

STATE OF ILLINOIS
ILLINOIS BOARD OF HIGHER EDUCATION

**GUIDELINES FOR SUBMISSION OF
CAPITAL
RESOURCE ALLOCATION AND MANAGEMENT PROGRAM**

Public Universities

AUGUST 2013

CAPITAL RESOURCE ALLOCATION AND MANAGEMENT PROGRAM

The Capital Resource Allocation and Management Program (RAMP) is divided into three sections. Section I discusses General Submission Requirements. Section II requests information regarding each institution's long range capital plan. Section III provides instructions for *Budget Year Capital Requests* including tables and narrative that document requested capital items for the budget year. Also included in this section are *Guidelines for Submitting Requests for Illinois Board of Higher Education Approval of Non-instructional Capital Projects* including tables for the annual update of non-instructional capital plans and instructions for narrative that must accompany requests for non-instructional capital projects.

SECTION I GENERAL SUBMISSION REQUIREMENTS

Capital budget requests should conform to the Illinois Board of Higher Education (IBHE) Master Plan recommendations for Physical Facilities and should advance the statewide goals articulated in *The Illinois Public Agenda for College and Career Success*.

Submission Instructions

1. Long-Range Capital Master Plan. Each public institution is requested to provide a copy of its most recent long range capital master plan or, alternatively, provide a link by which IBHE staff can access it on the institution's website. Each institution is requested to submit their plan to IBHE by October 15, along with budget year capital request materials.
2. Budget Year Capital Requests. In August of each year a workbook containing blank spreadsheets (Tables C101 through C110B) will be sent electronically to public university budget officers. Institutions should complete the tables along with program and scope statements, in accordance with instructions provided in Section III, and submit their capital budget requests to IBHE by October 15.
3. Non-instructional Capital Project Requests. These requests include two components. The first component consists of Tables C105 and C106. Table C105 should be included with the annual Budget Year Capital Requests due to IBHE each October 15, and Table C106 is due to IBHE no later than February 1 of each year. Instructions for these tables are provided in Section III. The second component includes the necessary narrative and background information that is due when IBHE approval of the project is requested. *Guidelines for Submitting Requests for Illinois Board of Higher Education Approval of Non-instructional Capital Projects* can be found in Section III.

SECTION II – LONG-RANGE CAPITAL MASTER PLAN

Pursuant to *Higher Education Statewide Capital Policies and Priorities*, adopted by the IBHE in April 2004, “Each institution of higher education shall have a long-range master plan that guides the development of its respective physical plant and capital improvement budget requests and shall provide the master plan to the Illinois Board of Higher Education. Requests for individual projects should be identified in the context of a multi-year capital investment plan. The long-range master plan should address the condition of current facilities and the anticipated future demand on the facilities (e.g., increased enrollments, expanding and new programs and technologies).” The board item can be viewed at:

<http://www.ibhe.org/Board/Agendas/2004/April/Item%207%20Attachment.pdf>

Each public institution is requested to provide a copy of its most recent long range capital master plan or, alternatively, provide a link by which IBHE staff can access it on the institution’s website.

SECTION III BUDGET YEAR CAPITAL REQUESTS

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Table C101
Summary of Budget Year Capital Improvement Requests
In Priority Order

Table C101 provides a summary of the institution's budget year request, in priority order, for capital improvements. Requests should be expressed in thousands of dollars rounded to the nearest hundred. Each line under the column heading TOTAL ESTIMATED PROJECT COST should equal the sum of each entry to the right on the same line including STATE FUNDS (the BUDGET YEAR REQUEST, PRIOR YEAR funding, anticipated FUTURE YEAR requests) and NON-STATE FUNDS. If the project includes NON-STATE FUNDS, please identify the source of the funds in a footnote at the bottom of the table (e.g., gift, federal, other local).

If projects include funds in more than one budget category (Planning, Building, Land, Equipment, Utilities, Remodeling, and Site Improvements), break out each category on a separate line below a summary line. For example, if a proposed new building project includes funds for the project categories of Planning, Buildings and Additions, and Site Improvements, include a summary line followed by separate lines for each project category.

If funds for planning only are requested, complete each column based on your best available knowledge of the complete project in order to present the most credible request possible.

Requests for regular capital projects are to be listed in priority order on Table C101 under the heading "Regular Capital Projects." Capital Renewal requests should be listed under the heading "Capital Renewal" and also should be submitted in priority order.

This table should be preceded by a **campus map** showing the location of campus facilities and a **narrative statement** that includes the following:

1. The rationale by which projects were placed in priority order, including an explanation of changes from prior year;
2. An explanation of how the requested projects relate to the institution's mission, master plan, and long-term facility needs; and
3. An explanation of how the requested projects will advance the statewide goals articulated in *The Illinois Public Agenda*.

A program statement and/or scope statement should be included in the submission for each project request listed on Table C101. Instructions for Program and Scope Statements are provided in Section III.A. Scope and Program Statements should follow Table C101 in the same priority order as requested.

Table C102
Proposed Appropriation Requests During the Life of a Phased Project

Table C102 should be prepared for each phased project that is requested for the budget year. A phased project shall mean a project that has elements classified within more than one budget category (aggregate project) and/or will require the appropriation of funds in two or more years. Specifically, the table must be completed for:

1. Planning projects
2. Buildings, additions and/or structures
3. Movable equipment projects and
4. Projects for which funds are to be requested for more than one year even if the entire project is in one budget category.

Please allocate the Capital Development Board’s Construction Administration Fee across all categories of the project. Include reimbursable expenses, fees for on-site observation, and funds for Art in Architecture, as applicable, with Planning costs. PLEASE DO NOT ADD CATEGORIES/LINES. The totals of Tables C102 and C104 should agree.

The table should reflect the total aggregate project cost. For example, if a building is requested, the table should include all items related to the building, such as movable equipment (equipment), extension of water mains (utilities), landscaping (site improvements), and land acquisition (land). If funding for equipment is requested for a building or a remodeling project for which funds were appropriated previously, include previous years’ appropriations in the table.

When completing the table, please note that the total project cost for each item should equal the total of the remaining columns for that item. The total for each column should be equivalent to the budget year appropriation request, prior appropriations, and anticipated future appropriations.

Please identify the source of any “Non-State” funds with a footnote at the bottom of the table, along with any explanation of the funds that is critical to understanding the project (e.g., conditions of a gift, required match, etc.).

The schedule at the bottom of the table also must be completed:

1. “GSF” refers to the anticipated size of a new building or addition to an existing building. “GSF” may or may not be completed for a remodeling project, depending on its scope.
2. Identify “NASF” for a new building or addition. For a remodeling project, this refers to the space involved in the proposed project.
3. Divide NASF by GSF to determine the net-to-gross “Ratio.” The higher the ratio, the more space that can be assigned to the various programs housed in the building.
4. “Release Funds” projects the date of approval by the Governor’s Office to begin the project. State the most advantageous timing for a release considering on-going factors at your institution (e.g., class scheduling, other projects, etc.).
5. Project “Begin Design,” “Begin Construction,” and “Date Building Available” from your optimal “Release Funds” date.
6. Provide estimated change in operations and maintenance spending (increase/decrease) due to the project under “Annual Impact on O&M.” This should agree with Table C104.

Table C103
Budget Year Movable Equipment List

Table C103 is required for each equipment project requested for the budget year. The following is a key to the completion of the form. This table is reviewed to ensure compliance with bondability guidelines, which can be found at *71 Illinois Administrative Code 50*, and are provided in Section III.E. of this document.

Date: Provide the date that the request documentation is completed.

Fiscal Year: Enter the fiscal year that the request is made.

Contact: Provide the full name, title, and telephone number of the person designated to be the official spokesperson able to answer any questions regarding the project.

CDB Project Number: Identify the number assigned prior appropriations for the project. If no funds have been appropriated previously and if the equipment is approved for bond funding with the appropriation going to CDB, CDB will assign a project number. In recent years most appropriations for equipment purchases have been made directly to the institution.

Name of Facility: Name and description (e.g., science building, fire arts building) of building where equipment will be used.

Building Number: Provide the institutional identifying number.

Project Category: Identify the appropriate project category of any project of which the equipment request is a part. If the request is for equipment only, indicate by "equipment only."

Construction Schedule: Provide the estimated start and completion date for any building or remodeling project that will provide space to house the requested equipment.

Project Address: Provide the full street address for the facility that will house the equipment.

Fund Source: Indicate the source of funds for the requested Equipment project (e.g., Capital Development Funds, Build Illinois Bond Funds).

Programmatic Unit-Net Assignable Square Feet: State total NASF for rooms or areas that the equipment will occupy. Note total NASF only one time for each room on the same line as the first item of equipment.

Room Use Classification: State room use classification number based upon most recent U.S. Department of Education room use categories and definitions.

Name and Description of Equipment: Describe each item as completely as possible.

Unit Cost: Provide the number of units and the cost per unit. The estimated total cost must equal the product of the number of units and the cost per unit for each line.

Estimated Procurement Timetable: Beginning Date, Completion Date: Provide actual calendar dates. These dates need be stated only once unless physical possession of a portion of the structure is to occur prior to completion of the entire project.

**Table C104
Budget Year Building Budget Estimation Form**

Table C104 provides a methodology for developing estimates of construction budgets. The Capital Development Board (CDB) provides IBHE guidelines for the cost per square foot by space type, along with an escalation factor to use from budget year to bid date, which are based on current conditions in the construction industry. IBHE distributes the CDB guidelines to institutions in the spring of each year for use in developing the upcoming year’s capital improvements request. In addition to relying upon the CDB guidelines to determine the base cost of a building, universities may wish to use the following to provide the best possible cost estimates:

1. Cost estimates from an architect or cost consultant;
2. Base costs determined by similar construction projects on campus, or in- or out-of-state;
3. Updating of the cost guidelines, based upon documentation, to reflect recent code and energy conservation requirements;
4. The inclusion under “added cost” of sophisticated fixed equipment; or
5. Assistance from CDB staff.
6. Building costs should also included the estimated cost of historic preservation considerations, LEED/Green Building design costs, and any other energy efficiency measures affecting building costs.

Table C104, reflecting the cost amount requested, is required for each new building, addition and/or structure requested for the budget year. The source of the cost estimate and all deviations from the CDB guidelines should be noted and explained. The multiplier factors to convert needed NASF to GSF, by space type, are:

<u>Space Type</u>	<u>Multiplier Factor</u>
Classroom	1.50
Instructional Lab (Dry)	1.64
Instructional Lab (Wet)	1.64
Research Lab (Dry)	1.67
Research Lab (Wet)	1.67
Office	1.70
Study (Library)	
Under 1,400 NASF	1.70
Over 1,400 NASF	1.40
Special Use	1.80
General Use	1.90
Supporting	1.20
Health Care	1.70

A line is provided for CDB’s Construction Administration Fee. Public Act 93-0032 increased this fee from 1.5 percent to 3.0 percent effective July 1, 2003.

Also please provide an estimate of annual state supported operations and maintenance expenses (increases or decreases) related to the project. To support any increases in salaries/related, estimate the number of additional staff that will be required. The total O&M expenses identified in Table C104 should match the O&M impact identified in Table C102.

Table C105
Plans for Non-instructional Capital Improvements

State statutes (110 ILCS 205/8) require each public university to submit its plans for capital improvements to non-instructional facilities to the IBHE for approval before final commitments are made. If a project is found by a majority of the Board not to be consistent with the master plan for higher education and with instructional buildings that are provided for therein, such capital improvement shall not be constructed.

List all anticipated non-instructional capital improvement projects on Table C105 regardless of funding source.

Please identify each project by name, with a brief description, and capital project category. Provide the source of funds and total project cost. If the institution will use funds from more than one source, identify each source and the amount.

When submitting requests for approval to the IBHE, please refer to *Noninstructional Capital Project Guidelines*, adopted by the IBHE in August 2002, which are provided in Section III.F of this document.

Table C106
Three-Year Capital Plan – Noninstructional Facilities

In accordance with The Board of Higher Education Act (110 ILCS 205/9.11), the Illinois Board of Higher Education is required to prepare an annual capital plan which details those noninstructional projects that will be financed by the issuance of revenue bonds over the next three years.

The section states in part:

“Such plan shall detail capital expenditures to finance revenue producing facilities through the issuance of revenue bonds. This plan shall detail each project and the project cost in current dollar amounts. The plan shall contain the appropriate detail for the proposed budget year and the 3 year plan which will justify the projects ability to meet: the debt service requirements by producing sufficient revenue, life expectancy and maintenance requirements. Such annual capital plans shall be submitted to the Commission on Government Forecasting and Accountability no later than March 15th of each year.”

List capital projects planned for the budget year, 2nd planning year, and 3rd planning year, which will be financed by the issuance of revenue bonds, in Table C106. All projects listed in Table C105 that will be financed by the issuance of revenue bonds should be listed in Table C106. If outstanding bonds are refinanced, all affected projects should be listed.

Table C106 requires the following:

1. Specify and detail by source the amount of revenue to be generated by any noninstructional capital improvement.
2. Show separately the deposit to the Repair and Replacement Reserves Fund.
3. Specify and detail by function the operations and maintenance costs; include utilities, custodial, and personal services expenses, etc.

TABLE C106 MAY BE SUBMITTED NO LATER THAN FEBRUARY 1 OF EACH YEAR IN ANTICIPATION OF IBHE'S REQUIRED ANNUAL REPORT DUE TO THE COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY NO LATER THAN MARCH 15.

Table C107
Status of On-Going University Capital Improvement Projects

Report the status, as of June 30, of all projects for which state funds have been appropriated, including capital renewal projects. Include projects that are still active and projects that have been closed out in the previous 12 months. Include the fiscal year in which the funds were appropriated, the project title, and the source and amount of funds (CDF, Build Illinois Bond, GRF, local, private). A project may have multiple fund sources. Include the percent complete and the scheduled date of completion (final acceptance).

Table C108
Report of Expenditures from Nonappropriated Funds for Instructional Capital Improvements

On Table C108, report the status, as of June 30, of expenditures from nonappropriated funds for instructional capital improvements. Include projects that are still active and projects that have been closed out in the previous 12 months. Include the project name or category, the source of funds, and the total project cost. This information is requested in anticipation of a request for operations and maintenance funding for the facility.

Table C109
Historical Year Space and Operations and Maintenance Reductions

Record state funds operations and maintenance reductions for the historical year. Include the name of the facility, indicate if the facility was owned or rented, the gross square feet, the date closed, total annual operations and maintenance, number of months closed, and state funds no longer needed.

Table C110A
Replacement Cost Estimation Form

Table C110A is a worksheet to develop the total unadjusted replacement cost of presently owned facilities. This replacement cost will be used in Table C110B to estimate a minor remodeling

(Space Realignment, Remodeling, and Replacement or SR³) need. The 2002 Space Survey should serve as the base for data provided in Tables C110A and C110B.

“Major Use of Rooms” is defined in U. S. Department of Education Postsecondary Education Facilities Inventory and Classification Manual, 2006. The derived GSF of present facilities is the product of the NASF and the multiplier shown for each room type. The unadjusted replacement cost is the product of the areas and the cost per GSF.

Please enter the NASF for each “Major Use of Room.” Formulae will derive the GSF and the unadjusted replacement cost.

Table C110B
Budget Form for Minor Remodeling –
Space Realignment, Remodeling, and Replacement Request

Table C110-B provides a formula for limiting requests for minor renewal and replacement projects and for minor remodeling, including safety and handicapped accessibility projects as well as projects for minor educational program changes. Each individual project must meet the criteria of the state’s bondability guidelines.

The formula assumes that twice in a 100-year period a building will be renovated totally. One renovation will be funded over an extended period of time by minor remodeling (SR³) and the other renovation will be as a major project. Use of the formula does not guarantee that resources will be available to support the entire request.

Specific projects requested to help meet the identified SR³ need should be listed, in priority order, in Table C101 under Capital Renewal projects.

Please enter the GSF of the “Area of Campus Maintained by Physical Plant with State Funds.” All other items on Table C110B are formula-driven.

A. INSTRUCTIONS FOR PROGRAM AND SCOPE STATEMENTS

PROGRAM STATEMENTS

Purposes of a Program Statement

The purposes of a program statement are (1) to establish design parameters within which the architect and planner must work and (2) to describe for the architect certain activities, functions, relationships, and space needs to be incorporated into a new or renovated facility. A program statement should be included for each project in the following categories:

1. Buildings, Additions, and/or Structures
2. Major Remodeling
3. Planning for Buildings, Additions, and/or Structures and Major Remodeling

Content of the Program Statement

The following outline of the contents of a program statement represents information required by the Board of Higher Education and the Capital Development Board. Institutional planners may desire to add other components to facilitate the planning, design, and remodeling or construction.

A. Introduction

1. A justification for the project and a description of the activities, functions, and educational programs that will occur in the facility to be constructed or remodeled. If programs or activities to be included in the proposed building currently are housed elsewhere, the narration should explain how space vacated upon completion of the project will be used.

If applicable, (1) a comparison of the amount of space being requested for a program to the space currently utilized by the program or (2) an explanation of the change in use of existing space (e.g., classrooms vs. offices) for a remodeling project. In addition, for remodeling projects, include a statement of what the remodeling is to accomplish and what type of work must be undertaken to complete the project successfully. For projects which do not add or remodel space, a detailed description of the work to be undertaken should be provided.

B. General Project Features

1. A list of the aggregate net assignable square feet by room type involved in the project. (Refer to U. S. Department of Education Postsecondary Education Facilities Inventory and Classification Manual, 2006.)
2. A list of the aggregate net assignable square feet by the activities, functions and educational programs identified in the Introduction (A.1.).
3. A description and illustration of the spatial and functional relationships among activities within the building. An illustration should show which activities should be directly connected to one another or in the same proximity.
4. A statement of the external conditions including support areas and a description and illustration of the spatial and functional relationships among activities outside the five-foot boundary line of the building. Show the relationship between these activities and those occurring inside the five-foot line.

5. A room-by-room description of the project which includes the planned use of the room, approximate net assignable square feet, occupant capacity, special needs, and fixed and movable equipment should be provided.
 6. General information related to the total building complex. Include particular requirements of circulation, communication systems, building security provisions for the handicapped, elevators, floor finishes, utilities, heating, ventilation, air conditioning, and other feature considered essential to the facility.
 7. Site analysis including accessibility of utilities (on-site and off-site), space for future expansion, parking (existing and proposed), loading zones and service access to buildings and landscaping.
- C. Pursuant to *Higher Education Statewide Capital Policies and Priorities*, adopted by the IBHE in April 2004, “The scope and budget developed for each capital project should incorporate, as possible, the elements necessary to reduce life cycle costs over time and to add to the life of a facility,” and “Each institution should utilize the Space Realignment, Renewal, and Replacement (SR³) concept to establish goals for funding modifications and improvements to capital facilities,” and “...the Committee recommends that future requests for new buildings include an estimate of the new building’s complete life cycle costs – the costs for its initial construction, daily operations and maintenance and, finally, the major renovations and upgrade of building systems to ensure the building’s integrity over its expected life. Building components eventually wear out or become obsolete, and the initial investment in the facility and the day-to-day care of the facility will in part determine how quickly that happens.” The referenced board item can be found at:

<http://www.ibhe.org/Board/Agendas/2004/April/Item%207%20Attachment.pdf>

Please include a description of any design standards considered in your cost estimate that will serve to increase flexibility for future remodeling and upgrading and add to the life of the building. If possible, identify the additional cost resulting from the additions. Each institution is requested to provide (D.5.) estimated costs for initial construction, daily operations and maintenance, and the major renovations and upgrade of building systems over the life of the building.

IBHE REQUEST FOR LIFE CYCLE COSTING ESTIMATES DOES NOT ENSURE FUNDING WILL BE AVAILABLE.

D. Summary Data

1. A summary of the estimated costs and the source of the cost estimates for the project for the following categories:

Construction Costs (including fixed equipment) ^{a, b}	_____
Land	_____
Movable Equipment	_____
Site Improvements ^a	_____
Utilities ^a	_____
Remodeling and Rehabilitation (including fixed equipment) ^{a, b}	_____

^a Include A&E, escalation, contingency, on-site observation, reimbursables, and CDB’s construction administration fee.

^b Include .5 percent for Art in Architecture in compliance with The Capital Development Board Act (20 ILCS 3105/14).

These costs should agree with those submitted in Table C102 for the project. For those portions of the project requested in the budget year, the amounts should agree with those listed in Tables C101 and C102.

Escalation should be computed on the base cost. Costs should be escalated from the date of the estimate to the expected bid date. Each spring IBHE, after consultation with CDB, will advise the escalation rate to be used for the upcoming budget year. In determining the proposed bid date, design schedules as well as work seasons should be assessed realistically.

The escalated budget including contingency should be determined by multiplying the escalated project budget (base cost plus 10.0 percent escalation) by 1.10.

The A&E and on-site observation rates should be based upon the Capital Development Board's Handbook of Tables and Fee Schedule. To determine the A&E rate, total the escalated budget including contingencies for the aggregate project. Apply the A&E rate to the escalated budget including contingency for each appropriate category. Compute reimbursable expenses at 5.0 percent of the A&E fee unless a better estimate is available.

The Capital Development Board's Construction Administration Fee (CAF) is required for each construction contact. It is assessed by the Capital Development Board and computed as three percent of the base bid estimate plus all the alternate estimates rounded up to the next hundred dollars.

The one-half of 1.0 percent for Art in Architecture should be added when applicable. See the guidelines in Section III.D.

2. Cost estimation – an explanation of how the costs in item C.1 were developed. Guidelines for providing cost estimates for new buildings are included in the instructions for Table C104.

To compute the best possible cost estimate for a major remodeling project, an institution may wish to use:

- a. Cost estimates from an architect or cost consultant;
- b. Base costs determined by previous bid experience for similar projects on campus, or in- or out-of-state, including CDB reports;
- c. Cost estimation manuals such as that published by Robert S. Means; or
- d. Assistance from CDB staff.

An institution should indicate in this section of the program statement the methodology used to calculate the costs and how the calculations were developed.

3. A summary of total space involved in the project as follows:

Total Net Assignable Square Feet	_____
Total Gross Square Feet (Actual GSF)	_____
Ratio of NASF/GSF	_____

4. A proposed schedule which estimates number of months from release of funds to each of the following events:

	<u>Months</u>
Employment of Architect	_____
Completion of Schematic Design	_____
Completion of Definitive Design	_____
Completion of Construction Documents	_____
Advertising of Bids	_____
Award of Construction Contracts	_____

5. Life cycle costing would ensure that funds are available in the future to remodel existing facilities. Please provide an estimate of the following:

Total estimated cost of facility	_____
Projected annual O&M costs	_____
Annual SR ³ need (realignment, renewal, and replacement) for the requested project	_____
Estimated cost of major remodeling in 100 years	_____

IBHE REQUEST FOR LIFE CYCLE COSTING ESTIMATES DOES NOT ENSURE FUNDING WILL BE AVAILABLE.

SCOPE STATEMENTS

The purpose of a project Scope Statement is to describe the proposed work and to define the design parameters for the architect or engineer. A scope statement should be prepared and included for projects requested in the following budget categories: land, utilities, site improvements and minor remodeling and rehabilitation. Scope statements should be prepared for each repair and renovation (Capital Renewal) project.

The project scope statement should contain the following:

1. Background of the project including justification.
2. Quantification of work items, including units such as linear feet, cubic yards, square yards, number of items to be installed, etc., with the cost breakdown (see below).
3. Identification of any dependent relationship between this project and any other. (For each such project, a Table C102 should be completed.)
4. Desired completion date. Identify circumstances which may make it more ideal to complete this project during certain months (e.g., weather, summer vacations, etc.).
5. A cost breakdown including:
 - a. Item description
 - b. Quantity
 - c. Unit cost
 - d. Total cost per item
 - e. Labor cost
 - f. Provisions for energy conservation

Cost Estimation:

The total of the above (5.a. – f.) is the base cost. The source and date of the cost estimate should be shown. The best possible cost estimate should be provided for each project. In computing this estimate an institution may wish to use:

- 1) Cost estimates from an architect, cost consultant or contractor;
- 2) Base costs determined by previous bid experience for similar projects on campus, or in or out-of-state, including CDB reports;
- 3) Cost estimation manuals such as that published by Robert S. Means; or
- 4) Assistance from the CDB staff.

Computations or a summary of computations for each of the following steps should be shown:

- g. Cost escalation to bid date – the month and year of the expected bid date should be listed. Costs should be escalated from the date of the estimate to the expected bid date. Each spring IBHE, after consultation with CDB, will advise the escalation rate to be used for the upcoming budget year. In determining the proposed bid date, a realistic assessment of design schedules as well as work seasons should be made.
- h. Contingency – To determine the escalated budget including contingency, multiply the escalated budget by 1.10.

- i. A&E – the A&E and on-site observation rates should be based upon the CDB Handbook of Tables and Fee Schedule. Total the escalated budgets including contingencies for the aggregate project (if the project is part of an aggregate project) to establish one A&E rate. This rate should then be applied to the escalated budget including contingency. Reimbursable expenses should be listed at 5.0 percent of the A&E fees unless a better estimate is available.
- j. CDB's Construction Administration Fee (CAF) -- the CAF is required for each construction contract. It is assessed by the Capital Development Board and computed as three percent of the base bid estimate plus all the alternate estimates rounded up to the next hundred dollars.
- k. The sum of 5.a.-j. (escalated base cost including contingency, A&E, and CAF) is normally the project budget. If, however, the project qualifies for the Art in Architecture Program, .5 percent of the sum of 5.a.-i. should be added for Art in Architecture to determine the total project budget. Guidelines for the Art in Architecture program can be found in Section III.D.

B. PROGRAMMING INSTRUCTIONS BY PROJECT CATEGORY

Buildings, Additions, and/or Structures

This category includes construction of facilities with roofs and/or walls that have foundations. It also includes site development necessary to prepare a site for construction purposes and required built-in, special purpose, or other fixed equipment that is affixed permanently or connected to real property in such a manner that removal would cause damage to the real property.

Narration. A short, clear, and concise narration (1/2 to 1-1/2 pages in length) should accompany each request for a building, addition, and/or structure shown in Tables C101 and C102. The narration should explain why the building is needed. If programs or activities to be included in the proposed building currently are housed elsewhere, the narration should explain how space vacated upon completion of the building will be used. Information on the cost and size of actual GSF and a breakout of NASF of the project also should be included.

Program Statement. A program statement should be submitted for each building, addition, and/or structure requested for the budget year. Details of the items to be included in the program statement can be found in Section III.A. The page number on which the program statement can be found in the RAMP document should be noted in the narration.

Remodeling and Rehabilitation

This category includes projects that appreciably prolong previously estimated useful life or appreciably increase the previously estimated value of a facility or asset. It also includes projects that reshape, reconstruct, or make over property in a different way. Further, it includes projects that constitute alterations or other changes, especially those that are for the purpose of changing the use of property.

This category does not include repair and maintenance projects. Repair and maintenance projects are recurring and keep a facility or asset in ordinary efficient operating condition, preserve the condition of property, or restore property to a sound state after damage or prolonged use without appreciably prolonging previously estimated service life or adding to previously estimated value.

Identify Remodeling and Rehabilitation projects by one of two categories. Major remodeling and/or rehabilitation usually involves (1) a substantial change in the function of space, such as a completely remodeled wing, floor, or the majority of a building, or (2) a comprehensive or general remodeling of one or more of the systems in the building. To qualify for major remodeling, a building should, in general, meet the following criteria:

1. Be at least 25 years old,
2. Pass an obsolescence test (i.e., must be viable for another 50 years with renovation),
3. Have a master plan for the total renovation of the building, and
4. Be part of a master plan for the campus, which shows the role of the building.

Minor Remodeling or Space Realignment, Remodeling and Replacement requests are intended to prolong appreciably the previously estimated service life or to increase appreciably the previously estimated value of a facility or asset. Also included would be projects that provide for minor changes in the function of space and a series of projects such as ADA work.

Narration. A project scope should accompany each request for a major or minor remodeling project. The first paragraph of the narration for a major remodeling project should give a summary description of and justification for the project. The remaining paragraphs should elaborate upon the summary paragraph with more detailed information on the justification, costs, size, description of work to be undertaken, and scope of the project. A Table C102 should be completed for each phased project.

The project scope narration for each minor remodeling project should be detailed sufficiently to explain the project adequately and should include a justification.

The narration for projects that will change the function of space should include a listing of the activities, functions, or educational programs which will occur in the remodeled space, as well as the location of the space. A description of the types and amounts of space involved with an estimate of the occupant capacity should be included. If programs or activities to be located in the remodeled space currently are housed elsewhere, the narration should explain how the vacated space will be used.

Cost Estimates. Instructions for completion of the scope or program statement required for each project contain information on the calculation of cost estimates. Universities are encouraged to provide the best possible cost estimate for each project requested. Cite the source of the cost estimate.

Program Statement. A program statement should be submitted for each major remodeling request. Details on the items to include in the program statement can be found in Section III.A. The page number on which the program statement can be found in the RAMP document should be noted in the narration.

Scope Statement. A scope statement should be submitted for each minor remodeling project. Details on the items to include in the scope statement can be found in Section III.A. The scope statement should include the quantity of items and their costs. The page number on which the scope statement can be found in the RAMP document should be noted in the narration.

Land

This category includes expenditures for the acquisition of real estate (including easements of record with an extended term, but excluding leasehold interests obtained through rental) whether obtained by purchase or by condemnation under the eminent domain laws of the state, and for expenses necessarily incidental to such purchase or condemnation. Such expenditures may include land costs, appraisal fees, title opinions, surveying fees, real estate fees, title transfer taxes, condemnation costs and related legal expenses, and relocation costs.

Narration. A short narration should accompany each request for land. The first paragraph of the narration should give a summary description of and justification for the project. The remaining paragraphs, the length of which should total from 1/2 to 1-1/2 pages, should elaborate upon the summary paragraph. The narration should justify the need and the proposed programmatic use of the land and identify the number and location of the acres to be purchased relative to the campus with an estimated cost. If this is part of a phased project, Table C102 should be completed.

Scope Statement. In addition, each land request should include a scope statement. Details on the items to be included in the scope statement can be found in Section III.A. The page number on which the scope statement can be found in the RAMP document should be noted in the narration.

Equipment

The category "Equipment" means and includes expenditures for the acquisition, replacement, or increase of visible, tangible personal property of a nonconsumable nature, with a unit value exceeding \$100, that are not included in the categories "Buildings, Additions and/or Structures" or "Remodeling and Rehabilitation." The category is restricted to durable movable equipment.

Items requested in this category should be limited to those items necessary to make functional a new building, addition, and/or structure or a newly remodeled portion of an existing building. Items requested must meet the definitional requirements of equipment as outlined in the State Finance Act (30 ILCS 105/20) and be bondable. The equipment should be used solely or primarily in the rooms or areas covered in the project. The items must have an identity and function which will not be lost through incorporation into a more complex unit. Installation and transportation costs necessary to make the requested equipment operational are to be classified as equipment costs. This equipment is not to be affixed to the building and should be easily moved.

Narration. A Table C103 should be completed and a narration included for each request for equipment. The narration should include statements about why the equipment is needed and also should include statements about why special or unusual equipment is needed.

Utilities

"Utilities" include expenditures for the acquisition, construction, replacement, modernization, and/or extension of systems for distributing utility services outside the five-foot boundary line of existing or proposed buildings, additions, and/or structures.

Examples of utilities are provisions for potable water; high temperature hot water; gas; electricity; telecommunications; telephone; steam and condensate return; storm sewers; sanitary sewers; fire hydrants and stand pipes; central fire and security alarm systems; exterior lighting; sprinkler systems; underground and overhead distribution cables for on-campus television, computers, or communications; tap-ons to existing utility systems; air and water pollution control; disposal of scientific contaminated waste and surgical waste; sewerage and water treatment including distribution systems; and environmental control.

Earth moving to create an artificial lake (water reservoir) for utility purposes and the restoration of natural and/or man-made features of the site of utilities installation to their original condition also are included in the category "Utilities." Trenches or ditches dug for the express purpose of laying tile or ducts to carry off excessive rainfall shall be classified as "Utilities."

Excluded from this category are contractual service items such as bus service; restroom and janitorial supplies and service; trash hauling; and security service. Also specifically excluded are such items as landscaping, roads, sidewalks, and earth moving, which are designated as "Site Improvements." Earth moving to provide natural drainage from rainfall shall be construed as a

matter of "Site Improvements." Replacement of a heating or electrical system within a building shall be designated as "Remodeling and Rehabilitation."

Funds for architectural and engineering services pertaining to specific utilities projects shall be included in the estimated cost of the projects.

Ensuring that capital budget requests in the "Utilities" category comply with state and federal laws and state and federal agency or commission regulations and codes as they pertain to utilities, air pollution, fire protection, and health measures shall be the responsibility of the institution.

Narration. A short narration shall accompany each request for utilities. The first paragraph of the narration should give a summary description of what is to be accomplished and why the project is needed. Other projects to which the request is related should be identified. The remaining paragraphs, the length of which should total from 1/2 to 1-1/2, should elaborate upon the summary paragraph with more detailed information on the justification, size, scope and cost of the project. A Table C102 should be completed for each phased project.

Cost Estimates. Instructions for completion of a scope statement contain information on the calculation of cost estimates. Universities are encouraged to provide the best possible cost estimate for each project requested. Cite the source of the cost estimate.

Scope Statement. In addition, each request should include a scope statement. Details on the items to be included in the scope statement can be found in Section III.A. The scope statement should include the quantity of items and their costs. The page number on which the scope statement can be found in the RAMP document should be noted in the narration.

Site Improvements

This category means and includes expenditures for all improvements to real property not included as expenditures for improvements to real property under other categories.

"Site Improvements" shall include all costs incidental to demolition; landscaping, site preparation, and the construction or replacement of sidewalks, roadways, bridges, overpasses and underpasses, pedestrian tunnels, surface parking, and other similar facilities. Projects and activities normally considered to be operation and maintenance (O & M) procedures should not be included here (e.g., sealing of parking lots).

Narration. A short narration should accompany each request for site improvements. The first paragraph of the narration should provide a summary description of and justification for the project. The remaining paragraphs, the length of which should total from 1/2 to 1-1/2 pages, should elaborate upon the summary paragraph with more detailed information on the justification, size, scope and cost of the project. A Table C102 should be completed for each phased project.

Cost Estimates. Instructions for completion of a scope statement contain information on the calculation of cost estimates. Universities are encouraged to provide the best possible cost estimate for each project requested.

Scope Statement. In addition, a scope statement should be submitted for each request. Details on the items to be included in the scope statement begin in Section III.A. The scope statement should

include the quantity of items and their costs. The page number on which the scope statement can be found in the RAMP document should be noted in the narration.

Planning

The category "Planning" means and includes expenditures for planning of specific buildings, additions, and/or structures and for planning specific major remodeling projects. The request for funds for construction or major remodeling would occur in a following year.

Planning includes schematic and definitive design development, costs incurred to complete construction documents, and detailed working drawings required for bidding and construction. Requested planning funds should be sufficient to plan at least through definitive design development.

"Planning" funds should not be requested if construction or major remodeling funds are also being requested. The total cost of these projects should be requested under "Buildings, Additions, and/or Structures" or "Remodeling and Rehabilitation."

Planning funds should not be requested in the capital documents for long-range general planning or feasibility studies.

Narration. Each request for planning should be accompanied by a short narration. This should begin with a paragraph that gives a summary of and justification for the project. The remaining paragraphs, the length of which should total from ½ to 1½ pages, should elaborate upon the summary paragraph with more detailed information on the justification, costs, size, description of work to be undertaken, and scope of the project. A Table C102 should be completed for each project.

For projects which will change the function of space or add space, the narration should include a listing of activities, functions, or educational programs which will occur in the space as well as its location. A description of the types and amounts of space with an estimate of the occupant capacity also should be included. If programs or activities to be located in the new or remodeled space currently are housed elsewhere, explain how the vacated space will be used.

Cost Estimates. Instructions for completion of a program statement contain information on the calculation of cost estimates. Table C104, Building Budget Estimation Form, should be completed for each new building or addition for which planning funds are requested for the budget year. Universities are encouraged to provide the best possible cost estimate for each project requested. Cite the source of the cost estimate.

Program Statement. A program statement should be submitted for each request for planning. Details on the items to be included in the program statement begin in Section III.A. The page number on which the program statement can be found in the RAMP document should be noted in the narration.

Repair and Renovation (Capital Renewal)

A repair and renovation project includes any activity or item which meets the definitional requirements of the following categories; remodeling and rehabilitation, utilities, and site improvements. In addition, funds may be requested to plan future repair and renovation projects. If planning funds are requested, the request should include a description of the work to be planned and an estimated cost of the work to be undertaken. Requests in this category should not include any project related to a new building, structure, addition, or land. The project description in each should be accompanied by an identification of the appropriate budget category. Each request for a repair and renovation project should be accompanied by a project scope. The narration for each individual project should include adequate detail and justification.

Repair and Renovation or Capital Renewal projects should be listed in priority order in Table C101.

Cost Estimates. Instructions for completion of the scope statement required for each project contains information on the calculation of cost estimates. Universities are encouraged to provide the best possible cost estimate for each project.

Scope Statement. A scope statement should accompany each repair and renovation project. Details on the items to be included in a scope statement can be found in Section III.A. The scope statement should include the quantity of items and their costs. The page number on which the scope statement can be found in the RAMP document should be noted in the narration.

C. TERMS AND DEFINITIONS

Aggregate Project – A combination of two or more projects related to each other and requested under any one or a combination of the categories of the capital budget format.

Bond Eligible Project – General Obligation Bond (Capital Development Fund) or Build Illinois Bond funded capital projects.

Capital Budget Categories

Category 1 – Buildings, Additions and/or Structures – The construction of those facilities with roofs and/or walls that have foundations.

Category 2 – Land – Expenditures for the acquisition of real property including easements of record with an extended term but excluding any lease hold interests obtained through rental, whether obtained by purchase or by condemnation under the eminent domain laws of the state, and for expenses directly and necessarily related to such purchase or condemnation.

Category 3 – Equipment – Expenditures for the acquisition, replacement, or increase of visible tangible personal property of a nonconsumable nature, with a unit value exceeding \$100, that are not included in the categories Buildings, Additions and/or Structures or Remodeling and Rehabilitation. The category is restricted to bondable durable movable equipment.

Category 4 – Utilities – Expenditures for the acquisition, construction, replacement, modernization, and/or extension of systems for distributing utility services outside the five-foot boundary line of existing or proposed buildings, additions and/or structures.

Category 5 – Remodeling and Rehabilitation – Expenditures for all capital improvements which have the primary objective of altering the functional capabilities of a structure or facility, restoring it to original operating condition or improving the existing functional capability or capacity of the structure or facility.

Remodeling shall include all capital improvement projects which have the primary objective of changing the functional character of areas, modifying capacity for the number of persons who can be accommodated by the area for purposes of the currently assigned programmatic function, and/or altering spatial relationships provided by the area for purposes of the currently assigned programmatic function.

Rehabilitation shall include all nonrecurring capital improvement expenditures having the primary purpose of restoring or upgrading an existing area to original operating condition. Recurring expenditures for repairs and/or maintenance, which are predictable or reflect regular attention in preserving or keeping a facility in ordinarily efficient operating condition, or arresting deterioration, without appreciably upgrading, improving, or increasing the value of a facility, shall be considered repair and maintenance expenditures.

Category 6 – Site Improvements – Expenditures for all improvements to real estate that are not otherwise included under other categories.

Category 7 – Planning – Expenditures which are related to architectural and engineering design required for planning of buildings, additions and/or structures and for planning specific major remodeling projects. Planning for long-range development, including feasibility studies, is not bondable and should not be included.

Capital Renewal – This term was first introduced under the provisions of the Build Illinois program enacted by the General Assembly in 1985 is used interchangeably with *Repair and Renovation Projects*.

Construction Administration Fee (CAF) – The CAF is required for each construction contract. It is assessed by the Capital Development Board and computed as three percent of the base bid estimate plus all the alternate estimates rounded up to the next hundred dollars. Proceeds fund CDB’s operations.

Construction Documents – Detailed construction documents required for bidding and construction, developed on the basis of the approved definitive design.

Definitive Design Documents – Refinement of the schematic design into final detailed design, including site plan, mechanical and electrical systems, and elevations which have been approved for the start of the construction documents.

Equipment – Durable Movable – Initial movable equipment, including all items of initial equipment, other than built-in equipment, which are necessary and appropriate for the functioning of a particular facility for its specific purpose, and which will be used solely or primarily in the rooms or areas covered in the subject project. Further, such equipment is defined as manufactured items which have an extended useful life, are not affixed to a building and capable of being moved or relocated from room to room or building to building, are not consumed in use, and have an identity and function which will not be lost through incorporation into a more complex unit.

When applying the above definition, reference should be made to The State Finance Act and the distinction between Commodities (30 ILCS 105/15b) and Equipment (30 ILCS 105/20) as defined by that Act.

Within the context of that Act, the following guidelines should be applied in defining durable movable equipment:

1. No commodities will be purchased from bond funds.
2. Items having a unit value of \$100 or less are “commodities” and not “equipment.”
3. Office/household equipment and furniture will be bondable.
4. Machinery, implements, and major tools will be bondable.
5. Scientific instruments and apparatus will be bondable with the exception of those items which are subject to short useful life (i.e., glassware, tubing, crockery, light bulbs, etc.). These items are more correctly defined as commodities.
6. Library books, maps and paintings, other than those purchased in the Art in Architecture Program, are not fundable from bond funds.
7. Livestock, for any use, is not fundable from bond funds.
8. Rolling stock of a specialized nature, including cars, trucks, and related items, are not fundable from bond funds.
9. Boats and allied equipment will be considered rolling stock.

10. Equipment not otherwise classified will be considered bondable provided it meets all other guidelines.
11. Significant useful life should be considered a minimum of ten years.
12. Spare and replacement parts should be considered commodities.
13. Transportation costs and installation costs incurred with an outside source will be considered part of the equipment cost for items funded by Capital Development or Build Illinois Bond funds after appropriate review by the Capital Development Board staff.

Equipment – Fixed – Built-in equipment is non-movable, permanently affixed to the building in such a way that removal would damage the building, has a life expectancy substantially equal to building life, and is necessary for effective building function. Such equipment is contained within the budget category Buildings, Additions and/or Structures or Remodeling and Rehabilitation and is included in the estimated building cost. Within the Fixed Equipment classification are two types of built-in equipment: (1) built-in building service systems and (2) built-in special function equipment:

Fixed Equipment – Built-In (Buildings Service Systems) – Building service systems include utilities, mechanical equipment, and distribution systems within the five-foot boundary line of the building, which are necessary for effective functioning of a building. Such equipment is necessary for the effective building function and has a life expectancy substantially equal to building life. The equipment also is affixed permanently or connected to the real property in such a way that removal would damage the property to which it is affixed. Included in this group are dust-collection devices; heating and air conditioning systems; automatic fire control and alarm systems; public address, time and communication systems; drinking fountains; and toilet fixtures. While technically not defined as “built-in building systems” this group may include such items (when included in original construction documents) as chalkboards, permanent bulletin boards, display cases, fume hoods, exhaust fans, permanent signs, Venetian blinds, drapes, carpeting, and similar equipment which becomes an integral part of the buildings.

Fixed Equipment – Built in (Special Function) – Special function equipment is so integrally connected to the building that it requires architectural or engineering design services and construction coordination between contractors for installation. Such equipment should have a life expectancy equal to building life. This group covers specialized equipment permanently affixed to the buildings in such a way that removal would damage the property to which it is affixed. In general, this group covers specialized and program related equipment such as laboratory benches and tables for students and instructors when such equipment is connected to plumbing or other utility services, sinks, built-in operating equipment and casework, commercial type built-in food service or laundry equipment requiring utility connections, and similar other specialized long-life items which do not become obsolete quickly. Also eligible in this group are “open” library stacks in library and law buildings and permanent lecture hall and auditoria seating.

Life Cycle Costing – Integrates construction costs and operating costs: initial construction, daily operations and maintenance, and the major renovations and upgrade of building systems to ensure the building’s integrity over its expected life. Life cycle costing would ensure that funds are available in the future to remodel existing facilities.

Phased Project – In the capital budget request, a project which has elements classified within more than one budget category (aggregate project) and/or will require the appropriation of funds in two or more years.

Program Statement – In the capital budget request, a statement setting forth broad parameters within which architects and planners must work when designing a proposed structure or major remodeling project. Certain specific requirements of the project should be described (see Section III.A.).

Project – Any activity or item requested under any of the categories of the capital budget request.

Repair and Renovation Project – A term first introduced under the provisions of the Build Illinois program enacted by the General Assembly in 1985. Repair and renovation projects should meet definitional requirements of the following capital budget categories: utilities, remodeling and rehabilitation, and site improvements. In addition, funds for planning future repair and renovation projects may be included. Used interchangeably with the term *Capital Renewal*, projects now may be funded from either Build Illinois Bond or Capital Development funds.

Schematic Design Development – Preliminary studies developed from the building program statement, which reflects the general functional characteristics and architectural requirements of the project, including all details necessary for submittal of applications for federal funds.

Scope Statement – A statement setting forth the proposed work and defining the design parameters (see Section III.A.).

D. GUIDELINES TO IDENTIFY BUILDINGS SUITABLE FOR THE ART IN ARCHITECTURE PROGRAM

Pursuant to The Capital Development Board Act (20 ILCS 3105/14), the Capital Development Board sets aside for the Art in Architecture Program one-half of one percent of the amount appropriated for construction or reconstruction for each structure that meets the following criteria:

New Construction

1. The structure must be accessible to and used by the general public.
2. The structure must be intended primarily for human services or occupancy.
3. The structure must be of a permanent nature.

Reconstruction

The project must comply with the above stated guidelines plus:

1. Be directly related to the spatial or architectural elements of the building.
2. Be an integral part of the general architectural remodeling or renovation program if the reconstruction is mechanical in nature.

Appropriations for projects of the following nature shall be considered: office buildings, university buildings, multi-purpose facilities. Projects providing for remodeling buildings for new use and rehabilitation of buildings for existing use may also be considered. If the rehabilitation is to the entire structure, then the construction will come under the guidelines. If the rehabilitation deals with the mechanics only, the construction is not applicable.

Appropriations for the following are not applicable: temporary buildings, land acquisition, movable equipment, planning, paving of parking lots, roof and gutter repairs, remodeling to comply with codes such as the Americans with Disabilities Act or OSHA standards, or mechanical renovation only (e.g., elevator, plumbing, heating, or electrical work). Appropriations for structures that have major uses other than human occupation or human services such as cow barns, mechanical maintenance sheds, pumping stations, etc. also are not appropriate.

Based on the reasonable use of the building, structures that are not accessible to the general public shall not be considered for the program. Therefore, since inmate and resident facilities are not accessible to the non-inmate/resident population, placement of artworks in mental health or correctional facilities would not be within the intent of the statutes.

Beginning with fiscal year 1990, the appropriation for construction or reconstruction must meet or exceed \$1,000,000 to allow for a minimum Art-in-Architecture budget of \$5,000.

E. BONDABILITY GUIDELINES

TITLE 71: PUBLIC BUILDINGS, FACILITIES, AND REAL PROPERTY CHAPTER I: CAPITAL DEVELOPMENT BOARD SUBCHAPTER a: RULES

PART 50 BONDING GUIDELINES

Section

- 50.110 General Standards and Guidelines for the Appropriate Utilization of Bond Proceeds
50.120 Standardized Definitions and Guidelines
50.130 Limitations on Expenditures of Bond Proceeds

AUTHORITY: Implementing and authorized by Section 9.06 of the Capital Development Board Act [20 ILCS 3105/9.06].

SOURCE: Adopted at 2 Ill. Reg. 30, p. 140, effective July 27, 1978; amended at 4 Ill. Reg. 9, p. 233, effective February 14, 1980; amended at 5 Ill. Reg. 1890, effective February 17, 1981; amended and codified at 8 Ill. Reg. 20247, effective October 1, 1984; amended at 12 Ill. Reg. 9845, effective May 27, 1988; old Part repealed and new Part adopted at 25 Ill. Reg. 67, effective December 22, 2000.

Section 50.110 General Standards and Guidelines for the Appropriate Utilization of Bond Proceeds

- a) General. The general uses of Capital Development Bond, School Construction Bond, General Obligation Bond and Build Illinois Bond proceeds appropriated to the Board shall always be and remain consistent with the provisions expressed in Article VIII, Section 1 and Article IX, Section 9 of the 1970 Constitution of the State of Illinois, and with the provisions of the Capital Development Bond Act of 1972 [30 ILCS 420], the School Construction Bond Act [30 ILCS 390], General Obligation Bond Act [30 ILCS 330] and the Build Illinois Bond Act [30 ILCS 425].
- b) Bondable Capital Improvements. Bondable capital improvements and related expenditure purposes generally include, but are not limited to, the following:
- 1) Planning expenses for architectural and engineering design;
 - 2) Real property;
 - 3) Buildings, additions, and/or structures (including required site development or preparation and associated fixed equipment that is required for functional effectiveness);
 - 4) Utilities;
 - 5) Initial durable movable equipment as defined in Section 50.120(e), Durable Movable Equipment;
 - 6) Site improvements;

- 7) Remodeling and/or Rehabilitation;
 - 8) Direct costs associated with the issuance of State General Obligation Bonds.
- c) General Obligation Bond Proceeds.
- 1) In general, any expenditure purpose shall be considered appropriate for financing from proceeds provided that such expenditure purposes:
 - A) are not recurring. In this context, recurring expenses are defined as those costs that are incurred at frequent or regular intervals within the initial term of financing, and that would cause pyramiding accumulation of costs for the same expenditure purpose before the expenses initially incurred for such purpose are completely amortized;
 - B) can be characterized as durable or not readily consumed in use;
 - C) reflect an extended useful life or longevity that confers long-term (non-transitory) benefits on the citizens of the State of Illinois;
 - D) are not subject to inherent risk of failure or rapid technological obsolescence, or primarily intended to fulfill temporary requirements;
 - E) reflect a direct interest of the State of Illinois, including its legally constituted subdivisions, in any real property to be improved, as evidenced by valid title to the real property on which the proposed improvement is to be made, or an easement interest of record that at least encompasses the proposed term of bond financing;
 - F) appreciably increase, improve, or enhance the equitable interests of the State of Illinois in capital facilities, land, permanent improvements, and related assets;
 - G) are considered as internal components of a project, which if considered separately may not reflect an extended useful life, but will be bondable provided that such components are initially required for and appreciably contribute to effective functioning, or are otherwise incapable of separation from a more complex unit that in itself is bondable.
 - 2) All seven factors must be present in order for an expenditure purpose to be bondable.
 - 3) Notwithstanding the above prescribed purposes, a nonconforming expenditure may yet be considered bondable if it is deemed to be in the public interest as evidenced by a substantive enactment of the General Assembly. Only Public Acts specifying a project shall be deemed a substantive enactment.

Section 50.120 Standardized Definitions and Guidelines

The following standardized definitions and guidelines enumerate the appropriate utilization of Capital Development, School Construction, General Obligation and Build Illinois Bond proceeds appropriated to the Board to finance bondable capital improvements as listed in Section 50.110(b) above.

- a) **Planning.** Bondable planning costs include those expenditures that are related to architectural and engineering design required for planning the construction or installation of bondable capital improvement projects. Included are costs for schematic design development, which refers to preliminary studies developed from program statements that reflect the general functional characteristics and architectural requirements of a bondable capital improvement project; costs for definitive design development, which means the refinement of schematic design into final detailed design requirements; and costs incurred for the completion of construction documents and detailed working drawings required for bidding and construction, including any allowable reimbursables provided within an executed contract for professional and technical services.
- b) **Land.** Land includes expenditures for the acquisition of real property (including easements of record with an extended term, but excluding any leasehold interests obtained through rental of real property), whether obtained by purchase or by condemnation under the applicable eminent domain laws of the State of Illinois, and for all expenses directly and necessarily related to such purchase or condemnation. All necessary and reasonable expenses incurred in the acquisition of real property qualify for bond financing. Such expenditures may include but are not limited to the following:
 - 1) land costs
 - 2) appraisal fees
 - 3) title opinions
 - 4) surveying fees
 - 5) real estate fees
 - 6) title transfer taxes
 - 7) condemnation costs and related legal expenses.
- c) **Buildings, Additions, and/or Structures.** Buildings, additions and/or structures shall mean and include those facilities with a roof and/or walls that have a foundation. This category also includes site developments necessarily required or related to the preparation of a site for construction purposes; and required built-in, special-purpose, or other fixed equipment, which is permanently affixed or connected to real property in such a manner that removal would cause consequent damage to the real property to which it is affixed. All expenditures that may be classified within the category defined shall be bondable.
- d) **Utilities.** In general, the category utilities shall mean and include expenditures for the acquisition, construction, replacement, modernization, and/or extension of

systems for distributing utility services. Bondable utility costs may include but are not limited to the following items:

- 1) provisions for potable water, high-temperature water for sanitary or other related purposes, domestic hot or chilled water;
 - 2) systems and associated components for distributing electricity or providing telecommunications service, including underground or overhead distribution cables for television, computers, or other modes of communication;
 - 3) steam and condensate returns;
 - 4) storm and/or sanitary sewers;
 - 5) fire hydrants and stand pipes;
 - 6) central fire and security alert systems;
 - 7) exterior lighting;
 - 8) tap-ons or extensions related to existing utility systems;
 - 9) automated temperature/environmental control systems, and air and water pollution control systems;
 - 10) provisions for the disposal of scientific contaminated waste and surgical waste;
 - 11) solar heating or other approved energy systems;
 - 12) sewage and water treatment facilities, equipment and related distribution systems;
 - 13) earth moving to create artificial lakes or reservoirs for utility or related conservation purposes;
 - 14) restoration of natural and/or man-made features of the site of any utilities installation to its original condition;
 - 15) trenches or ditches dug for the purpose of laying tile or providing ducts to remove excessive rainfall and prevent erosion.
- e) Durable movable equipment
- 1) Durable movable equipment shall mean initial movable equipment, including all items of initial equipment, other than built-in equipment, that are necessary and appropriate for the functioning of a particular facility for its specific purpose, and that will be used solely or primarily in the rooms or areas covered in the subject project. Further, such equipment is defined as manufactured items that have an extended useful life, are not affixed to a building and are capable of being moved or

relocated from room to room or building to building, are not consumed in use, and have an identity and function that will not be lost through incorporation into a more complex unit.

- 2) In applying the above definition, reference should be made to the State Finance Act [30 ILCS 105], and the distinction between commodities (Section 15b of that Act) and equipment (Section 20) as defined by that Act. Within the context of that Act, the following guidelines should be applied in defining durable movable equipment:

A) Bondable

- i) Office/household equipment and furniture will be bondable.
- ii) Machinery, implements and major tools will be bondable.
- iii) Scientific instruments and apparatus will be bondable when they have a useful life similar to office equipment.
- iv) Transportation and installation costs incurred with an outside source will be considered part of the equipment cost for items funded by the Board.
- v) Equipment not otherwise classified will be considered bondable provided it meets all other guidelines.
- vi) Significant useful life should be considered a minimum of 10 years.

B) Non-bondable

- i) Scientific apparatus items that are subject to short useful life, such as glassware, tubing, crockery and light bulbs are not bondable. These items are more correctly defined as commodities.
- ii) Library books, maps, and paintings other than those purchased in the Art in Architecture program [20 ILCS 3105/14] are not fundable from bond funds.
- iii) Livestock, for any use, is not fundable from bond funds.
- iv) Rolling stock, including boats, cars, trucks and related items, are not fundable from bond funds.
- v) Spare and replacement parts should be considered commodities.
- vi) No commodities shall be purchased from bond funds.

- f) **Site Improvements.** Site Improvements means and includes expenditures for all improvements to real property that are not otherwise included within the category of buildings, additions and/or structures (subsection (c) of this Section). Bondable site improvement expenditures shall include all above costs incidental to demolition, rough and final grading of a site, and the construction or replacement of sidewalks, road and driveway pavement surfaces, bridges, ramps, curbs, overpasses, underpasses, pedestrian bridges and tunnels, surface parking areas, campground development, building terraces, retaining walls, exterior lighting, and seeding or sodding for erosion control only if related to a bondable capital improvement project.
- g) **Remodeling and Rehabilitation**
 - 1) Bondable remodeling and rehabilitation means and includes expenditures for all capital improvements that have the primary objective of altering the functional capabilities of a structure or facility.
 - 2) Remodeling shall include all capital improvement projects that have the primary objective of changing the functional character of areas, modifying capacity for the number of persons who can be accommodated, and/or altering spatial relationships.
 - 3) Rehabilitation shall include all non-recurring capital improvement expenditures having the primary purpose of restoring or upgrading an existing area to original operating condition. Recurring expenditures for repairs and/or maintenance that are predictable or reflect regular attention in preserving or keeping a facility in ordinarily efficient operating condition or arresting deterioration without appreciably upgrading, improving, or increasing the value of a facility, shall be considered non-bondable repair and maintenance expenditures.
- h) **Direct Costs Associated with the Issuance of State General Obligation Bonds.** Costs of this nature shall include expenses associated with advertising, printing, bond rating, security, delivery, legal and financial services, and all other expenses necessary and incident to the issuance of State General Obligation Bonds.

Section 50.130 Limitations on Expenditures of Bond Proceeds

- a) The following expenditure purposes shall not be bondable:
 - 1) operational and administrative expenses, such as compensation costs, travel, commodities, non-initial equipment, or other recurring expenditures that are similar in character;
 - 2) expenditures for leasing or rental of equipment and/or facilities;
 - 3) archeological digs, research, or exploration;
 - 4) expenditures for routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property that would typically be covered by operation and maintenance funds of the user agency and for reimbursement of user agencies for administration, staff, or other costs;

- 5) expenditures to acquire or construct temporary facilities or facilities whose abandonment or replacement is imminent;
 - 6) unpredictable or unusual legal expenses (other than land acquisition legal expenses), such as for special litigation, that are not ordinarily or customarily provided within the budget for a capital improvement project. These expenditures are more appropriately financed from contractual services operating funds appropriated for such purposes;
 - 7) separate purchases of sand, gravel, rock, asphalt and concrete in limited quantities; ordinary hardware items; temporary, nondurable fencing; spare and/or replacement parts and equipment; hand tools; decorative models, plaques and other commemorative memorabilia; and other commodity-type consumable items having a relatively brief expected useful life;
 - 8) expenditures for general long-range development plans, master plans, historical or archeological research, surveying, preliminary engineering studies, aerial mapping, feasibility studies, program or scope statements, or other expenditures similar in character;
 - 9) expenditures for independent landscaping improvements that are not directly associated with a bondable capital improvement project. In this context, seeding or sodding that is not primarily intended for erosion control in relation to a bondable capital improvement project shall not be bondable. Similarly, expenditures incurred for the planting of trees, shrubs, bushes, or other vegetation, including revegetation, shall not be bondable improvements unless the expenses are directly and initially associated with or represent an integral component of a bondable capital improvement project.
- b) The following expenditure purposes shall be bondable only if those purposes demonstrate an expected useful life, based upon engineering studies, supporting technical data, or relevant precedents under similar circumstances, that is at least equal to the term of bond financing:
- 1) purchase or installation of metal pilings or similar materials (but not riprap) for the purpose of erosion and/or flood control, provided that the impact of the proposed expenditure is to improve rather than maintain such areas;
 - 2) expenses directly related to dredging, levee, drainage, channel and/or lake improvements;
 - 3) rehabilitation of existing road and parking area surfaces;
 - 4) costs incurred in the acquisition or purchase of historical, antique or period furnishings of value, provided that the items are directly associated with a new capital improvement project and considered essential to the primary purpose of such project and acquisition of the furnishings is pursuant to the mandate of the appropriation for the project, and further provided that the items will be subject to adequate security and protection and accepted property control accountability.

F. GUIDELINES FOR NONINSTRUCTIONAL CAPITAL PROJECTS

Illinois statutes (110 ILCS 205/8) require each state-supported higher education institution to submit its plans for non-instructional capital improvements to the Illinois Board of Higher Education (IBHE) for approval prior to making any final commitments related to the project. If the IBHE determines a project submitted for approval is inconsistent with the higher education master plan, the capital improvement is not to proceed.

The IBHE's administrative rules (23 Illinois Administrative Code 1040) delineate the requirements for submission of a Notice of Intent and Project Request by an institution and criteria to be considered when reviewing the request for approval of non-instructional capital improvements. **Please see the following link** to the rules on the IBHE website [23 Ill Adm Code 1040 \(Dec 2009\)](#) .

All requests for approval are to be submitted 45 days prior to the IBHE's meeting to allow time for review and are to comply with the following:

- A description of the project including the scope and justification for its need.
- A classification of the project into the appropriate budget category.
- A statement showing the total project costs, source of the cost estimate, and the anticipated source of funds.
- An estimate of the changes in the annual operations and maintenance costs (including utility costs).
- A copy of the resolution of the institution's board of trustees approving the expenditure of funds and the source of funds.

The administrative rules also identify the criteria to be used when determining whether or not to approve a project. These criteria follow are:

- Projects must be consistent with the mission and scope of the institution.
- Projects must provide needed additional or replacement space, more efficiently utilize existing space, or maintain or improve existing space. Current and projected programmatic needs and current and projected space utilization rates will be considered.
- Projects must be economically feasible. When determining feasibility, the proposed source and availability of funds for construction of the project and for increased operating and maintenance costs associated with the project will be reviewed. If all legal requirements are met and if the institution demonstrates that funds are available to finance the construction and operation of the project, the project will be determined economically feasible.