenues and other property as security for the repayment of the issue, sets forth the terms of the bonds, and contains the responsibilities and duties of the trustee and the rights of the bondholders. Section 6880.

Installment payment: In a lease-purchase agreement, the periodic payment which builds equity in the capital asset. Section 6876.

In-substance purchase: See *capitalized leases*.

Interim financing: The financing project costs, on an interim basis, until long-term securities are sold. Depending upon project statutory authorities, may include pre-construction appropriations, bond anticipation notes, commercial paper, PMIB loans or other loan programs. Section 6878.

Issuer: The public entity that issues securities and is named as the issuer-obligor on those securities. The public entity is the "issuer" even in those cases where the actual source of the money to pay debt service is to be an entity other than the issuer. See Capitalized Assets Financing, Sections 6870–6888.

Items to complete: Items necessary to complete a project, not included in the initial project. DOF may approve the funding of such items through project savings or an augmentation (requires PWB action), but only if it can be shown these items are critical and not the responsibility of the contractor. Section 6856.

Joint Legislative Budget Committee (JLBC): A fiscal oversight committee, with members from both houses, charged with reviewing budget administration.

Joint powers authority (JPA): . An agreement between governmental entities (sometimes in the form of a separate entity) that provides for the joint exercise of powers. May issue revenue (and lease-revenue) bonds. Section 6874.

LAO: See *Legislative Analyst's Office*.

Lease-purchase agreement: An installment purchase agreement under a financing lease. Section 6876.

Lease-purchase bonds: Same as *lease-revenue bonds*.

Lease-revenue bonds: A variant of revenue bonds used in the state's capital outlay program. The revenue stream backing the bond is created from lease payments made by the occupying department to the entity issuing the bonds (usually PWB or a joint powers authority). Sections 6873 and 6874.

Legislative Analyst's Office (LAO): A governmental entity under the Legislature, providing staff support to the Joint Legislative Budget Committee. Produces the analysis of the annual budget bill; reviews and may comment on variety of administrative transactions, including capital outlay actions such as augmentations and scope changes.

Legislative notifications: See *20-day letters* and *Section 6.00* of the Budget Act.

Mandatory review and approvals: Refers to various provisions in statute requiring preliminary plans and working drawings for certain projects to be reviewed and approved by oversight agencies such as the State Fire Marshall (within the Department of Forestry and Fire Protection). Section 6852.

Master reserve account: See *reserve account*.

Major capital outlay: Any project not meeting the definition of a minor capital outlay project. Generally, any project over \$250,000, although there are exceptions.

Minor capital outlay: Excluding the purchase of land, any capital outlay project with a total estimated project cost of \$250,000 or less. However, Resources Agency projects up to \$500,000 may be budgeted as minors with the concurrence of DOF (Public Contract Code 10108.5). There are additional requirements to qualify as a minor project; see Section 6807.

Modified design-build: See *design build*.

Moody's Investor Services: See *rating agency*.

National Register of Historic Places: See *historical resources*.

Negative declaration: See *forms*.

Notice of completion: See *forms*.

Notice of determination: See *forms*.

Notice of exemption: See *forms*.

Obligated person: See *continuing disclosure*.

Official statement: A document prepared for the bond sale which provides all information that would be "material" to a prospective purchaser of the bonds, including descriptions of the issuer, terms of the bonds, security for the bonds, major legal documents, risk factors and tax matters, and financial statements. The *preliminary official statement* is a version used by the issuer or underwriters to inform the marketplace of the terms of the bonds being issued prior to receipt of bids at a competitive sale or prior to the determination of interest rates and purchase price in a negotiated sale. Section 6880.

Offner-Dean rule (or exception): Case law that has established that lease-revenue bonds does not meet the constitutional definitions (and therefore restrictions) of debt. Sections 6872 and 6876.

Operating lease: A pure lease for facility space. Where client departments have long-term lease authority, the lessor may choose to use such a lease as security for a debt offering to finance the project, but the state's credit involvement is limited solely to that of a party to a lease or contract. Section 6876.

Option to purchase: See *purchase option*.

Phase: Steps in a project which may be budgeted separately or together, depending upon project complexity. The most common phases are studies, site selection/acquisition, preliminary plans, working drawings/bidding, construction, and equipment to complete the project. Section 6808.

Planning estimates: In capital outlay, the approximate appraisal value for property used at COBCP stage (Section 6818). The term has a different usage in support budgeting.

Pooled Money Investment Account (PMIA): See *Pooled Money Investment Board*.

Pooled Money Investment Board (PMIB): The Pooled Money Investment Board (PMIB) administers the Pooled Money Investment Account (PMIA) for investment of surplus state and local government funds. Among other investment strategies, PMIB may make loans to projects otherwise eligible for interim financing through a General Fund loan. PMIB may also make loans to any special fund for a project authorized to be debt-financed. Section 6878.

Preliminary official statement: See *official statement*.

Preliminary plans/phase: Initial design phase in preparing the construction bidding documents, typically developed in two distinct steps: schematics and design development. Final documents include a site plan, architectural floor plans, elevations, outline specifications, and a cost estimate. This phase starts with DOF releasing funds via a Form 22 or GS-OSA-220 and ends when PWB approves the preliminary plans. Section 6851.

Pre-schematic documents: Plans prepared during the budget package phase, usually by DGS, to depict a possible solution to the department's stated needs and to serve as the basis for a budget package cost estimate. The design architect/engineer later uses these plans to develop the schematic documents as part of the preliminary plans phase. Section 6828, budget package preparation. Section 6851, preliminary plans.

Program management: Program management, which is a department responsibility, is the overall administration of a major capital outlay program such as new prison construction or renovating mental health facilities to meet licensing requirements. When needed for program planning, special consultant assistance may be funded from either the support appropriation or from the capital outlay budget as a separate project. Sections 6805 and 6823.

Property Acquisition Law: The body of law in the Government Code covering acquisition of real property. Section 6842.

Project Cost Detail Sheet: see *forms*.

Project Cost, Funding and Schedule Summary: see *forms*.

Project management: See *construction management*.

Project per CEQA: Section 15378 (a) (3) of the California Code of Regulations defines *project* as an activity involving a lease, permit or license issued to a person or entity. Section 6850.

Project per State Contract Act: For purposes of contract law, Section 10105 of the Public Contract Code defines *project* as the erection, construction, alteration, repair, or improvement of any state-owned structure, building, road, or other state improvement of any kind with a total cost exceeding an amount periodically adjusted by the Director of Finance by Management Memo. Section 6847.

Project phase: See *phase*.

Public lands trust: Landowner agreements with the state to preserve open space and allow public access to natural resources, in exchange for certain immunities. Certain agencies may create public land trusts; PWB has the authority for the balance of the state. Section 6842.

Public Works Board (PWB): The state board empowered to oversee administration of most state capital outlay projects, exercise eminent domain, make augmentations, and establish final project scope through review of preliminary plans. Sections 6842 (overview) through 6866, and Section 6873.

Purchase option: A lease with a purchase option gives the state the right, during the course of the lease, to purchase the asset for a predetermined price, if desired. The exercise of a purchase option, regardless of dollar amount, is always a capital outlay expenditure and therefore requires a COBCP. Entering into a purchase option is not a capital outlay expenditure, and lease payments until the option is exercised are a support expense. However, if using purchase options as a deliberate capital acquisition strategy, a COBCP must be submitted if authorization is sought through the Budget Act. Sections 6818 and 68520.

PWB agenda package: A standard set of narrative project information required whenever requesting PWB to take an action on a project. Consists of the formatted agenda item, the briefing document, and whatever specific information is needed for the type of actions proposed. Section 6845.

Rating: Designations used by rating agencies to give indications of relative credit quality. *Aaa* means the best quality, *Baa* medium grade quality (the lowest "investment grade" long-term rating; and *Ba* and lower means speculative quality with low capacity to pay principal and interest. Section 6880.

Rating agency: An investment rating is secured prior to the bond sale from one or more independent third parties, called rating agencies. The two largest and traditional rating agencies in the tax-exempt market are Moody's Investors Service, and Standard & Poor's. In the mid-1980's, Fitch Investors Service became active in public finance. Section 6880.

Recognized anticipated deficit: A request for PWB to recognize a *possible* future augmentation (generally construction). Section 6861.

Reportables: By resolution, PWB has delegated approval for certain types of actions to DOF. These

actions are referred to as "reportables" because they are listed to the board each month. Section 6844.

Reserve account/fund: An account from which moneys may be drawn to pay debt service on an issue if pledged revenues and other amounts available to satisfy debt service are temporarily insufficient. In lease-revenue issuances, the reserve account is typically sized to the maximum annual debt service payment. PWB uses a *master reserve account program*—in effect, a pooled reserve approach which reduces the aggregate amount of funds its issuances must hold in reserve. Section 6872.

Revenue bonds: A bond payable from a specific source of revenue and to which the full faith and credit of an issuer with taxing power is not pledged. Pledged revenues may be derived from operation of the financed project, grants and excise or other specified no-ad-valorum taxes. Generally, no voter approval is required prior to issuance. Section 6872.

SAM: State Administrative Manual.

Schematic documents: The initial architectural and engineering plans prepared as the first step during the preliminary plan phase, depicting the designer's conceptual solution to the department's capital outlay needs. See Section 6851.

SCO: State Controller's Office.

Scope: The project program as it relates to location, site, facility size and shape, use of assigned program space, or physical characteristics of a facility. Scope is typically approved by the Legislature and published in the Supplemental Report of the Budget Act prepared by the Legislative Analyst's Office. Section 6863.

Scope changes: A revision to the approved project program requiring the advance written approval of DOF. Section 6863.

Section 2.00 of the Budget Act: Establishes appropriation time-frames (both encumbrance and liquidation) for capital outlay projects. Section 6807 and 6812.

Section 3.00 of the Budget Act: For capital outlay projects, defines key terms as used in the Budget Act. Sections 6807 (minor projects), 6851 (preliminary plans), 6852 (working drawings), and 6854 (construction).

Section 6.00 of the Budget Act: Provides a limited exception to the rule that support funds may not be used for capital outlay purposes. The section allows up to \$35,000 of support funds to be encumbered for preliminary plans, working drawings, or construction of any project for the *alteration of a state facility*. Section 6806.

SEC: Securities and Exchange Commission. See *continuing disclosure*, Section 6884.

Settlement price: Acquisition price. Requires PWB approval if the amount exceeds the appraised price reported to the board at the time of site selection. Section 6849.

Site selection: The process that results in identification of a site for a project; requires PWB approval. Section 6849.

Soft costs: All preconstruction costs, plus the A&E portion of the construction phase. See architectural and engineering fees.

State Historic Preservation Officer: See *historical resources*.

State Treasurer's Office (STO): The agent for sale for most state debt issuances. Sections 6805 and 6870—6888.

Standard and Poor's: See *rating agency*.

Standard fiscal reporting requirements: A set of three documents (DF-14D, *Project Cost, Funding and Schedule Summary*, and *Project Cost Detail Worksheet*) required whenever requesting action from DOF or PWB to approve completion of a phase and release funds for the next phase (or requesting changes to project scope or cost). See *forms*. See also Section 6845.

State Property Inventory (SPI): An inventory of all real property held by the state. Each agency is required to update its real property and structure records in the SPI. Section 6820.

STO: See State Treasurer's Office.

Technical consultants: Consulting architects, facilities planners, engineers, or contractors used in the development of a potential project. Section 6823 and 6806 Illustration.

Technology Investment Review Unit (TIRU): The DOF unit charged with assessing whether the technology aspects of a capital outlay proposal are an appropriate business solution. Works in conjunction with the Department of Information Technology (DOIT) which assesses the technology aspects of information management proposals. (Section 6818). Also available as a technical consultant in when preparing a project feasibility study. Sections 6818 (technical notes) and 6823.

TIC: See *true interest cost*.

Total project costs: All project costs from the start of the design phases until the completion of construction and equipping of the project. Major line item costs include: architect/engineer fees, construction contract, inspection fees, administration, agency-retained items, mandatory review fees, small business administration fees, and bidding phase costs.

Transferring funds to Architecture and Revolving Fund (ARF): See *forms* (Forms 22 and GS-OSA 220). Section 6868. See also *Architecture and Revolving Fund*.

True interest cost (TIC): A measure of the interest cost of an issue that accounts for the time value of money; sometimes called the *internal rate of return* or the *net effective interest rate*. Overall interest costs on a bond sale are expressed as the TIC.

Turnkey construction: A procurement method in which the vendor delivers a ready-to-operate facility to the client department's specifications, either through a long-term (pure) lease or a financing lease. Section 6841.

Underwriters: A dealer which purchases municipal securities for resale to investors. The underwriter may acquire the securities either by negotiation with the issuer or by award on the basis of competitive bidding. In either case, the underwriter assumes complete risk and responsibility for selling the bonds. Section 6880.

Value engineering: A project evaluation technique which seeks to reduce costs and/or increase value by analyzing the functional requirements of a project's materials, methods, components and subsystems. PWB may require value engineering as a precondition to a recognized deficit. Section 6851.

Working drawing phase: The final design phase in preparing the construction bidding documents.

Includes a complete set of plans and specifications and a final cost estimate (dated). Section 6852.