

July 30, 1999

IMPORTANT!

MEMORANDUM

TO: Business Officers

FROM: Philip V. Albano, Director
Administrative and Facility Services

SUBJECT: 1999 Capital Improvement Appropriations

The System Office presented the General Assembly with your needs for repair and renovation (R&R) funds based on information obtained from the fall 1997 R&R needs survey. As a result, the General Assembly, in Section 30.1 of House Bill 168 (their Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets), provided each of the 58 community Colleges with a grant-in-aid of \$250,000. The legislation, however, permits these funds to be used for capital improvements or land acquisition. Section 9.12 of the same bill stipulates that these grant-in-aids of capital improvement funds are not subject to the matching requirements of G.S. 115D-31. Thus, this \$250,000 appropriation to your college does not need to be matched with non-state funds.

While these funds may be used for any capital improvement or land acquisition ("project"), you are encouraged to use them for R&R projects. In the past, state funds have not been allowed to be used for replacements of such things as boilers, chillers, or roofs, but since the need for those replacements was included in our request, you may use these 1999 funds for those purposes.

To access these funds, you must follow the established practices for any capital improvement project that uses state funds. The State Board of Community Colleges (State Board) must approve every project before you can draw the funds. Agenda items for the State Board are normally due approximately two and one half weeks before the meeting. In order to reduce the paperwork and approval process when you have several small individual projects, we encourage you to use one NCCCS 3-1 Form and in Section II show a list of all the projects with the estimated cost and starting date for each one. In Section VI, you would combine all of the estimated costs and show one total cost.

Please keep in mind that "small projects" (less than \$100,000) do not have to be reviewed by the State Construction Office (SCO), while "large projects" (equal to or more than \$100,000), by law, would have to be reviewed by the SCO.

For example, if you were planning to renovate three buildings, one this fall for \$75,000, one in the winter for \$85,000, and one in the spring for \$90,000, and you were going to bid them separately and have separate contracts, you could list them on one NCCCS 3-1 form. In this example, each of the three individual projects would be considered a "small project" (less than \$100,000) and, therefore, would not have to be reviewed by the SCO.

On the other hand, if you were planning to make the same renovations to the same three buildings, but were going to bid all three at one time, you would now have one "large project" (more than \$100,000) which would have to be reviewed by the SCO.

In another example, if you were planning on renovating four buildings for a total cost of \$80,000, and were planning to bid all four at one time with one contract, you would now have one "small project" (less than \$100,000). In this example, this project would not have to be reviewed by the SCO.

If you choose to purchase land with these funds, you will need to follow the procedures on page 22A of the NCCCS Construction Manual, complete a NCCCS 3-2 form, and obtain State Board approval.

You may also add these funds to an existing project if construction contracts were signed on or after July 1, 1999, or if the project cost is being increased and a change order or new contract is signed on or after July 1, 1999. If your project falls into one of these two categories, and you have paid the invoices, you may obtain reimbursement for these expenditures after the State Board approves the additional funds for this project. The new funds may not be used to supplant non-state funds in an existing project.

To obtain a project number and initiate the process, please contact Ms. Dee Burns at 919-733-7051, extension 235.

pc: Presidents
Kennon D. Briggs

E-Mail