

JOB AID: REPAIRS AND RENOVATIONS

This job aid describes the process agencies should use to submit requests for repair and renovation funding. OSBM is continuing the two-step process introduced in the FY 2020-21 budget instructions: (1) the Agency Budget Change (ABC) List, a high level list for review before proceeding to more detailed submissions, and (2) the streamlined change budget request (Worksheet II) forms.

Agency Budget Change (ABC) List

The ABC List is a two-step Change Budget request process in which an agency submits key summary information for requests using the ABC List Template prior to submitting more detailed Worksheet II and Worksheet III forms in IBIS.

OSBM analysts will review the ABC List and work with agencies to develop the business case for each request, determine if requests are viable given budgetary and other constraints, and amend requests based on feedback from decision makers. These collaborative discussions will produce a final list of items for which agencies will submit Worksheet IIs and IIIs.

The ABC List template includes separate tabs for operational, capital, R&R, and COVID-19 requests. The first tab, "Instructions", provides guidance on how to complete the form. Each agency should only submit one Agency Budget Change form. The ABC List should be viewed as the agency's needs estimate for the six-year capital plan period. The Capital Improvement Plan should be viewed as a reasonable construction plan could be achieved in the six-year time frame, assuming funding availability.

Capital Improvement budget recommendations will be developed based on the 2021-2027 Capital Improvement Plan.

Agencies that opt into the two-step process are required to share their ABC List with their OSBM budget development analyst by **December 18, 2020. The deadline for Worksheet II and Worksheet III IBIS submissions for agencies using the ABC List is **January 20, 2021**.**

Agencies that do not opt into this process are required to submit their Worksheet II and Worksheet III Change Budget requests through IBIS by **December 18, 2020.**

Completing Your Repair and Renovation Plan

All repair and renovation of existing buildings, including General Fund requests and non-General Fund (receipts), must be requested in IBIS through the Worksheet III form. Your agency will be required to submit information for the following:

- *Worksheet III-R Summary (IBIS)* – Lists all requested R&R projects and costs in priority order for the six-year planning period 2021-27. DO NOT request all of the department's R&R projects in the first two years. This process is intended to identify a department's reasonable ability to execute a repair and renovations plan for the next six fiscal years.
- *Worksheet III-R Repair & Renovations Request (IBIS)* – Provides project descriptions, justifications, construction schedules, and other CI related information for R&R budget requests. This form must be completed for every request for the 2021-23 biennium. Priorities, Project Titles and funding must match data listed on the Worksheet III-R Summary and Worksheet III-R NGF Summary.
- *Worksheet III-R NGF Non-General Fund Summary (IBIS)* – Lists all requested non-General Fund R&R projects supported from 100% receipts in priority order for the six-year planning period 2021-27.

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Repairs and Renovations Requests

Repair and renovations requests are capital projects that include the repair, renovation, and demolition of buildings, and related systems. Repairs and renovations do not include the expansion of square footage for programmatic purposes. The State Budget Act treats repairs and renovations separately. Full building renovations should be requested as a New Capital Project Request.

Selecting the Year that the Project is to Begin: Agencies should be realistic about their ability to begin and execute repairs and renovations funds. It is unlikely, for example, that some agencies can execute large amounts of repairs and renovations projects in one year. When requesting funds, an agency should request funding for projects that can at least begin planning in the budgeted year and construction in the following year. For example, the entire repairs and renovation request for should not be in for the first year of the new biennium.

Required Information – Project Feasibility: The State Budget Act and OSBM requires that certain information be considered for a budget request to be made for a repairs and renovation. Agencies should provide all information, if applicable to evaluate project feasibility:

- *OC-25 Cost Estimate:* OC-25 cost estimates are required for every new Capital Budget and R&R project request that is \$100,000 or greater in cost. Provide certified OC-25 cost estimates for all projects requested for the 2021-23 biennium. Submissions are accepted with OC-25s that have been submitted to State Construction but which are still in the process of being certified. The OC-25 must be certified before the deadline for capital submission. OC-25s certified more than two years ago must be updated by the State Construction Office.
- G.S. 143C-8-4 requires “each proposed repair and renovation expenditure shall be justified by reference to the Facility Condition Assessment Program (FCAP) operated by the Office of State Construction.”

Repairs and Renovation Projects for FY 2023-27: Agencies may submit more general requests for years beyond the current biennial requests. Requests may be submitted by broad repair and renovation category by division or department, as appropriate. The broad categories, according to statute, are:

- Roof repairs and replacements;
- Structural repairs;
- Repairs and renovations to meet federal and State standards;
- Repairs to or installation of new electrical, plumbing, and heating, ventilating, and air-conditioning systems;
- Improvements to meet the requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., as amended;
- Improvements to meet fire safety needs;
- Improvements to existing facilities for energy efficiency;
- Improvements to remove asbestos, lead paint, and other contaminants, including the removal and replacement of underground storage tanks;
- Improvements and renovations to improve use of existing space;
- Historical restoration;
- Improvements to roads, walks, drives, utilities infrastructure;
- Drainage and landscape improvements; and
- Building demolition.

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Agencies may submit additional categories, for example elevator repair, if they feel that these better addresses their needs. Requests submitted under these broad categories should have some analysis showing the annual expenditure need associated with each category.

Non-General Fund Repair and Renovation Projects Requests:

Procedure for Requesting Non-General Fund Repair and Renovation Projects: Agencies should follow the same procedure outlined above for a new General Fund supported project for projects that will be entirely supported by non-General Funds or receipts.

When to Request Non-General Fund Capital Projects: Agencies should make the request year for a non-General Fund project the expected year of:

- Expected year that non-General Fund receipts are available and that the project will begin construction.
- The year of grant submission to an external entity (for example the Federal Government), if funded by a grant.