UT Capital Budget Instructions for Fiscal Year 2017-2018
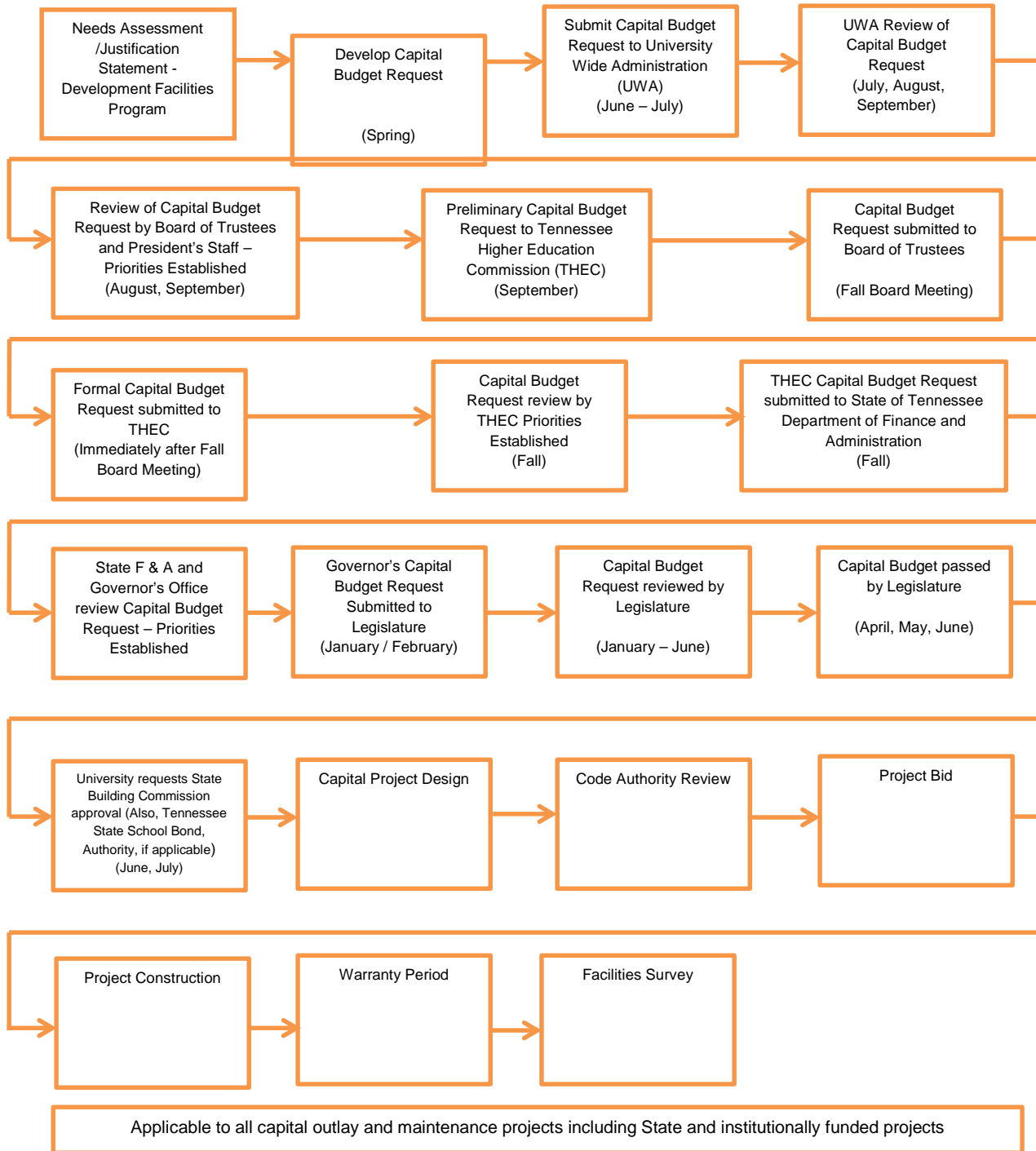
Preparation Instructions

Goals for the Instructions:

- *Provide information on the capital budget process.*
- *Enable planning for allocation of time and personnel for the process.*
- *Facilitate alignment of scopes and budgets for submitted projects.*
- *Facilitate timely submittals and reviews.*

Contents   **Page**

The University of Tennessee
Capital Project Life Cycle

Needs Assessment /Justification Statement - Development Facilities Program → Develop Capital Budget Request (Spring) → Submit Capital Budget Request to University Wide Administration (UWA) (June – July) → UWA Review of Capital Budget Request (July, August, September)

Review of Capital Budget Request by Board of Trustees and President's Staff – Priorities Established (August, September) → Preliminary Capital Budget Request to Tennessee Higher Education Commission (THEC) (September) → Capital Budget Request submitted to Board of Trustees (Fall Board Meeting)

Formal Capital Budget Request submitted to THEC (Immediately after Fall Board Meeting) → Capital Budget Request review by THEC Priorities Established (Fall) → THEC Capital Budget Request submitted to State of Tennessee Department of Finance and Administration (Fall)

State F & A and Governor's Office review Capital Budget Request – Priorities Established → Governor's Capital Budget Request Submitted to Legislature (January / February) → Capital Budget Request reviewed by Legislature (January – June) → Capital Budget passed by Legislature (April, May, June)

University requests State Building Commission approval (Also, Tennessee State School Bond, Authority, if applicable) (June, July) → Capital Project Design → Code Authority Review → Project Bid

Project Construction → Warranty Period → Facilities Survey

Applicable to all capital outlay and maintenance projects including State and institutionally funded projects

FY 2017-2018 UT Capital Budget Process Timeline

Dates (all in 2016)	Activity
February 17	Letter to Campuses
February – June	Campuses/Institutes develop their FY 2017-2018 Capital Budget Request
March - May	Meetings with campus leadership concerning FY 2017-2018 Capital Budget Development, facilitated by Office of Capital Projects
July 1	**Deadline for each campus/institute to submit their FY 2017-2018 Capital Budget Request to Office of Capital Projects**
July - September	Review, analysis, and recommendation of UT's FY 2017-2018 Capital Budget priorities, facilitated by Office of Capital Projects
August	President, VP's and Chancellor's review and approval of UT's FY 2017-2018 Capital Budget Priorities
September 2*	Proposed UT FY 2017-2018 Capital Budget submitted to Board of Trustees (Finance and Administration Committee) for review and comments
September 2*	UT's FY 2017-2018 **Tentative** Capital Budget submitted to THEC
September 30*	UT's FY 2017-2018 **Tentative** Capital Budget submitted to State Department of Finance and Administration
October 13*	Board of Trustees' review/approval of the UT's FY 2017-2018 Capital Budget
October 14	UT submits **formal** FY 2017-2018 Capital Budget to THEC and F&A

*Based on last year's dates. Dates are preliminary and subject to change.

Submittal Requirements

Submittal Deadline:

Each campus/institute must submit capital budget documents by **July 1, 2016**.

Upload a Digital Copy to the OCP SharePoint: Ensure the following items are complete and included.

- DB-70 forms for each project (Excel File).
- DB-71 forms for the prioritization and compilation of projects (Excel File)
- Other required documents described in the section "Developing a Project".

The DB-71 Forms, DB-70 packages for each project, and any additional project documentation are to be uploaded in the campus folders in the FY 2017-2018 library. Files should be uploaded into the proper Project Type (Outlay, Maintenance, Disclosed) folder.

Submit a Hard Copy: Hard copies are in addition to the digital submittal.

- Submit the paper copies in a three-ring binder, on 8-1/2" x 11" paper, with single-side printing of all the digital information.
- Ensure that all Excel file worksheets (tabs) are included.

Submittal Help:

The Preparation Instructions, supporting Excel files, and the THEC Space Allocation Guidelines and model are located on the Office of Capital Projects SharePoint https://utworks.tennessee.edu/capitalprojects , and on the Office of Capital Projects website at facilitiesplanning.tennessee.edu under "Capital Budget Requests".

Questions may be directed to:

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sybil@tennessee.edu

Project Classifications

Capital Outlay

Capital Outlay projects are new facilities or additions to present facilities required by significant programmatic needs. The types of projects are major renovations which change the function, use, or capacity of existing space; major expansions or conversions of central energy plants; and major renovation projects which upgrade or appreciably extend the life of an existing facility.

Specific Conditions Affecting Capital Outlay Projects:

A. **Hazardous Material Abatement Projects**: Capital Outlay projects which include hazardous material abatement must be submitted with the hazardous material abatement included.
B. **Research Space**: State funds may be used to finance the space needed to adequately support a base level of research activity. Beyond the base level, institutions should expect to finance a portion of the capital project cost through other revenue sources. Long-term planning for capital projects should anticipate that some facilities could be financed from research revenue.
C. **Off-Campus Sites**: The challenge of financing the construction of new off-campus facilities, renovation of off-campus facilities, and the associated maintenance and operating costs of such facilities should be met by a wide variety of non-state fund sources. Institutions are encouraged to utilize all available local facilities, local funds, foundation funds, donated land, and other non-state funds to meet the costs of establishing and maintaining off-campus sites.
D. **Equipment:** When preparing the Capital Outlay project budget, equipment must be evaluated prior to submission of capital project funding requests to THEC. The following is a list of basic guidelines which must be considered:
    1. Items which are consumable or considered to be expendable will not be funded through capital outlay funds.
    2. Computer software and software upgrades will not be funded through Capital Outlay funds.
    3. Computer upgrades or replacement of administrative computers will not be funded through Capital Outlay funds.
    4. Cabling for telecommunications such as telephones and computers may be requested for funding through Capital Outlay. However, equipment such as telephone hardware, junction boxes, and installation of the equipment is considered an operating cost and will not be funded through capital outlay funds.
    5. Computer equipment for furnishing new laboratory areas is permissible for inclusion in the request for funding when such areas represent additional laboratories. Computer upgrades for existing laboratories or replacement of obsolete equipment being relocated will be considered a normal operating cost. Laboratories moved to newly-constructed space should relocate as much existing laboratory equipment as possible to the new or renovated space.

6. Whenever possible the institution's present furniture and furnishings must be moved to the new building or renovated space. The cost of furniture and furnishings which require replacement will be considered a normal operating cost. Institutions are encouraged to develop standard specifications for the acquisition of furniture and furnishings. Establishment of such specifications provides consistency and continuity when the acquisition of additional furniture and furnishings is required.

Capital Maintenance

A Capital Maintenance project is a rehabilitation project which keeps a facility or asset in an efficient operating condition, or is needed to restore a facility to an acceptable condition but does not include programmatic renovation, demolition, or new construction. These projects are of a non-recurring nature beyond the scope of ordinary repairs and do not appreciably prolong the previously estimated service life or increase the estimated value of the building.   In general, ordinary repair and maintenance projects or other projects below $100,000 will be funded through operating appropriations rather than Capital Maintenance.

Specific Conditions Affecting Capital Maintenance Projects:

A. **Energy Conservation:** Energy conservation projects may be included within the Capital Maintenance category for the 2017-2018 funding cycle. These projects should be analyzed and ranked in priority order based on pay-back analyses. Critically-needed energy conservation projects must be justified by a complete explanation of the extraordinary need.

B. **Hazardous Material Abatement:** Capital Maintenance projects which include hazardous material abatement must be requested with the hazardous material abatement included.

C. **Campus Improvements:** Campus improvements that are infrastructure improvement projects are those not correlated with a specific funded capital project. Projects not related to the infrastructure for funded capital projects must be assigned a lower priority. General campus improvements must be funded through campus plant or other funds.

D. **Paving and Parking Projects:** For universities the funds required for the construction, maintenance, and repair of parking lots/garages and sidewalks must be provided from auxiliary funds.

Disclosed Projects

A Disclosed Project is a capital project (a maintenance project over $100,000 or a project which adds square footage) funded from sources other than State appropriations. Funding examples include, but are not limited to, institutional funds, auxiliary funds, gift funds, and Tennessee State School Bond Authority (TSSBA) funds.

Each campus/institute should evaluate the compatibility of Disclosed Projects with their Strategic Plan and Master Plan. Funding should be verified and relatively certain.

Disclosed Projects are not given any priority order.

Developing a Project (and a capital budget submittal)

The sequence for the development of a project idea and the documents needed for a budget submittal.

A. Formulate the Project

1. Correlate the project purpose with the Strategic Plan and Master Plan.
2. Review or perform appropriate Facilities Assessments.
3. Analyze the Schedule D (Physical Facilities Inventory) information.
4. Develop a Program Statement.
5. Estimate the project costs.
6. Estimate the annual utilities and other first year costs.
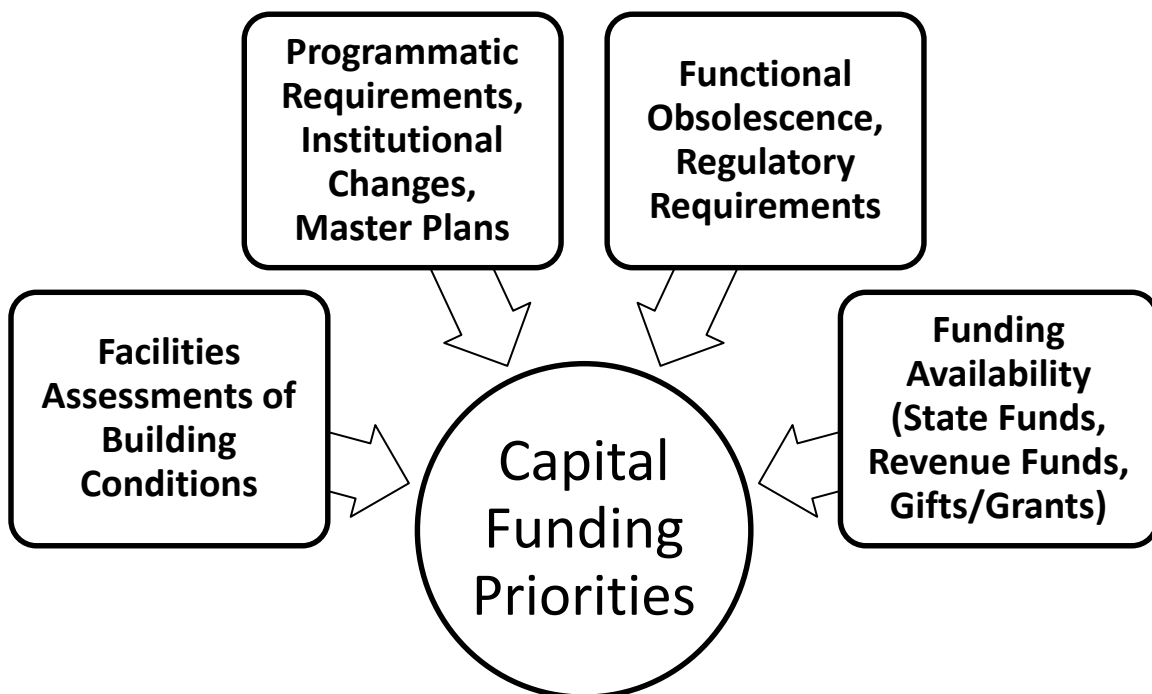
B. Determine a Funding Strategy

1. Determine the funding for the project including, if required, the match funding.
2. As appropriate, apply the following funding considerations and requirements.
   a. Capital Outlay Match: Each capital outlay project will require match funds. Match funds may include private gifts, grants, and institutional funds. Only the first $75,000,000 of total project costs requires a match. Capital Outlay match requirements are as follows:

Formula Units (UTC, UTK, UTM)	25%
Non-Formula Units (UTHSC, UTIA)	10%

   b. Disclosed Projects are submitted in the budget process along with Capital Outlay project and Capital Maintenance project requests. Disclosed Projects are submitted (using the same forms) so that all interested parties are informed. Disclosed Projects are acknowledged when the budget is approved.
   c. A Disclosed Project remains eligible for SBC approval for the two fiscal years after budget approval.
   d. There are two opportunities each year to submit a capital budget.
      1) Through the capital budget process – The July 1 deadline.
      2) Through a capital budget amendment – In early March each year UT may amend its submittal of Disclosed Projects.
   e. There are two exceptions to the normal capital budget approval process:
      1) Special Opportunity: The receipt of a federal grant or private donation that requires immediate action, i.e. the requirement of the grant or donation is such that the project cannot wait for consideration in the next budget cycle. There is a 30 day waiting period after THEC approves such a project before it can be taken to SBC for approval.
      2) Maintenance Emergencies: A project needed to avoid immediate danger to persons or property; or unforeseen maintenance projects absolutely essential to campus operations.

C. Develop the capital budget submittal for the campus/institute.

1. **For each project**: Complete the **DB70** form in Excel.

2. **For each capital outlay project**:
   - Develop a <u>space allocation</u> using the THEC Space Allocation Guidelines in Excel.
   - Develop a description of the project's <u>support to the Complete College Tennessee Act</u> in Word.

3. **For each project with institutional funding**: Develop a description of the <u>source and timeline for the funding</u> in Word.

4. **Optional project information**: Submit relevant photos or other supporting material in Word or pdf. Label each to clearly explain content and relevance to a specific project.

5. **For a compilation and prioritization of projects**: Develop a prioritized list of Capital Outlay projects, a prioritized list of Capital Maintenance projects, and a list of Disclosed Projects (no priority ordering required) on the designated worksheets (tabs) of the **DB71** in Excel. Consideration should be given to the priorities assigned to projects previously.

6. **For a justification of priorities**: Develop <u>descriptions of the prioritization process</u> used for Capital Outlay projects and Capital Maintenance projects in Word.

Prioritization Inputs

```
        Programmatic              Functional
        Requirements,            Obsolescence,
        Institutional             Regulatory
          Changes,               Requirements
        Master Plans

  Facilities                                    Funding
  Assessments of                               Availability
    Building           Capital               (State Funds,
   Conditions          Funding               Revenue Funds,
                       Priorities             Gifts/Grants)
```

History of State Appropriations

Fiscal year amounts of State of Tennessee appropriations to UT Capital Projects

FISCAL YEAR	CAPITAL OUTLAY	CAPITAL MAINTENANCE	TOTAL
2016-2017*	$63,133,000	$29,360,000	$113,485,000
2015-2016	$89,310,000	$23,790,000	$113,100,000
2014-2015	-	$39,400,000	$39,400,000
2013-2014	$85,650,000	$25,950,000	$111,600,000
2012-2013	100,940,000	31,855,000	132,795,000
2011-2012	4,500,000	23,920,000	28,420,000
2010-2011	-	21,140,000	21,140,000
2009-2010	-	4,620,000	4,620,000
2008-2009	3,000,000	6,744,000	9,744,000
2007-2008	153,700,000	22,000,000	175,700,000
TOTAL	$500,233,000	$228,779,000	$ 750,004,000
AVERAGE	$50,023,300	$22,877,900	$75,000,400

*Governor's recommendation for 2016-2017 not yet enacted

THEC Policy on use of Debt Service Fees

Section Title: Financing Policies

Policy Title: Guideline for Capital Projects finance with Student Debt Service Fees

Policy Number: F 2.1

Approved: April 13, 2000

2.1.10   Introduction

Higher education general academic and administrative facilities are funded through state appropriations and state general obligation bonds. Funding of these types of capital facilities should not result in a debt fee requirement being placed on students.

Institutions often desire to provide certain facilities that enhance student services and recreational benefits for students, but that are beyond the scope of facilities that are recommended for general state funding. Examples of these types of facilities may include such projects as student union building, recreational facilities, and athletic facilities. These types of projects (unlike dormitories and parking facilities) generally do not have a dedicated revenue stream from specific user groups that can be used to finance capital improvements. Financing for these types of projects may be secured through the Tennessee State School Bond Authority. The annual debt service requirement on these projects will be funded with debt service fee assessments to students. Projects financed with debt service fees should be projects that directly benefit students.

The governing boards and THEC should carefully review any capital project proposal that requires financing from student fee assessments. The project should directly benefit students and be in accordance with the institution's mission and capital master plan. Financing plans and the overall impact on student fees will be reviewed by THEC for consistency and comparability with other Tennessee institutions prior to the Tennessee State School Bond Authority taking action on the project.

2.1.10A Limitations

In recognition of keeping the overall costs of higher education as affordable as possible, every effort should be made to keep fees charged to students as low as possible. Institutions should balance the need for debt financed facilities with the objective of keeping fees at an affordable level. Although it is recognized that debt fees will vary among institutions based on the capital projects financed, the fees assessed to students should not be greater than 10 percent of the maintenance fee rate. Institutions exceeding 10 percent should not finance any new projects from student debt service fees until such time as the percentage falls below 10 percent. With appropriate justification, exceptions may be approved on a case by case basis.

2.1.10B Reporting

Annual reports analyzing all debt service fees collected will be submitted to THEC in a prescribed format at the close of each fiscal year (Attachment A). THEC staff will review and forward the reports to the TSSBA with comments. Separate reporting will be required for each individual debt financed project. Any

debt service fees collected for a given project beyond the current year debt service requirement will remain in the debt service reserve account for that project or will be transferred to a renewal and replacement account for that capital project. Any uses of the funds for other than the required debt service or renewal and replacement for that project must be disclosed. The alternative use of the funds must have prior approval of the governing board.

2.1.10C Project Payoff

At the conclusion of the debt retirement for a given project, the debt service fee attributed to that project will cease. Any new project requires the approval of a new debt service fee on its own merits without the reallocation of any existing fee. Any continuation of fees necessary for renewal and replacement of a project for which the debt is totally retired should be approved for that purpose by the governing board.

General Form Instructions

Two core documents are described in these instructions. They are Excel workbooks for the DB-70 and DB-71 forms. The following pages provide instructions for using each sheet of the workbooks. The workbooks can be found on the OCP SharePoint https://utworks.tennessee.edu/capitalprojects in the "Capital Projects Budget" section. You will need to download both files in order to complete your request. The following lists the worksheets within each document.

DB70-UT.xls

This file contains all of the standard forms required for a project, plus a few additional sheets that help in certain cases.

Worksheet (tabs)	Content
DB70	Project Request
Project Support	Project Support Documentation
Operating Cost	First Year Operating Costs
Bond Questionnaire	Bond Questionnaire
Funding	Funding Analysis
Designer Fee	Designer Phase Fee Calculations

A **DB-70 Form.xls**, is required for each project and must have a unique file-name. Please use the following naming convention. Example: *Campus/Institute – Meaningful Name of Project* (Campus/Institute would be: UT System, UTC, UTIA, UTHSC, UTK, or UTM). Put the name of your institution and the project name into the place provided.

DB71.xls

This file contains three worksheets one for each classification. (Capital Outlay, Capital Maintenance, and Disclosed)

Worksheet (tabs)	Content
DB71 – Capital Outlay	List all Capital Outlay projects in priority order
DB71 – Capital Maintenance	List all Capital Maintenance projects in priority order
DB71 - Disclosed	List of projects (no priority order is necessary)

Put the name of your institution into the place provided (cell B3).

Project Forms & Documentation

The following documents comprise a completed package for a project in each of the project classifications.

Submit the hard copy documents in this order.	Capital Outlay Projects	Capital Maintenance Projects	Disclosed Projects
DB-70 Project Request (DB-70 worksheet)	Required	Required	Required
Project Support Documentation (DB-70 worksheet)	Required	Required	Required
First Year Operating Costs Estimate (DB-70 worksheet)	Required	Not Required	Conditional
Bond Questionnaire (DB-70 worksheet)	Required	Required	Conditional
Funding Analysis (DB-70 worksheet)	Required	Conditional	Required
Design Fee Calculation (DB-70 worksheet)	For Reference Use Only	For Reference Use Only	For Reference Use Only
Program Statement (Campus/Institute Word file, as appropriate)	Required	Required	Required
Physical Facilities Assessments (Campus/Institute .pdf file, as appropriate)	Required for affected spaces	Required for affected spaces	Required for affected spaces
THEC Space Guideline (Campus/Institute Excel file, as appropriate)	Required	Not Required	Not Required

DB70 Form – Annotated

Fill in project identification: Including **Institution name**, **Project Name** (e.g., building name and what is being done to it), and **city** and **county** where project is located (not necessarily institution's main location).

Fiscal Year for which this request is submitted

Fill in the gross and net square footage involved in the project, and the estimated cost per square foot.

If it is a renovation make sure it corresponds with Schedule D.

Put an "X" in the box in accordance with the project classification.

Fill in a very brief statement of the scope of work. Do not repeat the title or provide justification.

This will show Gross Sq. Ft. times Cost/Sq. Ft.

Bid Target will be taken from the Estimated Construction Cost. Fill in costs for Site Utilities and Built-In Equipment. Fee calculates Basic Services if unchanged.

Allocation amounts will equal total project if unchanged.

Fill in New or Renovation

Two lines are provided for "other" descriptions, such as "Land Acquisition".

Fill in accordingly.

Identify the funding by source.

Allocation amounts will equal total project if unchanged.

State funds calculate based on what's not covered by the other two funding sources.

OCP use only: If request will be added to an existing SBC project, funds approved thus far by the SBC will be added by OCP

OCP use only: If Allocations include costs already in an existing SBC project, SBC project number will be added by OCP.

OCP use only: If Allocations include costs already in an existing SBC project, the name of the selected Designer will be added by OCP.

State of Tennessee Capital Budget Request
DB70 Form

1 Department: University of Tennessee
Institution: UTxx
Project: Project Name
City/County:

2 Fiscal Year: 2017-2018

3

		New		Reno/Maint
	Capital Outlay			
	Capital Maintenance	160,000	Gross Sq.Ft.	0
	Disclosure	0	Net Sq.Ft.	0
x	Designer Required	$275.00	Cost/Sq.Ft.	$0.00

4 Project Description:

5

Estimated Construction Cost: 44,000,000.00

Total Project	Allocation	
44,000,000.00	44,000,000.00	Building Construction
1,900,000.00	1,900,000.00	Site & Utilities
4,750,000.00	4,750,000.00	Built-in Equipment
50,650,000.00	50,650,000.00	**Bid Target**
2,530,000.00	2,530,000.00	Contingency:
53,180,000.00	53,180,000.00	**M.A.C.C.**
2,830,000.00	2,830,000.00	Fee:
1,350,000.00	1,350,000.00	Movable Equipment
0.00	0.00	
0.00	0.00	
2,140,000.00	2,140,000.00	Administration & Miscellaneous
59,500,000.00	59,500,000.00	**Total Cost**

First Other
Second other

5% percent

5%   New

6 Funding Request: THIS REQUEST

45,500,000.00	45,500,000.00	STATE funds
250,000.00	250,000.00	FEDERAL funds
13,750,000.00	13,750,000.00	Local and Institutional Funds

7 Sources of Available Funding:

	0.00
	0.00
	0.00
	0.00
0.00	0.00

8 SBC Action:

9 Designer:

DB70 Instructions

The DB70 form is the worksheet with the name "DB70".

Part 1 – Project Identification

> **Institution:** Fill in the Institution name where indicated.

1	**Department:**	University of Tennessee
	Institution:	
	Project:	
	City/County:	

> **Project:** The individual building name should be part of the Project name, naming the building first, then what you intend to do to it, such as "Electrical System Upgrade". Once entered, it will save to all the corresponding worksheets.

> Use terminology that corresponds to the Project Classifications definitions. For instance, a Capital Maintenance systems "modernization" should not be called a systems "improvement", which implies a Capital Outlay project.

> **City/County:** Fill in the City/County where the project will be located.

Part 2 – Fiscal year

> Fiscal Year should already be filled as "2017-2018".

2 Fiscal Year:	2017-2018

Part 3 – Classification, Designer Requirement, and Square Footage

> There are three project classifications and a box for each, plus a fourth box for "Designer Required".

3		
		Capital Outlay
		Capital Maintenance
		Disclosure
	x	Designer Required

> Capital Outlay and Capital Maintenance classifications are mutually exclusive in a budget request; however, a project that is expected to also use non-appropriated funds can be dual-marked for the Disclosed classification and should be listed in both classifications in the DB71 project list.

> Fill in values for square footage and cost/s.f. under New construction and Renovation. Cost estimates should be based on discussions with Campus Facilities Services or Campus Design Consultant. The cost per square foot is

New		**Reno/Maint**
0	Gross Sq.Ft.	0
0	Net Sq.Ft.	0
0.00	Cost/Sq.Ft.	0.00

> based on gross square footage of the building construction only, excluding site & utilities and special built-in equipment. These values feed the calculation for Estimated Construction Cost in Part 5.

Part 4 – Project Description

> A merged cell is provided for the Project Description. Concisely describe the Work to be performed. Do not repeat the project name, nor dwell on justification, historical data, or the benefits derived. If your description does not fit within the space and font-size provided, it is too long. Save the details for the Project Support Document or the Program Statement.

4 Project Description:

Part 5 – Project Costs

The two columns – "**Total Project**" and "**Allocation**" – for most project requests are the same, and the Allocation column has been set up to automatically equal the Total Project column unless you override that feature by filling in other values. Cells are formatted to round to the nearest ten thousand dollar amount.

5	Total Project	Allocation		Estimated Cor
	44,000,000.00	44,000,000.00	Building Construction	
	1,900,000.00	1,900,000.00	Site & Utilities	
	4,750,000.00	4,750,000.00	Built-in Equipment	
	50,650,000.00	50,650,000.00	Bid Target	
	2,530,000.00	2,530,000.00	Contingency:	
	53,180,000.00	53,180,000.00	M.A.C.C.	
	2,830,000.00	2,830,000.00	Fee:	
	1,350,000.00	1,350,000.00	Movable Equipment	
	0.00	0.00	First other	
	0.00	0.00	Second other	
	2,140,000.00	2,140,000.00	Administration & Miscellaneous	
	59,500,000.00	59,500,000.00	Total Cost	

On existing SBC projects already partly funded, a discussion with OCP is warranted. We will need to discuss not putting cumulative amounts in the Allocation column, and filling in only the amount being requested for this fiscal year.

Building Construction has been set up to match the Estimated Construction Cost from the square foot and cost

Estimated Construction Cost:	0.00

values entered in Part 3, and typically only covers the cost of normal building construction, and omitting special system requirements.

Site & Utilities should include demolition, parking lots and roads, and other site amenities.

Built-in Equipment should include special air-handling units, kitchen equipment, and other special system requirements.

Do not change **Bid Target**. It sums the preceding three lines.

Do not change **Contingency** and the percentage to the right. It calculates automatically. Input either "New" or "Renovation" to calculate the contingency.

M.A.C.C. will sum the Bid Target and the Contingency.

Fee for the designer has been set up to calculate automatically. It will be based on entering "Renovation" or "New" as follows:

A. **Renovation**: the fee will calculate at 1.25 times the base formula of 35/LogP-1.15. In this context, any repairs and replacements are "Renovation".
B. **New**: the fee will calculate at the base formula of 35/LogP-1.15.

The Fee information is linked to the Designer Fee worksheet tab. This worksheet is for your reference and calculates the Design Phase Fee for each phase.

Movable Equipment The table below serves as a reference when calculating equipment cost.

Typical Building Types	Typical Cost Range per Sq. Ft.
Athletic Facilities	$13.00 - $18.00
Classrooms	$16.00 - $25.00
Libraries	$15.00 - $20.00
Offices	$13.00 - $15.00
Public Use and Educational Facilities	$18.00 - $20.00
Recreational Centers	$10.00 - $19.00
Research Building and Laboratories	$7.00 - $10.00
Student Union Buildings	$15.00 - $22.00
Student Dormitories/Houses	$20.00
Technology Infrastructure	$20.00

Two additional line items, commonly called **1st-Other** and **2nd-Other** are available for special costs, such as land acquisition, commissioning, scheduling, moving expenses, special consultants. To the right of the amount provide an appropriate, concise, descriptive caption. Surveys, geotech, and other basic design investigations are normally included in Administration & Miscellaneous, but can be separated into these "other" lines.

Do not change **Administration & Miscellaneous.** It calculates to equal the Total Cost below, minus the sum of the lines above. Make sure the amount left is enough to cover expenses such as printing, advertising, State Fire Marshall Office Review Expenses, State Elevator Inspection Expenses, testing fees, and designer travel expenses. Five percent of the Total Cost is the minimum recommended amount for this item due to our experience in increases in geotechnical work, SFMO review charges, and other expenses.

Total Cost should be rounded to the nearest ten thousand, allowing a suitable level of miscellaneous costs.

Part 6 – Funding Request

Summarize the funding needed for the Total Project and This Request for the Fiscal year.

6 Funding Request:	THIS REQUEST	
45,500,000.00	45,500,000.00	STATE funds
250,000.00	250,000.00	FEDERAL funds
13,750,000.00	13,750,000.00	Local and Institutional Funds

A. In the **Total Project** column, the full funding for the total project will default.
B. On existing SBC projects already partly funded, or on projects where the requested amount for this fiscal year differs from the total project amount, a discussion with OCP is warranted. In some cases the amount for **This Request**, will differ from the total project column.

Do not change the **STATE funds** amount. It will calculate.

The Funding worksheet should be completed, listing the various funding sources. The information from this worksheet is linked to the DB70 sheet for your convenience.

Part 7 – Sources of Available Funding

Normally, you will enter nothing here. This Part is used only if THIS REQUEST is for additional funding to continue an existing SBC project.

7 Sources of Available Funding:	
	0.00
	0.00
	0.00
	0.00
0.00	0.00

Funding for a fully self-contained Phase of a multi-phase project may be requested as if the Phase was a separate project. The resulting funding can then be added to the existing SBC project or brought forward as a separate project, as deemed appropriate at the time.

Part 8 – SBC Action

Do not enter data in this section. If requesting or disclosing funding for an existing SBC project, OCP will provide the SBC project number.

Part 9 – Designer

Do not enter data in this section. If the request continues an existing SBC project, the designer will be filled in by OCP.

Project Support Worksheet

Project Support Documentation
Department: University of Tennessee **Institution:** 0 **Project:** 0
A. Program Objectives:
B. Evidence of Need:
C. Historical Profile:
D. Related Requirements:
E. Summary Results and Date of Physical Facilities Assessments:

Project Support Worksheet Instructions

The Project Support Worksheet is required for all projects, and provides a brief narrative of the project's justification, history, and related factors. It is quite typical for this document to go through several drafts and may result in a lengthy document. The final, submitted version must be edited down to the one-page brief format in the project workbook as **Project Support**. Extended narratives may be included as appropriate in the Program Statement or otherwise as supplemental supporting information in the back of the project package. The following information is required:

Section A

> **Program Objectives:** Provide a reasonable, short, meaningful description of the project and its relationship to the educational program objectives at the institution. Define type of occupancy, capacity, special services, and any unique features. For Capital Maintenance roof replacements, indicate the area of the roof; and, if only a portion of a total building's roof, stipulate what part of the building. Avoid repeating the title of the project. Avoid justifying the project.

A. Program Objectives:

Section B

> **Evidence of Need:** Justify the project. Cite growth in educational program demand for Outlay projects. Cite poor conditions and repair history for Maintenance. Mention any program changes or functional obsolescence that would affect the building.

B. Evidence of Need:

Section C

> **Historical Profile:** Tell the history of the educational program being served and the history of the existing facilities, including date of initial construction, dates of major repairs and renovations, especially date of installation of existing roof and type of roof when requesting a reproofing project, and comparable information for other major repair items. Avoid repeating the repair history and other information already covered in the Evidence of Need. If renovating for new occupancy, tell about both the old and new usage.

C. Historical Profile:

Section D

> **Related Requirements:** Identify activities on which the project is dependent but which will occur outside the project: temporary facilities, surge space, campus operation infrastructure constraints, work required on infrastructure improvements.

D. Related Requirements:

Section E

> **Summary Results and Date of Physical Facilities Assessment:** Provide the most recent survey score and the survey date as per the Facilities Assessments documentation located on IRIS. Include the campus recommended score as additional information.

E. Summary Results and Date of Physical Facilities Assessments:

First Year Operating Cost Worksheet

First-Year Operating Costs

Department: University of Tennessee
Institution: 0
Project: 0

Regular Salaries:	**0**		Positions:	
Longevity:	**0**		Full-Time:	**0**
Overtime:	**0**		Part-Time:	**0**
Benefits:	**0**		Seasonal:	**0**
Personnel Total:	**0**		Total Positions:	**0**
Travel:	**0**			
Printg & Duplicg:	**0**			
Utilities and Fuel:	**0**		Utilities base rate:	**0**
Communications:	**0**		New square footage:	**0**
Maintenance:	**0**		Maintenance base rate:	**0**
Prof Svcs & Dues:	**0**			
Supplies:	**0**			
Rentals & Insurance:	**0**			
Motor Veh. Oper.:	**0**			
Awards & Indem.:	**0**			
Grants & Subsid.:	**0**			
Unclassified:	**0**			
Stores for Resale:	**0**			
Equipment:	**0**		Revenues to defray costs	
Land:	**0**			
Buildings:	**0**		Counties:	0
Discounts Lost:	**0**		Cities:	0
Highway Constr.:	**0**		Non-Government:	0
Debt Retirement:	**0**		Current Services:	0
Debt Interest:	**0**		Inter-Departmental:	0
Trustee Fees:	**0**		Reserves:	0
Other Total:	**0**		Sub-total:	**0**
Telephone:	**0**		Federal revenue:	0
			State Appropriations:	**0**
Total Expense:	**0**		Total Revenue:	**0**

First Year Operating Cost Worksheet Instructions

An estimate of First Year Operating Costs is required for any **Capital Outlay** or **Disclosed** project that will add square footage and affect operating costs.

First Year Operating Costs should itemize the increase in cost expected during the first twelve months of operation after construction of a new facility or renovation of space to a new use. The intent is to provide an estimate of the increase in annual operating funds that will derive from the project completion.

A detailed format for the final estimate is built into the project workbook sheet with the tab name of **Operating Costs**. The information required includes:

- Number of positions to **be added**
- Salary costs added by **new positions**
- Reimbursable program expenses **added** due to expansion
- Telephone and equipment installation
- Utilities (see table below) - Fill in utility base with your value and your square footage should automatically fill in from the DB70 worksheet. The Utilities and Fuel amount on the left will calculate.
- Maintenance (see table below) - Fill in the Maintenance base rate with your value, and your square footage should automatically fill in from the DB70 worksheet. The Maintenance cell on the left will calculate.
- Offsetting revenues to be received from non-state sources.

Regular Salaries:	**0**
Longevity:	**0**
Overtime:	**0**
Benefits:	**0**
Personnel Total:	**0**
Travel:	**0**
Printg & Duplicg:	**0**
Utilities and Fuel:	**0**
Communications:	**0**
Maintenance:	**0**
Prof Svcs & Dues:	**0**
Supplies:	**0**
Rentals & Insurance:	**0**
Motor Veh. Oper.:	**0**
Awards & Indem.:	**0**
Grants & Subsid.:	**0**
Unclassified:	**0**
Stores for Resale:	**0**
Equipment:	**0**
Land:	**0**
Buildings:	**0**
Discounts Lost:	**0**
Highway Constr.:	**0**
Debt Retirement:	**0**
Debt Interest:	**0**
Trustee Fees:	**0**
Other Total:	**0**
Telephone:	**0**
Total Expense:	**0**

Maintenance and Operating Funding Recommended by THEC FY 15/16 per E&G square footage	
$ / s.f.	For type of space
2.01	Buildings > 20 yrs. old
6.04	Buildings < 20 yrs. old
3.02	Portables / Modulars

Utility Funding Recommended by THEC FY 15/16 per E&G square footage	
$ / s.f.	For institution
4.28	UT Chattanooga
	UT Institute of Agriculture
	UT Health Science Center
4.28	UT Knoxville
3.44	UT Martin

Bond Questionnaire Worksheet

Bond Questionnaire

Department: University of Tennessee
Institution: 0
Project: 0

1. Intended Use: In your own words, state the intended use of the project (public use, office space, restricted use, etc.)

This project will provide educational and general space for public use.

2. Operator: Who will be the operator of the project upon completion (state agency, private contractor, non-profit organization, etc.)

The facility will be operated by campus Facilities Services.

3. Users: Who are the intended users of the project (general public, prisoners, students, public employees, etc.)

Principal users will be public employees of the State of Tennessee, faculty, and students pursuing academic credit within its curricula.

4. Contracts: Describe any leases, incentive payment contracts, or management contracts to be entered into in connection with the operation of the completed project. Indicate the portion of the project to which contracts relate, as well as the anticipated length and pa

None anticipated.

5. Loans: Will any debt proceeds be used to make or finance loans to any private entity ? If so, indicate the amounts of such loans, the length and payment terms.

No

6. Income: Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately, and in the aggregate, to the state or any other government entity, with respect to the project.

None

7. Private Use: Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses for each direct or indirect.

	Number Square Footage	Vendor
Vending machines:	0	0
ATM & Pay phones:	0	0
Newsstands:	0	0
Pharmacies:	0	0
Bookstores:	0	0
Laundry Services:	0	0
Provision of health care services:	0	0
Cafeterias:	0	0
Other food service areas:	0	0
Laboratory research space:	0	0
Office space:	0	0
Other private use:	0	0
square footage not accounted in the list above:	0	
Total square footage in project:	0	0
Percent of project intended for private use:		none

Bond Questionnaire Worksheet Instructions

A Bond Questionnaire is on the project workbook sheet named "**Bond Questionnaire**", and **required for Capital Outlay projects**, **Capital Maintenance projects**, and for **Disclosed projects** proposing to use **TSSBA funding**.

Important distinction for projects that do not directly affect interior space:

- When documenting a **roof or building systems project**, the Questionnaire should be filled out in reference to all of the space served or affected by the systems.
- When documenting an **infrastructure project**, the Questionnaire should be filled out in reference to all of the space served or affected by the infrastructure.

Questions 1 – 6:

Stock answers have already been included for the first six basic questions about the use of the building. These should be tailored to the specific project; however, they should not require much deviation from the stock answers on Capital projects.

Question 7:

The seventh question requires specifics on certain uses and possible private uses, and is primarily a Tabulation of Space focusing on the spaces that most often produce revenue.

Vending machines and **pay phones**: cells in column D accept a number of units, and cells in column E automatically multiply the number of units by a standard square footage prescribed by the F&A Budget Office.

Other revenue space square footages (column E): The further rows in column E are intended to receive direct input of square footages.

	Number	Square Footage	Vendor	
Vending machines:		0		0
ATM & Pay phones:		0		0
Newsstands:		0		0
Pharmacies:		0		0
Bookstores:		0		0
Laundry Services:		0		0
Provision of health care services:		0		0
Cafeterias:		0		0
Other food service areas:		0		0
Laboratory research space:		0		0
Office space:		0		0
Other private use:		0		0
square footage not accounted in the list above:		0		
Total square footage in project:		0		0
Percent of project intended for private use:				none

Other private use can be overtyped if there is one type of revenue space included but not listed above, or left as is if there are none or several.

Square footage not accounted in the list above should be left to calculate as is.

Total square footage in project should be the estimated square footage.

In **Vendor,** column G, place a capital "X" on those rows for which the space is expected to be occupied or operated by a vendor. The Private Use column H will then add up the vendor spaces and display the percentage of space being given over to private use. The F&A Budget Office must have this information in order to assess the mix of cash and debt to recommend for the project, and to determine if debt will be eligible for tax-free bonds or will require taxable bonds.

Funding Worksheet

Funding Analysis

Department: University of Tennessee
Institution: UTxx
Project: Project Name

14,000,000.00 Total Non-Appropriated Funds

Project Type: **Capital Outlay (Match Funds - first $75M only)**

Amount	Non-Appropriated Category	Specifics of Source
$0.00	T S S B A	
$0.00	Plant Funds (Auxiliary)	
$13,000,000.00	Plant Funds (Non-auxiliary)	
$0.00	Land Sale Proceeds	
$0.00	Access Fees	
$0.00	Student Fees	
$750,000.00	Gifts	
$0.00	Local Government	
$13,750,000.00	Total: Local and Institutional Funds	
$250,000.00	Federal Funds	

NOTE:
Threshold for Capital Outlay Match:
  Formula (UTC, UTK, UTM)   25%
  Non-formula Units (UTHSC, UTIA) 10%

Funding Worksheet Instructions

A detailed list is required for projects using Non-Appropriated funds. The "Funding" tab is included in the project workbook. The information from this tab is linked to the DB70 for your convenience.

Amount	Non-Appropriated Category	Specifics of Source
14,000,000.00	Total Non-Appropriated Funds	
Project Type:	**Capital Outlay (Match Funds - first $75M only)**	
$0.00	T S S B A	
$0.00	Plant Funds (Auxiliary)	
$13,000,000.00	Plant Funds (Non-auxiliary)	
$0.00	Land Sale Proceeds	
$0.00	Access Fees	
$0.00	Student Fees	
$750,000.00	Gifts	
$0.00	Local Government	
$13,750,000.00	Total: Local and Institutional Funds	
$250,000.00	Federal Funds	

The **Project Type** must be identified by selecting from the *dropdown box* in cell C10.

Sources of non-appropriated funding must be provided using these categories:

- TSSBA: For Tennessee State School Bond Authority funds provide a pro-forma financing plan on how the loan will be debt services, specifically identifying the source(s) of debt service funds and their status as approved or pending revenue streams. Take into consideration the THEC policy capping debt service fees; and, if a debt service fee is issued, explain how this affects the aggregate single page with the rest of the Funding Analysis for Project Disclosure.
- Plant Funds (non-auxiliary): Includes prior year operating funds, balances from appropriations and tuition allotted for improvement projects.
- Plant Funds (auxiliary): enterprise revenues, such as bookstore, food service, housing, athletics, and parking. The source must be named.
- Land sale proceeds: applicable normally to improvements eligible for capital outlay funding (if derived from sale of specific property, identify what and when sold)
- Access fees: e.g., parking, technology (identify specific sources)
- Student fees: specify whether existing fees are subject to Board approval of a fee increase
- Gifts: donations, bequests, foundations (identify donors to the extent possible). Note if gift/cash is in hand.
- Local government funds: city or county participation (identify specific sources). Note if funds are in hand.
- Federal funds: grants and matches (identify specific sources)

The "Funding" worksheet includes a line for each of these categories, which can be duplicated for as many specific sources as needed. The total of all entries is summed.

Capital Outlay Match

Each project will require match funds to be considered for appropriation funding. Match funds may include private gifts, grants and institutional funds. Each institution will be required to submit a plan outlining the type of timeline for match funds when the project is submitted for consideration. Only the first $75,000,000 requires a match.

Designer Fee Worksheet

Designer Fee Worksheet

This sheet is used to display the fee for each design phase fee.

	MACC	Fee %	N / R	Multiplier	Calculated Fee
Project Name	**$53,180,000**	5.323	**New**	**1.00**	**$2,830,000**

Phase	Percentage	Cost/Phase	Cumulative
Program Phase	3%	$84,900	$84,900
Schematic Phase	12%	$339,600	$424,500
Design Development Phase	25%	$707,500	$1,132,000
Construction Document Phase	30%	$849,000	$1,981,000
Bidding and Negotiation Phase	3%	$84,900	$2,065,900
Construction Phase	23%	$650,900	$2,716,800
Close-Out Phase	4%	$113,200	$2,830,000
Total	100%	$2,830,000	

Designer Fee Worksheet Instructions

In the project workbook **DB70** sheet, the design fee calculation is embedded for simple new construction or renovation on the entire MACC. (See the **Fee** instructions for the **DB70** sheet, page 16.) Occasionally, a more complicated fee calculation is needed. For these, the basic tool for calculating and documenting a multi-part fee is the **Designer Fee** sheet, explained here. Multi-part fees can also be worked out on the table.

The **Designer Fee** sheet permits any number of fee calculations to be tallied together to derive a final fee total.

	MACC	Fee %	N / R	Multiplier	Calculated Fee
Project Name	**$53,180,000**	5.323	**New**	1.00	**$2,830,000**

- **MACC -** MACC will default from the DB70 information and is used in deriving the fee percentage
- **Fee Percent -** An embedded function automatically calculates based on the standard **35/LogP-1.15** formula, using the MACC-for-Log as **P**.
- **N/R -** "**New**" or "**Renovation**" will default from the DB70 information.
- **Multiplier -** An embedded function automatically returns 1.00 for **New** and 1.25 for **Renovation**.
- **Calculated Fee -** An embedded function automatically returns the full basic services fee amount.

Planning projects will utilize a portion of the design services, typically through the Construction Document Phase. The table at the bottom of the worksheet will provide the fee for each phase.

Phase	Percentage	Cost/Phase	Cumulative
Program Phase	3%	$84,900	$84,900
Schematic Phase	12%	$339,600	$424,500
Design Development Phase	25%	$707,500	$1,132,000
Construction Document Phase	30%	$849,000	$1,981,000
Bidding and Negotiation Phase	3%	$84,900	$2,065,900
Construction Phase	23%	$650,900	$2,716,800
Close-Out Phase	4%	$113,200	$2,830,000
Total	100%	$2,830,000	

Program Statement

A **Program Statement** should be written for every project; however, the depth of detail will vary greatly. Address primarily the physical objectives of the project, describing the work to be done, size and character of spaces to be created, and physical relationships of spaces. There is no standard format or form for a Program Statement.

The Program Statement is important, in that it sets forth the specific objectives of the project. Defining the program is essential to developing a reasonable and reliable budget. Regional design consultants can assist in developing the program statement. Without a program statement the budget is just guesswork, possibly resulting in the detriment of project success.

Physical Facilities Assessment

Evaluations are required for Capital Outlay and Capital Maintenance and recommended for Disclosed projects.

Evaluations are to include space directly affected by the project, whether enlarged, renovated, vacated, demolished, or served. A project to replace utilities should address the existing utilities and the buildings served by those utilities. A re-roof project should address the roof and the building under it.

THEC Space Guidelines

Complete the THEC Space Guidelines for the fall term of the most recent year. The THEC Space Guidelines Manual and the Model may be downloaded from the OCP SharePoint https://utworks.tennessee.edu/capitalprojects on the "Capital Projects Budget" section.

CCTA

Each project shall include a brief narrative on how the project supports the objectives of the Complete College Tennessee Act.

Form DB71

State of Tennessee Capital Budget Request
DB71-Form Capital Outlay

Institution:

Capital Outlay subtotal: 0

Priority	Project Name	Total Allocation
		0
		0
		0
		0
		0
		0
		0
		0
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		0
		0

Form DB71 Instructions

The **DB71** sheet is designed to serve as a consolidated list for all classifications. Complete separate DB71 forms for each project classification (Outlay, Maintenance, and Disclosed).

Open **DB-71 Form.xls**, and save it as a unique file-name. Please use the following naming convention. Example: *Campus/Institute – Fiscal Year*   (Campus/Institute would be UT System, UTC, UTIA, UTHSC, UTK, or UTM). Put the name of your institution into the place provided. When first opened, each sheet normally defaults to the cell for the institution name, but check before you begin. Put the name of the institution in the space provided (cell B3).

In column A, enter the **priority number** for each project within its Classification.

Add projects to the DB71 list in priority order for each classification.

Once a project is listed in the DB70 form, then refined, revised, and re-prioritized over time, be sure to update the listing in the DB71. These are not dynamically linked.