

2010-2012 Maintenance Reserve Requests

2010-2012 Budget Development



**Virginia Department of
Planning and Budget
June 2009**

Overview

This document provides guidance for submitting your agency's requests for new maintenance reserve subprojects for the **2010-2012** biennium. These requests are due to the Department of Planning and Budget no later than July 1, 2009. The maintenance reserve plan should cover facilities funded from nongeneral funds, as well as those supported with general fund dollars. The only exception is that Level III institutions of higher education do not have to request subprojects funded one hundred percent with nongeneral fund dollars.

Agencies and institutions are reminded of the following provisions in § 4-4.01 of Chapter 781:

- First priority when requesting capital outlay appropriations shall be maintenance reserve, and
- First priority when expending capital funds shall be given to roof repairs.

All agencies with a physical plant are to submit maintenance reserve requests to identify any new requirements needed to maintain or extend the useful life of their facilities. The maintenance reserve requests for the 2010-2012 biennium should reflect only those subprojects required for that biennium and not the agency's total six-year need. Specifically,

- **(new this year) agencies must seek revalidation of any subproject validated in FY 2004 or earlier if no expenditure has been made on the subproject as of June 30, 2009; otherwise do not submit a request for a maintenance reserve subproject that has been previously validated;**
- **do not include similar work in both the maintenance reserve request and a stand-alone capital project; and,**
- **only request subprojects needed for the 2010-2012 biennium.**

If any agency fails to request revalidation of subprojects validated in FY 2004 or earlier for which no funds have been expended, DPB will remove the subproject from the agency's list of validated subprojects during the development of the FY 2010 annual maintenance reserve plans.

DPB will review each maintenance reserve subproject request and validate those that meet the criteria. DPB will notify each agency by July 24, 2009, as to whether individual subprojects have been approved or disapproved.

Definitions

Maintenance reserve subprojects are not intended to enhance, upgrade, or otherwise improve plant, property, or equipment unless such work is incidental to the main purpose of the subproject (less than 25 percent of the overall cost).

A maintenance reserve subproject is a major repair or replacement to plant, property, or equipment that is intended to extend its useful life. Each subproject usually costs between \$25,000 and \$1 million. However, a subproject costing under \$25,000 or over \$1 million that

meets the criteria may also qualify as a maintenance reserve subproject with the permission of DPB. Consult your DPB analyst if you have any questions.

A subproject that meets one or more of the following criteria may be included in a maintenance reserve plan:

- Repair or replacement of functionally obsolete, damaged, or inoperable built-in equipment such as elevators, furnaces, plumbing fixtures, air conditioning, and ventilation;
- Repair or replacement of components of a plant, such as exterior wood, masonry, ceilings, floors, floor coverings, doors, windows, roofs, sidewalks, parking lots, fencing, and exterior lighting;
- Repair or replacement of existing utility systems, such as steam lines, natural gas, air, electrical, water, and sewer;
- Correction of problems resulting from erosion and drainage; and/or,
- Work related to handicapped access, energy conservation, building and safety codes compliance, lead paint abatement, or asbestos correction.

A subproject that meets one or more of the following criteria is normally **not considered** maintenance reserve:

- Maintenance contracts to clean, maintain, repair, or protect existing plant, property, or equipment;
- Routine periodic maintenance, such as servicing, adjusting, minor repairs, painting, scraping, cleaning, and spraying of plant or property;
- Repair or replacement of office, motorized, medical, laboratory, electronic, photographic, educational, cultural, computerized, and other specific-use, moveable equipment that is not permanently installed as a part of the plant or property; and/or,
- Leak testing and monitoring of underground storage tanks and the removal of underground storage tanks not associated with tank replacement.

Changes to the process

The process for developing maintenance reserve requests has changed from that used in previous years. The following are the most significant changes.

- For the first time, the agency maintenance reserve requests will be an online submission through a DPB web-based capital system, CapSix.
- Agencies are to only make requests for those subprojects needed for the first biennium, fiscal years 2010 and 2011. There will be no MR-2 submissions for the out-biennia.
- The maintenance reserve subproject threshold has increased from \$500,000 to \$1 million.
- Agencies **must** seek revalidation of any subproject validated in FY 2004 or earlier if no expenditure has been made on the subproject as of June 30, 2009.
- To be considered for maintenance reserve funding, the building affected by the request must have all pertinent data loaded into the Facility Inventory and Condition Assessment System (FICAS).

Detailed Instructions

Getting Started

Go to <http://dpb.virginia.gov/CapSix> to access the CapSix login screen. You may use the “Request Form” link to request a login ID and password. If you already have a VA Performs account or a six-year CapSix account, you will not need a new account; however, your VA Performs account will not have access to CapSix until you email dpbwebmaster@dpb.virginia.gov to request the change. This is a continuation of DPB’s effort to create a single sign-on solution for all DPB web applications.

Submitting to DPB

Before submitting your request to DPB, please spell check your entries. When you are satisfied with all of your agency’s maintenance reserve subproject requests, click “Submit to DPB” on the left menu. Your DPB analyst will receive an email and your maintenance reserve subproject requests will become locked (Read-Only). If you need to make subsequent changes, you must contact your DPB analyst and request that your maintenance reserve subprojects be unlocked.

General Info Tab

Make sure you are in the MR-1 Table and not the H-1 Table) upper left hand corner under “home”

Subproject Title. A short and clear descriptive title of the subproject. Begin each title with an action verb.

Agency Priority. Insert a number indicating the priority of the subproject request with “1” being the most important, the next most important, “2,” etc. (Section 4-4.01 of Chapter 781 requires agencies to give first priority to the repair or replacement of roofs on buildings under the control of the agency.) CapSix **will not** let you use letters or decimals. **Do not** prioritize general fund and nongeneral fund subprojects separately. No two subprojects should have the same priority number. To make it easier to reorder priorities, CapSix has a “Reprioritize” option on the left menu to let you to renumber your maintenance reserve subproject priorities sequentially. You will be able to move them up and down to achieve the correct order. You will not be allowed to prioritize capital subprojects using “2.1,” “2.2,” “2.3,” etc.

Location of Subproject. From the dropdown menu, select the region the subproject is intended to serve. If the subproject serves area all over the state, enter “statewide.”

Facility. Many agencies have stand-alone operations in several locations in the state that have similar functions and buildings. Examples would be state parks, college campuses, mental health facilities, highway residencies, and correctional facilities. In this box, put the name of that facility/campus, if applicable. Otherwise, leave it blank.

Building Number. If applicable, the building number should be the official FAACS number assigned to the building by the Department of Accounts (DOA). This is also the identifier used in the FICAS system. If no FAACS number is assigned, please contact Ernie Forrest in DGS' Division of Real Estate Management (ernie.forrest@dgs.virginia.gov).

Building Name. If applicable, enter the official name of the building where the work will occur.

Building Function. If applicable, enter a brief description of the building's function (how it is used). For example, dormitory, instruction – math and English, administrative offices, etc. Institutions of higher education also must provide the percent of the building's function and purpose that is attributable to educational and general activities.

Funding Request. Enter the fiscal year and amount requested under the applicable headings. In preparing the subproject budget, base all estimates on current year dollars projected to the time at which you anticipate that the construction would be at its mid-point. Base the proposed construction budget upon that bid date. The funding request should include within it, the allowance for cost escalation that the contractor would have included in his/her price based on the planned bid or construction start date. For planning purposes, use three percent per annum for escalating costs. If the funding request is developed based upon the actual cost of comparable subprojects, the escalation timeframe should be from the bid date of the comparable subproject to the planned bid date of the proposed subproject. If the funding request is based upon pricing individual components/commodities/subcontracts, include escalation from the present day cost data or quotation to the mid-point of construction."

Decisions about the use of general fund dollars or tax-supported debt will be made by decision makers at a later date. Any expected tax-supported debt maintenance reserve subprojects should be included in the GF entry.

Revalidation. Check this block if the requested subproject is a resubmittal of a subproject that was validated before FY2004 and had no expenditures as of June 30, 2009.

Round all entries to the nearest \$1,000.

Narrative Tab

Subproject Description. The subproject description should be of sufficient detail to clearly define the scope of the subproject.

Subproject Justification. The justification should include age and condition of current property, plant, or equipment; the number of man-hours invested annually in repairs; impact of interruptions of services or service backlogs; safety hazards to clients or staff, and health and safety code violations (specify which code edition). Be sure to indicate the number and type of clients or staff who will benefit from the proposed subproject.

Costing Methodology. Briefly describe the methodology used to estimate the cost of the subproject. Institutions of higher education should include information on fee increases that may be required to finance the requested subproject.

Maintenance Reserve Criteria Met. Check all the criteria that apply to the subproject.

Contact Information. Enter the contact person's name, email, and telephone number.