

CAPITAL BUDGET PROCESS OVERVIEW

DEPARTMENT OF ADMINISTRATIVE SERVICES
FEBRUARY 24, 2023

COMMISSIONER CHARLES M. ARLINGHAUS

DIRECTOR OF PUBLIC WORKS, THEODORE KUPPER, P.E.

DIRECTOR OF PLANT & PROPERTY, KAREN L. RANTAMAKI

About DAS

Division of Plant & Property

- Maintains and operates 91 buildings
 - Office buildings, courthouses
 - Not residential or institutional properties
- Over 200 staff
 - Janitorial, maintenance, security, grounds, skilled trades, and office staff
- Combination of in-house staff and contracted services to provide safe, efficient, and accessible space for state employees and the public

Division of Public Works

- Provides design and construction services to build and maintain State-owned buildings
- Staff comprised of engineers and architects
- Services provided to all State Agencies and State building managers, except University and Community College Agencies
- By Law, all building-related projects over \$25,000 are required to be managed by DPW

Process Summary

Facility Assessments

Scope Development, Initial Estimate, and Prioritization

Form 1a

Governor's Capital Budget Hearings

Three Tier Prioritization

Governor's List

DPW Estimates

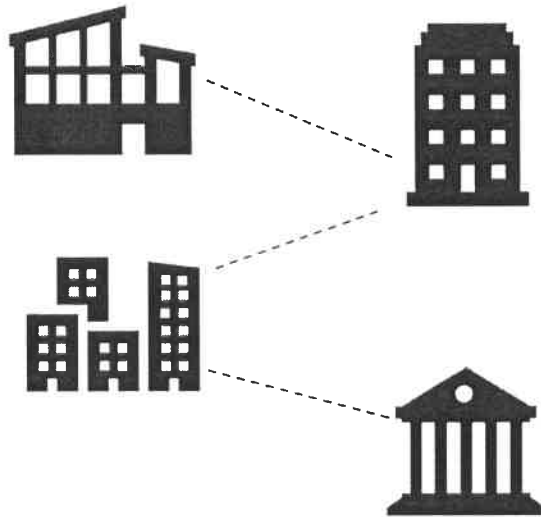
Capital Improvement Program Book

Governor's Recommended Capital Budget Presentation

Legislative Capital Budget Hearings

House Bill 25

Facility Assessments



- Department staff complete a full evaluation each year on 91 buildings managed by DAS
- Assessment includes the condition:
 - building systems (ex. HVAC, fire suppression)
 - building envelope (ex. roof, windows)
 - life safety components (ex. generators, egress)
 - grounds (ex. parking lots, walkways, damaged trees)
 - aesthetics (ex. paint, carpeting)

Projects – Scope, Cost, and Prioritization

- DAS conducts an assessment of each facility's condition; a list of necessary projects is created
- A very rough "guesstimate" of cost is indicated
- Projects are prioritized within each facility and then across the bureau or agency as a whole

FORM 1A

Form 1a is a request for a Capital Appropriation by a building manager

It provides basic information to the Governor's office about the request, such as:

- Agency's Priority
- Agency's Division or Bureau
- Project Name
- Very Rough "guesstimate" cost
- Brief Description of the Project
- Contact Information

Form 1a's from each preparer is delivered to, and compiled into a binder by DAS

Agency Priority

Project Name

STATE OF NEW HAMPSHIRE

CAPITAL IMPROVEMENT PROJECT REQUEST

FISCAL YEARS 2020 - 2021

PRIORITY #

AGENCY	CODE	NAME
014		Department of Administrative Services
141610		Plant & Property Management - Bureau of Court Facilities
PROJECT-TITLE / NAME: Rockingham County Courthouse - New Chiller VFDs-Controls		

Capital Budget Request	
Site Acquisition (a)	
Site Improvement / Preparation (b)	
Construction (c)	488,760
Utilities (d)	
Architect / Engineering (e)	48,875
Computer Systems / Equipment (f)	
Hardware	
Software	
Training	
Service	
Furnish / Equipment (g)	
Other (h)	12,750
Total Capital Budget Request	550,375

Related Annual Operating Budget Expenditures / Savings Estimates		
	Expenditures	Savings
Permanent Personnel Services (a)		
Other Personnel Services (b)		
Current Expense (c)		29,000
Equipment (d)		
Travel (e)		
Other (f)		
Total Expenditures / Savings Estimates		29,000
Accounting Unit:	2045	
Will these amounts be consistent each year?		

Capital Budget Criteria (See Instructions)			
Requirement Code:	A, B, C or D	B	
Definition Code:	A, B, C, D, or X	B	
Funding Percentages by Source:	G, F, H, O	G	100.00%
C = General	F = Federal	C, F, H, O	%
H = Highway	O = Other	G, F, H, O	%
An Information Technology Project must be part of your IT Plan. Project # <			

Other Information

Total Square Footage:

Estimated Useful Life:

Project Justification (Be Concise)

This project is for the Rockingham County Courthouse in Brentwood, N.H. and is to replace the chiller that was installed when the building was constructed in 1996 with a more efficient version and to install several variable frequency drives (VFDs) and new controls to reduce electricity costs for some key equipment. The project will result in an estimated 10% energy savings on an electric bill that is currently estimated at \$290,000 per year. Chiller at \$250,000 and Controls at \$175,000, based on past estimates. Estimate includes 15% contingency in construction costs, as per DPW directive. This project will decrease the State's energy consumption.

Project Description

Contact Information

Preliminary Plans: Attach a schematic and location sketch when applicable on an 8-1/2" x 11" sheet.

Contact Name: *Sarah Wadsworth*

Name: *Commissioner*

Telephone Number: *291-8936*

Date: *4/10/2018*

"Guesstimate" Cost

Governor's Capital Budget Hearing



- Hearings on June 20 and 21
- Hearing Committee members:
 - Governor
 - House and Senate Representatives
 - Governor's Budget Director
 - Commissioner of DOIT
 - Commissioner of DAS
 - DAS/DPW Director
- Agencies present their priority projects outlined in their Form 1a's
- Committee members can seek additional information from Agencies
- Capital requests typically for new building construction or deferred maintenance project
- Total of Capital Requests for all Agencies in the \$600M to \$700M range for Generally funded debt
- Final Capital Budget will typically include \$120M of Generally funded projects including both facilities and IT projects

THREE TIER PRIORITIZATION

The Agency requests are compiled into a master list

Often, but not always, the Governor's office will request DAS to develop a priority list

The master list, if requested, is then divided up into three levels of priority:

- Level A has the highest priority
- Level B has a medium priority
- Level C has a lower priority

We prioritize by assessing the severity of the deferred maintenance or by assessing the needs for new construction

Typically, IT related projects are prioritized separately by DOIT

GOVERNOR'S LIST

The three-tier prioritization list is then submitted the Governor's office for review and final selection

The Governor's office selects a subset of projects for a detailed cost estimate. This subset is typically about twice the number of projects that will make the final cut

The list is delivered to the Department of Administrative Services and finally provided to the Division of Public Works Design and Construction for cost estimation

The list is typically about 100-projects

This list is usually sent to DPW in September for cost estimation

DPW Estimates

- The Division of Public Works Design and Construction (DPW) is comprised of a group of engineers and architects commonly referred to as Project Managers (PM's)
- Each PM receives between 7 to 10, Form 1a's from the Governor's list to prepare a detailed construction cost estimate
- The PM's contact the Agency or building manager, discusses the details of the project, visit sites, assemble archived plans and determine a rough scope of work
- Using several resources, the PM's estimate the construction cost, consultant costs, overhead and profit, and inflation to the mid-point of the last year of the future biennium

These estimates are reviewed by the DPW Director and Assistant Director and revisions are made based upon the result of the review.

Narratives or descriptions of the project being estimated are also prepared by DPW

All estimates (about 100) are completed in November

CAPITAL IMPROVEMENT PROGRAM BOOK



- The estimates are compiled into the Capital Improvement Program book
- Publication of the Capital Improvement Program book is completed by December 1
- While the Capital Improvement Program book contains a description of the project and an estimated construction cost, detailed estimation information is retained by DPW

Governor's State Budget Presentation

The Governor presents his or her State Budget on February 15 and a Capital Budget is a part of this overall Governor's recommended State Budget

That draft Capital Budget is usually introduced as HB 25

Legislative Phase

During the Legislative Capital Hearings, DAS/DPW is available as resource to inform committee members on:

- Scope of Work for each estimated project
- What contributed to the construction cost
- Potential phasing or scaling of projects

DAS Projects Included in Governor's Budget

- Courthouse Generators
- Rochester Courthouse
- Emergency Operations Center Mechanical Replacements and Repairs
- Thayer Building Heating Zone Expansion
- Statewide Emergency Fund

Operational Challenges and Additional Needs

- Two chillers nearing the end of their useful life at 29 Hazen Drive
 - One chiller currently undergoing a rebuild due to reliability issues
 - Instead of replacing chillers at a cost of \$4-6M, request **\$300,000** to rebuild
 - May get 5-8 additional years from current equipment
- Statehouse Annex Renovation, Next Phase - **\$4,300,000**
- Parking Lot Repairs and Paving – Statewide - **\$3,000,000** (scalable)