

**Rules of
Office of Administration
Division 30—Design and Construction
Chapter 2—Capital Improvement and Maintenance
Budget**

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Title 1—OFFICE OF ADMINISTRATION

Division 30—Design and Construction Chapter 2—Capital Improvement and Maintenance Budget

1 CSR 30-2.010 Capital Improvement and Maintenance Budget Rule Objectives

PURPOSE: This rule states the objectives of the rules of the Office of Administration pertaining to procedures for preparation and submission of the Capital Improvement and Maintenance Budget.

(1) The following objectives are covered in the rules under this chapter:

(A) To establish a uniform procedure for preparation and submission of the annual Capital Improvement and Maintenance Budget;

(B) To establish the requirements and provide guidance for planning facility programs; and

(C) To establish the definitions to identify items to be included in the construction category or the maintenance/repair category, as well as items within facility programs to be included in the Capital Improvement and Maintenance Budget or Operating Budget.

(2) This rule, to the extent practical, will be used to supplement Fiscal Year 1983 Budget Instructions. This rule becomes effective with the budget submission for Fiscal Year 1984.

Auth: sections 8.320, 8.360 and 33.220, RSMo (1986). Original rule filed July 9, 1981, effective Feb. 15, 1982.*

**Original authority: 8.320 and 8.360, RSMo (1958), amended 1965 and 33.220, RSMo (1939), amended 1945, 1971.*

1 CSR 30-2.020 Definitions

PURPOSE: This rule defines terms as used in the rules under this chapter for the Capital Improvement and Maintenance Budget.

(1) Capital Improvement and Maintenance Budget. The Capital Improvement and Maintenance Budget for a department is the total of all construction and maintenance/repair requirements as submitted in the department's annual budget. This provides the documentation to support the department's request for funding of the proposed budget.

(2) Categories. There are two (2) categories (construction and maintenance/repair) established for the Capital Improvement and Maintenance Program. The budget submissions will be prepared in these two (2) categories, separately defined in (2)(A) and (B) to permit consideration in separate appropriation bills.

(A) Construction. Construction is work which substantially improves, increases value or capacity or extends useful life beyond that in the Standards of Existing Construction.

(B) Maintenance/Repair. Maintenance/repair is work which is necessary to preserve or re-establish the condition of a facility or element at the Standard of Existing Construction. Maintenance/repair work does not substantially improve, increase value or capacity or extend the useful life of a facility or element, except as required to meet current codes and standards.

(3) Complex. A complex is a group of two (2) or more sites, closely located, which serve a single operation, operational entity or institution. A complex includes individual sites which are separated by major roads or other property under control of other agencies or owners.

(4) Facility. A facility is any improvement on real property which provides for performance of functional requirements by the occupants. A facility is a complete usable entity, requiring only the setting of personal property, connection to utilities and/or support facilities (parking, roads, walks, etc.) for its full operation. The term facility will normally refer to a building or structure, but may refer to any real property improvement.

(5) Facility Inspection and Condition Report. The Facility Inspection and Condition Report is required for compliance with sections 8.330 and 8.360, RSMo (1986). This annual report indicates the condition of a facility, its major components or systems and the requirements for maintenance/repair. The director, Division of Design and Construction has designated the LABS as the format for this annual report.

(6) Operating Budget. The operating budget is that portion of a department's annual budget which requests funding for personal property, operating expenses, personnel and other costs not included in the Capital Improvement and Maintenance Budget.

(7) Priorities. Priorities are assigned to budget items to demonstrate the order of importance or need.

(8) Real Property. Real property includes any interest of the state in land, buildings, structures, roads or other improvements.

(9) Site. A site is a single parcel of real property bounded on all sides by property under the control of others. A site will include all land, buildings, structures, utilities and other improvements within the boundaries of that site.

(10) Standard of Existing Construction. The Standard of Existing Construction for the purposes of the Capital Improvement and Maintenance Program, is the level of quality, capacity and appearance produced by the last construction work performed on the facility.

(11) This rule, to the extent practical, will be used to supplement Fiscal Year 1983 Budget Instructions. This rule becomes effective with the budget submission for Fiscal Year 1984.

Auth: sections 8.320, 8.360, and 33.220, RSMo (1986). Original rule filed July 9, 1981, effective Feb. 15, 1982. Emergency amendment filed June 14, 1985, effective July 1, 1985, expired Oct. 29, 1985. Amended: Filed June 14, 1985, effective August 26, 1985.*

**Original authority: 8.320 and 8.360, RSMo (1958), amended 1965 and 33.220, RSMo (1939), amended 1945, 1971.*

1 CSR 30-2.030 Facility Program Planning

PURPOSE: This rule establishes requirements and provides guidance for planning facility programs for Capital Improvement and Maintenance.

(1) General. Each department/agency must examine the duties imposed by law and the programs or policies necessary to carry out those duties. This examination will enable the department/agency to establish goals that can be translated into objectives and functions assigned to specific sites, complexes or institutions. A careful study of these objectives and functions shall be made to identify facility requirements (types, sizes, arrangement, etc.) that are necessary for support of the assigned objectives and functions. The existing facilities at the site/complex shall then be compared with the identified facility requirement. That comparison will provide the information necessary to plan and establish effective utilization of existing facilities, along with identifying requirements for new facilities, or requirements for modifying or disposing of existing facilities.

(2) Master Plans. The master plan for an existing site/complex is the comprehensive plan for effective utilization and development of the site/complex and facilities as required to support assigned objectives and functions. The master plan shall include a drawing which shows the site/complex boundaries, location of all existing facilities, proposed changes, improvements or disposal of those facilities, proposed areas for site expansion or disposal and location for known new facility requirements. Each facility (existing or proposed) shall be identified along with the principal function it serves. The master plan also requires a written discussion of the existing facility utilization (identifying the principal function located in the facility) and facility deficiencies that prevent complete support for the assigned objectives and functions. The discussion shall identify work necessary to correct the identified facility deficiencies, including construction, acquisition of real property or facility and disposal of unneeded real property or facilities. Discussion of proposed construction or acquisition will address all changes in utilization or reassignment of functions between facilities. A master plan should be examined regularly and updated, when necessary, to reflect significant changes required to support assigned objectives and functions.

(A) Feasibility Studies. Feasibility studies may be made to determine the most effective solution for any substantial construction or maintenance/repair requirement. For each identified deficiency where acquisition or construction estimated to cost in excess of two million dollars (\$2,000,000) is proposed, a feasibility study shall be made to determine the most effective solution. The study will develop the data necessary to complete the eleven (11)-paragraph justification for budget submission indicated in 1 CSR 30-2.040(8)(C) and must examine forecast of needs, allocation of functions to various site/complexes and/or facilities and all practical alternatives. Funding, except for architect/engineer planning services shall not be requested for such acquisition or construction items until a feasibility study has been completed. Prior to establishing a contract for a feasibility study, the scope and requirements for a feasibility study will be coordinated with the Office of Administration. An economic analysis will be provided as part of the feasibility study.

1. An economic analysis is a brief resume of alternative methods of solving a problem. In this case, an economic analysis should determine the need to house a function, establish a feasible means of providing facility support, discuss the alternatives and recommend the most cost effective solution. The analysis will include consideration of the life cycle cost to

determine the present value of owning and operating the facility or system over its economic life. Where appropriate, the time value of money will be considered. The lending rate being provided on short-term state securities should be used as this value. This information will be provided by the state treasurer.

2. Particular attention must be given to defining alternative. Experience shows that frequently only two (2) alternatives are compared—the way things are being done now versus the way the department/agency would like to do them, but such a simple comparison is not acceptable. An economic analysis must include comparisons of all practical alternatives in order to provide a convincing justification for the selected alternative.

3. The extent of the analysis must be commensurate with the scope and cost of the proposed item.

4. The scope of the economic analysis considered here is intended to support the planning/justification phase of a proposed facility or system. Studies for selection of specific equipment or materials to be incorporated into the work will be made during project design. The economic justification for selection of a specific option must take into consideration not only the initial design and construction cost, but operation (maintenance/repair, energy, labor and supplies) costs throughout the projected life of the facility or system.

(B) Master Plan Submission. A master plan is required for each developed site with more than three (3) facilities, or with facilities having total floor space of more than fifty thousand (50,000) square feet and for undeveloped sites having an area of more than one hundred sixty (160) acres. Undeveloped sites being held or used for wilderness, farming or other purpose which requires no development are exempted from this requirement. For all sites, exempted from the requirement for a master plan, a site plan is required. The site plan shall show, as a minimum, boundaries (correlated to an easily identified reference), access, principal drives or trails, facilities, scale and north direction. Completed master plans and site plans for all sites shall be submitted to the director, Division of Design and Construction, within five (5) years after the effective date of this rule.

(3) Departmental Facility Program. The Departmental Facility Program is the complete listing, in priority, of all known departmental facility requirements for construction and for maintenance/repair. Once established, the Departmental Facility Program as well as the master plans for the individual site/complexes should not change materially unless there is a change in the department's goals

and objectives. Minor revisions may be required for an individual facility to support a change in function, without materially changing the Departmental Facility Program or the master plan for the site/complex.

(4) Facility Planning Cycle. The facility planning cycle extends over a period of seven (7) years. This includes the current year (execution year), the budget year (immediate program) and the next five (5) years. The long-range plan forecasts the facility requirements for this five (5)-year period. The immediate program is the proposed submission for the next budget year of the most urgent requirements indicated in the long-range plan.

(5) Long-Range Plan. The long-range plan, which covers the five (5)-year period beyond the immediate program, is the proposal for implementing the master plans for the individual site/complexes in accordance with the Departmental Facility Program. The long-range plan will include all known requirements for construction and for maintenance/repair. The long-range plan must be supported with a current copy of the Facility Inspection and Condition Report on all existing facilities for which work is proposed in that plan. These reports provide the documentation for verifying requirements, integrating them into a statewide long-range plan and reporting to the general assembly in accordance with the requirements of section 8.360, RSMo.

(A) Categories. Construction items will not be combined with maintenance/repair items.

(B) Priorities. The long-range plan will be prepared to show a priority order, within each of the five (5) years for the items included.

(6) The Commissioner of Administration or his designee shall establish the specific method of coordination for feasibility studies, long-range plans and master plans with each department/agency.

(7) This rule, to the extent practical, will be used to supplement Fiscal Year 1983 Budget Instructions. This rule becomes effective with the budget submission for Fiscal Year 1984.

*Auth: sections 8.320, 8.330, 8.360 and 33.220, RSMo (1986). * Original rule filed July 9, 1981, effective Feb. 15, 1982. Emergency amendment filed June 14, 1985, effective July 1, 1985, expired Oct. 29, 1985. Amended: Filed June 14, 1985, effective Aug. 26, 1985.*

**Original authority: 8.320, 8.330 and 8.360, RSMo (1958), amended 1965 and 33.220, RSMo (1939), amended 1945, 1971.*

1 CSR 30-2.040 Budget Preparation

PURPOSE: This rule establishes requirements, organization and content for the Capital Improvement and Maintenance Budget submission.

- (1) **General.** The Capital Improvement and Maintenance Budget submission of a department/agency for the next budget year is known as the immediate program. The immediate program represents the most urgent requirements for construction or maintenance/repair developed in the long range plan. Each budget item will be considered as a single priority. Specific definition and justifications are necessary for each budget item to demonstrate the urgency and the impact (favorable or adverse) on current programs and/or long range goals and objectives. The scope of work included in a budget item must be established in a logical manner. A budget item will include all work and equipment needed to satisfy a requirement (for example, all work and equipment necessary to replace a boiler and reconnect, with gauges, valves, etc.) Several options are available for smaller elements of work. All maintenance/repair work for a single facility may be combined into a single budget item, or maintenance/repair work of a similar nature, for several facilities may be combined into a single budget item. Similar combinations for construction work can also be established. Regardless of how the combinations are established, phasing of associated work will be avoided.
- (2) **Priorities.** Priorities will be indicated for the department and for the site/complex on each budget item submitted in the immediate program.
- (3) **Categories.** Each item in the immediate program will be submitted in one (1) of the two (2) budget categories. Construction work and maintenance/repair work will not be combined in a single budget item.
- (4) **Construction.** The construction category as used in chapter 2 of these regulations includes acquisition of real property, additions, alterations (including modifications for handicapped access), conversions, demolition, energy conservation work, rehabilitation, restoration, renovation, relocation, remodeling, site development and when appropriate, equipment purchase or replacement.
- (A) **Equipment.**
1. Purchase of original installed facility equipment is construction. When capacity or capability is substantially increased, replacement of installed facility equipment is construction. Installed facility equipment includes those items of fixtures and equipment in the air conditioning, electrical, heating, plumbing or other building systems that are necessary for operation of the facility.
2. Procurement of installed function equipment may be submitted as a Capital Improvement and Maintenance Budget item only when that equipment is part of a construction project or when the installation requires construction, addition to or modification of utilities or environmental systems. Installed function equipment includes those items of fixed and/or heavy equipment (kitchen, laundry, printing, x-ray, welding, etc.) needed by the occupant(s) of a facility to perform required functions.
- (B) **Replacement.** Replacement of an item, system or facility under the Capital Improvement and Maintenance Program for the purpose of improvement or increasing capability/capacity is defined as construction.
- (5) **Maintenance/Repair.** Maintenance/repair work will conform to current codes or standards. Maintenance/repair, as used in chapter 2 of these regulations, includes the following:
- (A) **Maintenance.** Maintenance is the routine day-to-day, periodic or scheduled work necessary to preserve a facility in such condition that it may be effectively used for its intended purpose. This includes work required to prevent deterioration or damage and to sustain existing components or utility systems;
- (B) **Repair.** Repair is the work necessary to reestablish the condition of a damaged, deteriorated or worn facility or element at the Standard of Existing Construction, so that it may be effectively used for its designated purpose. Repair work does not include substantial alteration, conversion or increase of size/capacity, except as required to meet current codes and standards. Replacement of a damaged, deteriorated or worn item, system or facility for the purpose of reestablishing the original capacity/capability is defined as repair by replacement;
- (C) **Operations Budget Items.** Maintenance/repair work, such as preventive maintenance (lubrication, filter changes, inspections, refastening, etc.) and minor repairs (replace broken window glass, clearing sewers, spot road repairs, etc.), performed by agency/site maintenance personnel or performed by maintenance contracts shall not be included in the Capital Improvement and Maintenance Program. These are operating responsibilities and will be included in the operation budget; and
- (D) **Maintenance/Repair of Facilities Not Owned by the State.** At a site/complex where a long-term lease, license, permit or other control has been established or where

execution of lease, license, permit or other control instrument requires maintenance by the state, maintenance/repair items may be considered in the Capital Improvement and Maintenance Budget. Such items require economic justification to assure a reasonable return on investment.

(6) **Unprogrammed Requirements.** Unprogrammed requirements are defined as unforeseen and unplanned items resulting from existing or developing conditions which may not be delayed until the next appropriation.

(A) **Submission.** A separate budget item with a separate priority will be submitted under the maintenance/repair category for unprogrammed requirements. The amount of this item will be based on recent (3—5 years) experience. The basis for establishing the amount will be clearly stated. This item will include cost escalation as directed in the annual budget instructions.

(B) **Unprogrammed Requirements Fund.** Appropriations for unprogrammed requirements will be available for new requirements only and will not be used to supplement other capital improvement and maintenance appropriations. Such funds will not be used to support an item as defined in an appropriation request, that has been specifically denied or eliminated by the legislature.

(7) **Planning/Design Budget Items.** These budget items provided for architect/engineer services, for master plans, feasibility or other studies, long range plans and project design.

(A) **Feasibility Studies.** Funding requests for development of feasibility studies (as capital improvement and maintenance items) will be included in the construction category.

(B) **Master Plans.** Funding requests for the development of master plans will be included in the construction category of the Capital Improvement and Maintenance Budget. The request for each site/complex will be a separate budget item with a separate priority.

(C) **Project Design.** Normally, funding for project design will be requested as part of the budget item for the project. For projects estimated to cost in excess of one million, five hundred thousand dollars (\$1,500,000), design or planning funds may be requested one (1) fiscal year prior to requesting funds for accomplishing the work. Justification data with request for early appropriation of design funding will include the justification for the project.

(8) **Budget Request Justification.** The detail of the justification must be commensurate with the scope and cost of the item or subitem. The justification will establish the need and the urgency of the request. Facts presented will



clearly show that the item is essential to support current and future functions. Each justification element must be organized so as to be easily read and understood and the use of vague, indefinite or unnecessary technical terms will be avoided. Meaningful facts and figures must be provided, but statistics shall be limited to significant totals or trends. Repetition of statements or data in more than one (1) justification element is seldom productive.

(A) Maintenance/Repair Items. For most maintenance/repair items, the justification will be a brief summary. While this must be concise, the following (as a minimum) will be addressed:

1. Define the deficiency or deficiencies;
2. Explain the effect of delaying the item;
3. Indicate the alternatives considered;
4. When appropriate, indicate:
 - A. Requirements of federal regulations, funding or support programs;
 - B. Unusual circumstances;
 - C. Reasons for apparent inconsistencies between various entries of the budget submission;
 - D. Relationship to prior and/or future appropriation;
 - E. Requirements for improving quality or capacity; or
 - F. Environmental effects;
5. When substantial cost is to be incurred for repair, the economics of repairs versus replacement will be examined. Repair items, estimated to cost more than fifty percent (50%) of the cost for replacing that element or system will be supported with an analysis of cost and expected life for repairs versus replacement; and

6. When the estimated cost of repairs to an item, system or facility exceeds twenty-five percent (25%) of the replacement cost of the facility involved and exceeds five hundred thousand dollars (\$500,000) (a major maintenance/repair project) the complete eleven (11)-paragraph supplemental justification, indicated under 1 CSR 30-2.040(8)(C), will be provided in addition to the summary justification.

(B) Construction Items. The summary justification indicated under "Maintenance/Repair Item" will be provided for all construction items. For energy conservation projects, the estimated economic return will be added to the summary justification. For a new construction budget item estimated to cost more than one million dollars (\$1,000,000) and for construction work on an existing facility with estimated cost exceeding twenty-five percent (25%) of the replacement cost of the facility involved and exceeding one million dollars (\$1,000,000) (a major construction project), the complete eleven (11)-paragraph supplemental justification indicated under 1 CSR

30-2.040(8)(C) will be provided in addition to the summary justification.

(C) Supplemental Justification. The eleven (11)-paragraph justification when required in accordance with 1 CSR 30-2.040(8)(A)6. or (8)(B) will be provided in its entirety as indicated in the following. If a paragraph is not applicable, list the paragraph number and title with the notation "N.A."

1. (Paragraph 1) Analysis of Deficiency. Evaluate the facilities now being used. Describe the physical deficiencies and how they limit performance. Describe deficiencies identified (if any) as a result of the requirements of federal regulations and/or federally funded or supported programs and indicate the regulation(s) or supported program(s) involved. Describe the impact of delaying or eliminating this item. Be specific.

2. (Paragraph 2) Consideration of Alternative Facilities. Provide a list of the facilities that were considered in an effort to meet the requirement through existing assets. Indicate the extent of examination of these existing facilities, including those at another site/complex, which could be used to satisfy the requirements. Examination of existing facilities should include the cost for addition, alteration, rehabilitation or repair. When another site/complex or facility was considered and rejected, identify those considered and the reason for rejection.

3. (Paragraph 3) Relationship to Other Programs. If the item is directly related to other items in prior year budget programs, the current budget programs or future budget programs, show the relationship clearly. Explain the effect of delay or cancellation of this item or proposed future items.

4. (Paragraph 4) Economic Considerations/Savings. Cost savings in operational expense, economies in design and other cost savings will be identified when applicable. If reduction in operating expense is a primary element in the justification, an economic analysis will be provided.

5. (Paragraph 5) Energy Requirements. For maintenance/repair projects, state the present annual energy consumption for each type of energy (that is to say, electricity, natural gas, fuel oil, etc.) used at the site or facility affected and the estimated annual increase or decrease in energy consumption which will occur when the work is completed and explain any increases. Also describe any realistic alternative measures which can be taken to reduce consumption and the estimated cost of these measures. For construction projects, briefly describe the applicable types of heating and air conditioning systems, water supply and sewage disposal systems and the electrical distribution system and connected equipment. State the estimated annual energy

consumption by type of energy for each system. Describe any realistic alternative types of systems or equipment for each system which could be used to reduce energy consumption and the estimated cost of each alternative.

6. (Paragraph 6) Utility Support Requirement/Changes. Provide information on related utility support. Projects which are programmed or under construction (for utility support of the proposed facility), if any, should be addressed. Compare available capacity of these projects and/or existing utility systems with requirements of the budget item being justified. If completion of the proposed budget item will require additional utility capacity, indicate planned work to provide the additional capacity. Indicate source of work of funding to support the work to provide the additional capacity.

7. (Paragraph 7) Criteria for Proposed Construction.

A. All major or new construction requires data to support the proposed scope. State how size and capacity of the proposed facility are related to the overall requirement for the function. Define the workload in terms of permanent personnel, clients served, functions performed or other appropriate factors.

B. For air and water pollution abatement projects provide the federal, state, regional or local standards upon which design is based.

C. For laboratory, research and other technical facilities, list the specific functions which the facility will support. The function must be clearly explained in terms understandable by laymen.

D. State whether or not the requirement is derived from a new or expanded function, if so, identify nature and scope of new function and its relation to the budget item.

E. State any security requirements that will affect the design of the facility.

F. Specific requirements established by federal regulations and/or federally funded or supported programs must be spelled out and identified with the federal regulation and/or federally funded or supported program involved.

8. (Paragraph 8) Disposal of Present Facility Assets. If a new facility has been justified as a replacement for an existing facility, indicate proposed methods of disposal for the replaced facility. If a new facility has been justified as a replacement for an existing facility and the replaced facility is to be retained, a statement must be provided as to the specific intended use of the replaced facility.

9. (Paragraph 9) Summary of Environmental Considerations. An environmental assessment will be prepared for those items which may have significant environmental