

Part IV Chapter 01 Capital Projects

A. Definitions.

1. "Capital Project" may be funded from State bond proceeds or other State current revenue sources (e.g. appropriations, executive authorizations or restricted accounts). Projects are considered capital and must be authorized in a capital budget if State bond proceeds are used and the total project is valued at \$100,000 or more or current revenues are used and the total project is valued at more than \$300,000. Guidelines describing the types of projects which generally are considered capital follow:
 - a. Design and construction of all new construction (whether it be a new facility, an addition to an existing facility, a replacement of an existing facility or a net addition to the capital assets of the Commonwealth). Projects must be valued at \$100,000 or more if bond funds are used and at \$300,000 or more if current revenues are used.
 - b. Design and construction of renovations to existing structures which change use or function. Projects must be valued at \$100,000 or more if bond funds are used and at \$300,000 or more if current revenues are used.
 - c. Design and construction of renovations to existing structures valued at \$100,000 or more which maintain current use or function but substantially improve upon original design standards such as upgrading the performance of the structure including, but not limited to, all major mechanical, electrical, structural and interior and exterior surfacing systems which substantially improve the ability of the structure to perform its function and/or which improve energy efficiency. Projects must be valued at \$100,000 or more if bond funds are used and at \$300,000 or more if current revenues are used.
 - d. All construction acquired by capital authorization must have a useful life of at least 30 years.
2. "Construction" includes alteration, repairs, renovation, improvements, building and demolition.
3. "Project" includes all work necessary to complete the entire scope of work, including all general construction, hazardous material removal, fire suppression, elevator, HVAC, plumbing and electrical work.

B. Scope.

1. A Project funded through bond proceeds or a project with a value of **\$300,000** or more funded through current revenues is considered a Capital project. Current revenue funded projects valued at \$300,000 or more must have Line Item Authorization to the Agency in a capital budget.

2. Procurement requirements and establishing the scope of work for the project shall not be artificially divided by an Agency so as to avoid obtaining legislative authorization for a Capital project.

C. Exclusions.

1. Any project funded through current revenues with a value **less than \$300,000**. Procurement of design and construction of those projects is governed by other Chapters in the Construction portion of this Handbook.

D. General.

1. DGS shall retain jurisdiction and control over all capital projects, regardless of the dollar amount involved.
2. DGS may delegate all or any portion, of a capital project at its sole discretion upon request from the Using Agency.

E. Procedures.

1. Capital Projects funded through bond proceeds.

a. Agency.

- (1) Subsequent to enacted appropriations legislation, presents prioritized projects on the Agency 5-Year Capital Plan during the Capital Planning sessions with Office of the Budget and DGS.

b. DGS.

- (1) Coordinates the proposed list of priority projects from all agencies and creates a single list of recommended projects to be presented to the Governor's Office for review.
- (2) Coordinates the final list of projects that have been approved for release and notifies each agency of the project and amount of funding approved.

c. Agency.

- (1) Submits the Request for Project Action form (GSBPSAS-6) and Project Determination form (MD 105.5) to the Secretary of General Services or designee for approved projects.

d. DGS.

- (1) Establishes the Project Number and processes the request to Office of the Budget for scope approval and release of funds to initiate design or construction, depending upon approved scope.

e. Office of Budget.

- (1) Reviews and obtains signatures for release of funding for the project and returns forms to DGS for further action.

f. DGS.

- (1) Forwards to the agency a copy of the approved project funding signed by the Office of Budget and the Governor.

g. Agency.

- (1) Prepares and submits to DGS a Project Program to be utilized for the advertisement to obtain a design firm to provide professional services.

h. DGS.

- (1) Advertises for Design Professionals.
- (2) DGS Professional Selections Committee short-lists three Design firms.
- (3) The Secretary of General Services appoints a Design Professional from the short-listed firms.
- (4) When the final design documents are accepted by DGS, requests release of the appropriate Construction Funds.
- (5) Bids, awards, contracts, inspects and administers the project construction contracts.

2. Capital Projects funded through current revenues.

a. Agency.

- (1) Subsequent to enacted Line Item Authorization, prepares and submits an Agency Work Request form to DGS. If the Agency Work Request includes funding, the Agency must process the Work Request through Comptroller Operations for certification of the Funds Reservation. The Work Request must clearly identify the Act and Year of the Line Item Authorization.

b. Comptroller.

- (1) Certifies the availability of funds, Legislated Authorization and forwards the Agency Work Request to the DGS Director of the Bureau of Professional Selections and Administrative Services (BPSAS).

c. DGS.

- (1) Establishes the project number and funding and provides the Agency with a Confirmation Report relative to the Project Number, Scope and Funding and advises the Agency to prepare

a Project Program to permit DGS to advertise the project for Professional Design Services and subsequent appointment of a Design Professional.

- (2) When the final design is accepted, bids, awards, contracts, inspects and administers the project construction contracts.
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References:

1. [Request for Project Action Form \(GSBPSAS-6\)](#)
2. [Project Determination Form \(MD 105.5\)](#)