

Arizona Department of Administration

CAPITAL IMPROVEMENT PLAN INSTRUCTION MANUAL

FISCAL YEAR 2021



GENERAL SERVICES DIVISION

PLANNING AND CONSTRUCTION SERVICES

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FY 2021 CAPITAL PLAN INSTRUCTION MANUAL

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Capital Improvement and Building Renewal Program

A. Introduction

1. Statutory Requirements

The annual Capital Improvement Plan (CIP) reflects the capital project and building renewal requests of the Arizona Department of Administration Building System. Pursuant to A.R.S. §41-793, all agencies within the Department of Administration Building System must complete and return capital request forms to the General Services Division (GSD) **no later than June 1, 2019 or thirty (30) days after the State Legislature adjourns, whichever is later.**

2. CIP Elements

The CIP is composed of the following elements:

1. Recommendations ranked by priority for capital projects, including detailed justifications, for next fiscal year
2. Forecast of capital project needs for the following two years.
3. Planned Building Renewal Projects for the next fiscal year.
4. Forecast of Building Renewal needs for the next two years.
5. Report on Building Renewal activities undertaken during the past fiscal year.
6. Report on the status of all ongoing or recently completed capital projects, including expenditures, and energy consumption and energy costs
7. Report on energy conservation activities undertaken in the previous fiscal year.

These instructions provide information on the ADOA Building System, Capital Project and Building Renewal Categories, Building Renewal Fund Policies and Procedures, how to complete the CIP forms, definitions and submission guidelines.

For questions on the Capital Improvement Planning forms and process, please contact Neil Urban, Capital Planner, (602-542-4438), neil.urban@azdoa.gov or Ruben, Duran, Building & Planning Manager, (602-364-4851), ruben.duran@azdoa.gov.

B. ADOA Building System

The ADOA Building System consists of the following agencies:

Administration, Arizona Department of	Historical Society, Arizona
Agriculture, Arizona Department of	Historical Society of Arizona, Prescott
Arizona Health Care Cost Containment System	Judiciary, Arizona Supreme Court
Corrections, State Department of	Juvenile Corrections, Arizona Department of
Deaf and the Blind, Arizona State Schools for the	Lottery Commission, Arizona State
Economic Security, Arizona Department of	Parks Board, Arizona State
Emergency and Military Affairs, Department of	Pioneer's Home, Arizona
Environmental Quality, Arizona Department of	Public Safety, Department of
Exposition & State Fair Board, Arizona	State Forester
Game and Fish Department, Arizona	Tourism, Office of
Health Services, Department of	Veterans' Services, Department of

C. Building Renewal Fund Policies and Procedures

The primary purpose of the Building Renewal funding program is the repair or renovation of a capital improvement in order to maintain its useful life. Arizona Revised Statutes mandate that priority funding consideration should be given to projects affecting fire and life safety. Building Renewal does not include new construction, landscaping and area beautification, infrastructure replacement or repair, routine maintenance, new paving, resurfacing of an area that was not capitalized as part of the original cost of the building, or demolition and removal of a building.

Building Renewal projects are funded through a Capital Outlay Appropriation Bill. Bi-Annually, the Capitol Appropriation Bill is introduced and passed in the State Legislature and signed by the Governor. Appropriations made for Building Renewal that are unexpended on June 30, 2 years after the initial appropriation, revert to the fund from which the monies were appropriated. Funds cannot be expended without review from the Joint Committee on Capital Review (JCCR)

Building Renewal Project requests are part of the agency's capital plan. ADOA compiles each agency's request and includes the list of projects in the CIP. ADOA will then review each agency's priority-ranked list of projects including previous year's requests that were not funded. After ADOA has evaluated the request, ADOA submits the Building Renewal Allocation Plan to the Joint Committee on Capital Review for its review. The agency directors will receive notification of the funded projects after the JCCR meets and has reviewed the allocation plan.

D. Capital Improvement and Building Renewal Program

1. Program Definitions

a. Capital Improvement

A capital project is a project to construct either new facilities or significant, long-term renewal improvements to existing facilities. A capital project usually has a useful life of at least 10 years and typically requires the involvement of an architect and/or engineer.

b. Building Renewal

A building renewal project encompasses major activities that involve the repair or reworking of a building including the upgrading of systems that will result in maintaining a building's expected useful life. It does not include new construction, landscaping and area beautification, infrastructure replacement or repair, routine maintenance, new paving, resurfacing of an area that was not capitalized as part of the original cost of the building, or demolition and removal of a building.

2. Capital Project & Building Renewal Categories

Each capital project request is classified according to its primary purpose based upon the following list of categories. These categories are used in the development of the annual Capital Improvement Plan.

CAPITAL PROJECT & BUILDING RENEWAL CATEGORIES

Category	Description
New Construction	The creation of a new facility or the addition, expansion or extension of an existing facility that adds to the building's overall gross square footage.
Fire & Life Safety	Improve or eliminate an impending condition that threatens life or property and is about to occur. Use when the facility has received an official notice that the condition must be corrected or the facility will be subject to closure.
Shell: Superstructure; Exterior Walls & Roofing	Exterior closure, walls, windows, and doors, roofs; superstructure
Major Building Services	Elevators, Plumbing, HVAC, Electrical
Interiors: Interior Construction-Stairs; Finishes	Interior build-out; walls, finishes, stairs, interior doors, etc.
Special Construction & Controls; Hazardous Abatement	Special construction elements such as security control rooms, institutional kitchens, abatement of asbestos, lead paint or other environmental hazards
Infrastructure & Building Site Work	Site Improvements: roadways, parking lots, pedestrian paving and landscaping. Site electrical and mechanical utilities: water supply and distribution, sanitary and storm sewers; waste treatment, electrical distribution, site lighting, fencing, communications, and security.
ADA accessibility	Compliance with Americans with Disabilities Act: Title II.
Land Acquisition	Land purchase for new or existing facilities.
Energy Conservation	Primarily emphasizes the reduction of energy consumption by a building, utility system or core component of the building

3. Building Renewal Priorities

Arizona Revised Statutes mandate that priority funding consideration should be given to projects affecting fire and life safety. In addition to this mandate, the Department of Administration also attempts to identify building renewal projects that are critical to continued operation of mandated agency programs, projects that will reduce operating costs, prevent further significant deterioration or reduce the probability of significant damage to the building or facility.

The Department gives consideration in the following order:

1. Fire and Life Safety Issues
2. Preservation of Assets: (Roofs, walls, doors, exterior wall finishes, and structural building components)
3. Major Building Systems Repairs/Replacement: (Mechanical, electrical, plumbing, and elevators)
4. ADA: (Accessibility is primary reason for project)
5. Infrastructure: (Non-building improvements such as utility systems, roadways, parking lots, exterior lighting, irrigation systems, and sidewalks)
6. Interior Building Finishes: (Painting, ceiling tiles, restroom fixtures, and floor finishes; i.e.: carpet, vinyl, and ceramic)
7. Routine Preventive Maintenance

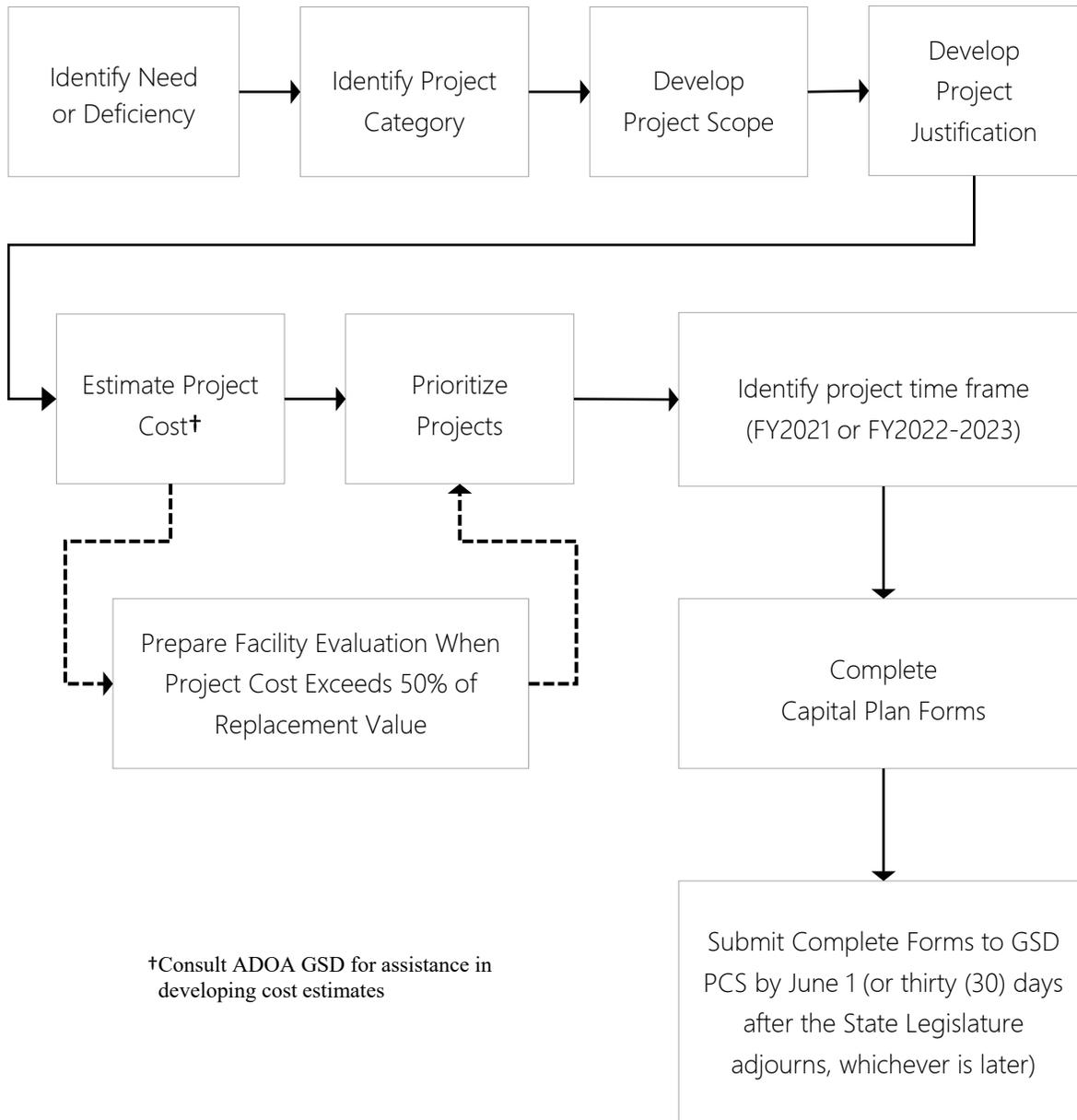
4. Project Scoping Process

Project scoping is where the problem is defined and a solution determined. Decisions should only be based on the best information available. It is recommended that the following be considered when developing the scope of any project:

1. Seek Expertise—If a problem is complex, hire a professional consultant. Get an assessment from a contractor if you are unsure. Call ADOA, General Services for advice.
2. Evaluate Related Systems—Consider what other components of the building could be impacted when repairing or replacing equipment. Fire alarms are a good example.
3. Get Proper Estimates—Again, hire a consultant or get an estimate from a contractor if you do not have the expertise to estimate the project cost.
4. Consider Other Costs—What other work must be done? Demolition and hazardous material abatement are good examples of often-overlooked costs. Use the budget checklist to help identify other related work that may be a part of your project scope.
5. Schedule/Work Conditions—What restrictions or constraints may be placed on the project to avoid conflicts with the operation of the facility? Is there an optimum time period to undertake the work? Is after hours or weekend work necessary and will it impact the project cost? The Building Renewal Program is structured such that design and construction occur within the two-year funding window. No project should require more than eighteen months to construct unless it has been funded as a phased project

The process to develop a well-defined project scope and budget for each Capital or Building Renewal request is outlined below:

CIP Project Scoping Process



ADOA GSD staff is available to provide technical support for the scoping and budget process. Use the budget checklist on the next page to assist you in preparing the budget.

Project Budget Checklist

BUDGET ITEM	ESTIMATED AMOUNT
<input type="checkbox"/> Professional Services- Architects/Engineers	
• Related Professional Services	
- Surveyor	
- Mechanical	
- Electrical	
- Civil	
<input type="checkbox"/> General Contractor	
<input type="checkbox"/> Related Contracts	
• Asbestos Testing- (Engineer & Laboratory)	
• Asbestos Oversight- (Engineer & Laboratory)	
• Abatement- (Contractor)	
• Controls- (HVAC)	
• Air Balance	
• Materials Testing- (Concrete, Welds, etc.)	
• Fire Alarm	
• Fire Suppression	
• Flooring- (State Contract)	
• Phone, Data- (State Contract)	
• Mover	
• Modular Furniture- (State Contract)	
• Security- (Systems or Temporary Security)	
• Equipment Rental- (Fencing)	
<input type="checkbox"/> Temporary Storage/Lease Space	
<input type="checkbox"/> Temporary Parking	
<input type="checkbox"/> Permits/City Fees	
<input type="checkbox"/> Utility Fees- (Connect/Disconnect) (Temporary) or new meters	
<input type="checkbox"/> Project Management	
<input type="checkbox"/> Inmate/Labor	
<input type="checkbox"/> Contingency	
<input type="checkbox"/> Other Considerations	
• Possible Scope Adjustments to reduce scope if necessary	
Total Construction Cost:	

E. Capital Plan Forms

FY 2021 Capital Improvement Plan forms:

CIP Form 1	Capital Improvement Plan Transmittal Statement
CIP Form 2	FY 2019 Capital & Building Renewal Project Status Report
CAP Form 1	One Year Capital Project Request Summary
CAP Form 2	Capital Project Financial Data
CAP Form 3	FY 2021 Capital Project Description and Justification
CAP Form 4	FY 2022-2023 Two Year Capital Project Forecast
BR Form 1	One Year Building Renewal Project Request Summary
BR Form 2	FY 2021 Building Renewal Project Description & Justification
BR Form 3	FY 2022-2023 Two Year Building Renewal Forecast

1. CIP Form 1: Capital Improvement Plan Transmittal Statement

This form summarizes the agency's total FY 2021 capital budget request. This includes capital project requests and specific building renewal needs. The purpose of this form is to:

1. Summarize your agency's FY 2021 budget request for the following fund sources: General Fund, Other Appropriated Funds, Federal Funds, and Other Non-Appropriated Funds.
2. Secure the signature of your agency director. Please submit an electronic scanned copy or one original signed copy of the request.
3. Designate the individual primarily responsible for the preparation of your agency's CIP capital budget request. Questions regarding the preparation of the CIP budget request will be directed to this person.
4. Establish the date of submission.

2. CIP Form 2: FY 2019 Capital & Building Renewal Project Status Report

Use this form to report on the status of all ongoing or recently completed land acquisitions and capital projects and all Building Renewal expenditures for **FY 2019**. Regardless of funding source, agencies must submit this report to ADOA by August 31 of each year. If this is an ADOA managed project for your agency, ADOA already maintains this information.

Category Code: Refer to the Capital Project and Building Renewal Categories described earlier in these instructions.

3. CAP Form 1: One Year Capital Project Request Summary

This form summarizes and ranks by priority the individual capital project information that is provided on the CIP Form 3 (Capital Project Financial Data). If your agency includes multiple campuses or institutions, only provide one priority ranked list of Capital Project requests for the entire department or agency. **Do not duplicate projects included in the agency's FY 2021 building renewal project requests, CIP Form 6.**

4. CAP Form 2: Capital Project Financial Data

Arizona Revised Statutes require that the ADOA Building System Plan include a detailed list of all land acquisition and capital projects that are recommended to be undertaken or continued for

the building system during the next fiscal year, an explanation on the need for each acquisition or project, the effect of the recommended acquisition or capital project on the future operating expenses of this state, recommendations as to the priority of recommended acquisitions or capital projects, and the means of financing those acquisitions or project.

Use this form to provide detailed financial information for each FY 2021 capital budget project request. Use a separate form for each project that has been identified in CIP Form 2 (One Year Capital Project Request Summary). This includes all capital construction projects, land acquisitions, and infrastructure replacement or major repairs. ***Do not duplicate projects included in the agency's FY 2021 building renewal project requests.***

5. CAP Form 3: FY 2021 Capital Project Description and Justification

Use this form to explain the need for each FY 2021 year capital plan project request that is listed in CIP Form 2 (One Year Capital Project Request Summary) by providing a narrative description and justification for each project. Submit pertinent information about the proposed project, for example, digital photos, previous studies, State Fire Marshall or ADOA Risk Management reports. The justification should include the positive agency and/or program impacts that are likely to occur if the project is funded, as well as the potential negative impacts from deferring the project.

ADOA Building Inventory ID: ADOA building numbers and Campus names are available in the ADOA inventory of state-owned buildings on the ADOA, General Services Division website:

<https://gsd.az.gov/content/building-system-inventory>

Category: Refer to the Capital Project and Building Renewal Categories described earlier in these instructions.

Priority: This will be the same priority as listed in CIP Form 2.

Problem/Justification: Is this a new request or has this project been requested in previous CIP submissions to ADOA? If the project was requested in prior years and not funded, how long has the project been deferred? Describe the impacts of deferring the project to the delivery of your agency's programs since the project was originally requested. Include whether the project is a continuation or another phase of an already approved project.

Proposed Solution: Describe why the project is required. List any other funding opportunities that your agency has explored, such as federal and state grants, other dedicated fund sources, user fees, operating funds, and performance contracting that would enable the agency to share part of the total general fund needs. How did your agency determine the priority ranked order? How was the project cost for each building renewal and capital request developed? For example, engineering or architectural design that included a construction cost projection, recently completed project, Means or Marshall Valuation data, contractor or vendor estimate?

Principal Benefits: Will the capital request add any additional space by either adding an additional structure or by the expansion of an existing structure? Does the project correct deficiencies in an existing structure? If additional space is requested for a new or expanding program, has your agency evaluated the options to more efficiently utilize existing space by remodeling existing occupied or vacant space?

Will this project eliminate or significantly mitigate an existing liability to your agency or the State? If so, describe the liability and provide supporting documentation such as an ADOA, Risk Management report, State Fire Marshall or State Elevator Inspection, or engineering evaluation.

Will completion of the project enhance the business continuity plans for the operation of your agency?

How important is the project to the mission of your agency program that will be supported by the building, structure, or infrastructure?

When completed, will the project create a net savings or expense on the operating budget?

Cost Estimate Detail: If the project includes multiple structures and or buildings, provide total costs for each building. If the cost to improve or renovate an existing structure exceeds 50% of the current replacement value of the structure, has your agency prepared a facility evaluation of the entire structure? (The current replacement value of all structures within the ADOA Building System can be found in the latest [ADOA Inventory of State-Owned Buildings](#).) If the project costs are greater than this 50% threshold, then the evaluation should include a physical evaluation of the building's shell foundation, exterior wall, and roof; major building systems, mechanical, electrical, plumbing, fire alarm and suppression, security, etc.; code compliance, ADA, fire life safety; energy consumption; a functional analysis of the buildings suitability for the existing or proposed program.

Photos: New this year, you may include up to four photos to illustrate your project. The process to insert the photos is as follows:

1. Double click in the photo cell
2. Click on the **Insert** menu, select **Image** then rollover and click on **Image in cell**
3. Choose an image to upload
4. Click **Select**
5. Double click the label cell above the photo
6. Type in the description of the photo

6. CAP Form 4: FY 2022-2023 Two Year Capital Project Forecast

Use this form to provide basic information about projects that are forecasted for FY 2022 through 2023. This project list is intended for future planning purposes. Thus, only brief descriptions of the project are required. Detailed cost data is not required, so be sure to list a project even if the cost estimate is uncertain. Only list projects that have a total cost of ten thousand dollars or more.

7. BR Form 1: One Year Building Renewal Project Request Summary

This form summarizes and ranks by priority the individual Building Renewal Projects. If your agency includes multiple campuses or institutions, only provide one priority ranked list of Building Renewal Project requests for the entire department or agency.

Arizona Revised Statutes require each agency to give priority to projects related to fire and life safety. ADOA recommends that the exterior of any building, including the roof, the exterior walls, or exterior doors should be maintained, restored, or rebuilt so that the building's interior is protected from all elements. ***Do not duplicate projects included in the agency's FY 2021 Capital project requests.***

8. BR Form 2: FY 2021 Building Renewal Project Description & Justification

This form contains the justification and estimated cost for each Building Renewal project requested for FY 2019 funding. Include any building inspection reports, regulatory reviews, or official notices that substantiate the need for the project. ***Please refer to category descriptions as described per CAP Form 3: FY 2021 Capital Project Description and Justification.***

9. BR Form 3: FY 2022–2023 Two Year Building Renewal Forecast

This form summarizes the building renewal needs that are described in detail in CIP Form 7. Use this form to include summary information for each agency's forecasted building renewal projects for FY 2022 through FY 2023. The primary category code column reflects the main reason for the project. For example, a project whose primary purpose is to make a restroom accessible is an ADA project. For more details, reference the description of Building Renewal Fund Policies and Procedures described earlier in these instructions.

F. Submission Instructions

New this year, the FY 2021 CIP Forms are provided in Google Sheets format. As such, all work is automatically updated to the Google Drive in real time. You do not need to save or upload your work. The form provided to each agency is shared with the primary contact ADOA has on file. The primary contact may share the file with whomever else needs to have access to it. In addition, a signed and scanned PDF version must be submitted via email to Neil.Urban@azdoa.gov

G. Definitions

A&E. Architect and engineering and other professional services.

ADOA Building Inventory ID. All structures within the ADOA Building System have a unique identification number. Include this identification number in the Capital Project and Description for each existing structure that is part of the capital project.

ADOA Building System Campus. All structures within the ADOA Building System Inventory are grouped according to campus or institution. The campus location for each existing structure that is part of a capital request should be included in the Capital Project and Description. This will assist ADOA with its evaluation of each agency's capital project requests.

Building Renewal. Major activities that involve the repair or reworking of a building including the upgrading of systems that will result in maintaining a building's expected useful life. It does not include new construction, landscaping and area beautification, infrastructure replacement or repair, routine maintenance, new paving, resurfacing of an area that was not capitalized as part of the original cost of the building, or demolition and removal of a building.

Building Renewal Minor Works Projects. Minor works building project requests are single funding requests that may include multiple projects valued between \$25,000 and \$250,000, are of a similar nature, and can generally be completed within two years. Technical or engineering reviews or designs are usually limited to minor studies that lead directly to and support a project on the same minor works list. Minor works project lists are typically based upon: (1) Compliance with Health, safety, and code requirements; (2) Facility preservation; and (3) Infrastructure preservation.

Building System. A group of buildings that together constitute a single unit for purposes of planning, land acquisition, construction, or building renewal.

Capital Cost Estimate. Estimate total project costs according to the following items:

1. Land Acquisition (land purchase price)
2. Construction (site development, construction, fixed equipment, utility extensions, parking and landscaping)
3. A&E (architect and engineering and other professional services)
4. FF&E (furniture, fixtures and equipment)
5. Other (telecommunications equipment, security systems, etc.)

Capital Projects. Buildings, structures, facilities, and areas constructed for the use and benefit of the State.

A capital project is a project to construct either new facilities or significant, long-term renewal improvements to existing facilities. A capital project usually has a useful life of at least 10 years and typically requires the involvement of an architect and/or engineer.

Capital projects are classified as either preservation or programmatic. Preservation projects maintain, preserve, and extend the useful life of existing state facilities and do not significantly change the program use of the facility. Program projects primarily achieve a program goal, such as changing or improving an existing space to new program requirements or creating a new facility through construction, lease, and or purchase.

Preservation projects generally have little effect upon future operating programs and budgets, except for reductions in the agency's maintenance costs and the deferred maintenance backlog. Examples include renovating building systems and finishes, upgrading utility systems, and repairing streets and parking lots, etc.

Program projects are less concerned with life extension of a facility. Projects range from building new facilities to significant renovation of existing facilities. These projects may improve conditions, accommodate changes in services or clientele, or upgrade the facility to comply with current building and fire and life safety codes.

Capital Renewal Project. A capital renewal project is a project involves a significant, long term major building system repair or replacement only at existing facilities. A capital renewal project usually has a useful life of at least 5 years and typically requires the involvement of an architect and/or engineer. Capital Renewal projects include renovating building systems and finishes, upgrading utility systems, and repairing streets and parking lots, etc.

Completion Date. The completion date of the project.

Construction Cost per Gross Square Feet. This field will be filled automatically if the project's construction costs and gross square feet have been entered. It calculates the total Construction Costs of the project per gross square feet (GSF) of area.

Cost Estimate Detail. Identify the person responsible for the cost estimate preparation. (e.g., consultant, contractor, agency staff) and the comparative cost methodology used, such as Marshall & Swift - Marshall Valuation Service (per square foot cost for building types), RS Means Building Construction Cost Data, among others.

Estimated Change in Annual Facility Operating Costs. If applicable, include the number of new FTEs required to operate the new facility or the additional space.

Estimated Total Cost. List the total costs expected for the project if it is still ongoing.

FF&E. Furniture, fixtures and equipment.

Fund Source. List all fund sources. Report multiple fund sources by each project.

GSF. Gross square feet.

Principle Benefits. Describe the cost savings, cost avoidance, increased revenue, or improvements to programs, if any. Agencies should indicate how the project will increase the life of the building.

Priority. Rank your agency FY 2016 capital projects request in order of agency priorities.

Problem/Justification. Clearly describe the specific problem or objective that creates the need for this building renewal project. Include any specific references to code violations, legal mandates and special building use requirements.

Project Description. Provide a short detailed scope of work.

Project Name. Convey the location and nature of the project.

Project Size. Provide the GSF of the area being renovated or constructed or the total square feet of space that will be addressed by the proposed capital project.

Proposed Funding. List prior appropriations, General Fund requests, and any other proposed funds sources, such as Federal Funds or Other Non-Appropriated Funds.

Proposed Funding Schedule. Identify the Total Costs and fiscal years in which funding will be requested, including the annual amount for multi-year projects.

Proposed Solution. Briefly describe the nature of the project - what it is, where it is, and what it will do. For example: “This project will replace the 500-ton chiller at the Senate Building to increase operational efficiencies, eliminate R-12 refrigerant, and maintain reliable and dependable cooling for several buildings.”

Proposed Work Schedule. Estimate the dates (month and year) that the project will phase in, including planning, design, and construction, and the date occupancy will start.

Routine Building System Component Repairs and/or Replacements. Routine repairs and/or replacements incur costs for ordinary repairs that keep an existing facility in useful condition for its function and occupants. These costs should actually be included in the annual operating costs of the facility regardless of the funding source for this work.

Total Costs. List the estimated costs for the project.

Total Project Cost per Gross Square Feet. This field will be filled automatically if the project’s total costs and GSF have been entered. It calculates the total project cost per GSF, including land acquisition, A&E fees, F&FE and other costs.