

**Subject:** Master Facilities Planning and Construction Committee

**Date:** August 10, 2011

**Pages:** 14

**Replaces Procedure Dated:** N/A

**Purpose** The purpose of the Master Facility Planning and Construction Committee (MFPC) is to provide a consistent procedure for requesting additional or replacement facility space for departmental functions. The Committee shall determine priority facility planning, coordination of construction and remodeling projects, whether they are done with internal staff or an external contractor, to ensure efficient master planning, new construction and remodeling of Pinal County Building Facilities. The Committee is advisory to the County Manager.

**Applicability** This policy encompasses all County-owned property, property under consideration for acquisition, for lease and for new facilities. This policy applies to all capital projects regardless of location and/or funding source. See "Projects that Require Committee Approval" for more detail.

The Committee shall review each request to determine the merits of the project and will forward a prioritized list of projects with their recommendation to the County Manager. The County Manager will review the list and forward to the Board of Supervisors for approval. All projects will be forwarded to the County Manager for inclusion in the annual budget to be approved by the Board of Supervisors as funding permits. This approved list may result in the creation of a long term capital plan for Pinal County.

Each requesting agency is responsible for the accuracy and completeness of the submitted documents. Elected or court officials and department directors are responsible for conformance to the County's space use, maintenance and life-safety policies. All requests for space shall conform, as closely as possible and practicable, with established space standards, whether in County-owned or leased premises as outlined in the 2006 Durrant Space and Needs Assessment Study.

**Projects That Require Committee Approval** All capital projects with an estimated cost which includes labor, materials and outside services that exceeds the cost limitations defined in ARS 34-201 (in 2010 that dollar limit was \$19,400.00) for the use of regularly employed personnel (force account labor) shall be submitted to the Committee for review and approval prior to submitting to the Board of Supervisors regardless of funding source or financing structure. The committee will determine the projects assigned to the Facilities Department and the Department of Public Works. All decisions will adhere to A.R.S. 34-201 (Appendix D).

All leases for office space regardless of cost, size, funding source or financing structure must be submitted to the Committee for review and approval prior to submitting to the Board of Supervisors.

The following provides a comprehensive definition of the types of projects that require MFPC approval. The submitting department shall seek guidance from the MFPC to address specific questions regarding the types of projects that require approval.

1. New construction projects with an estimated cost which includes labor, materials and outside services that exceeds the cost limitations defined in ARS 34-201 (in 2010 that dollar limit was \$19,400.00) shall be submitted to the Committee for Justification approval.
2. Renovation projects with an estimated cost which includes labor, materials and outside services that exceeds the cost limitations defined in ARS 34-201 (in 2010 that dollar limit was \$19,400.00)

1. New construction projects with an estimated cost which includes labor, materials and outside services that exceeds the cost limitations defined in ARS 34-201 (in 2010 that dollar limit was \$19,400.00).
2. Renovation projects with an estimated cost which includes labor, materials and outside services that exceeds the cost limitations defined in ARS 34-201 (in 2010 that dollar limit was \$19,400.00).
3. All leases for office space regardless of cost, size, funding source or financing structure.

Projects that were originally approved for funding, but subsequently are forecasted to exceed dollar thresholds as described above, or as necessitated by change orders, change of scope, etc. (Flowchart - Appendix B). If the change creates an additional funding need the submitting department must seek approval from the MFPCC.

### **Projects That Do Not Require Committee Approval**

1. Emergency repairs should follow Procurement Code PCI-343 (Appendix E).
2. Renovation projects that have a new construction component shall be submitted for Justification if the new construction component has an estimated cost that exceeds the cost limitations defined in ARS 34-201 (in 2010 that dollar limit was \$19,400.00) or the if the renovation creates a change of use (reference definitions section).
3. Capital Improvement projects proposed as part of the statutory duties of the County Department of Public Works are not required to follow this process. The road projects under Public Works go through the Transportation Advisory Committee and then to the Board of Supervisors for approval.
4. Maintenance projects are not required to follow this approval process; however the MFPCC will review projects to be executed monthly. Maintenance projects typically address code and safety issues, mechanical, electrical and plumbing systems, exterior and structural corrections and landscape issues. Major Maintenance projects are not designed to alter buildings or renovate.

### **Submitting Department Responsibility**

Departments are responsible for project coordination and defining the parameters (size, cost and discrete elements) of capital projects with the following provisions:

1. Appoint Project Coordinator. The submitting department must appoint a Project Coordinator during the Justification Phase to serve as a point of contact for the project(s) submitted. The Project Coordinator should be a representative from the submitting department. Information on the Capital Project Justification form shall be prepared principally by the Project Coordinator with assistance provided by the Chief Engineer and/or Facilities Director.

#### **Project Coordinator Responsibilities**

The Project Coordinator will complete the Capital Project Justification form (Appendix A) and will serve as a department point of contact from the beginning to the end of the project. The Project Coordinator may request assistance from the Chief Engineer, the Facilities Department and Information Technology when completing the Capital Project Justification form. The Project Coordinator will not be responsible for permits, licenses, etc. The Project Coordinator will present the proposed project to the MFPCC.

2. The parameters of a project shall not bypass or minimize the requirements set forth in this policy.
3. The overall plans and costs for related or phased projects should be documented for consideration by the Committee.

Departments requesting to lease office space, regardless of size or cost must complete the Justification form (Appendix A). The Committee will pay particular attention to the operating costs associated with leasing, so in addition to need, justification, and fund source the department must spell out special requirements, facility maintenance, custodial, utility and IT costs and any potential impacts on other departments that provide those services.

### **Supporting Department Responsibilities - Public Works, Facilities, Information Technology**

#### **Cost Estimating**

The Chief Engineer and/or Facilities Director shall assist departments in developing preliminary cost estimates and calculating building replacement values. Industry cost guidelines or internal historical data may be used to compute costs, including inflation factors, to ensure the reasonableness of the cost estimates.

The Capital Project Justification form will include an operating impact section designed to capture any operating costs associated with the project. Common operating cost associated with capital projects include building maintenance (staff & equipment), custodial services, equipment maintenance, utilities (additional square feet generate higher utility cost), electrical services (security systems and electronic systems (key card access, CCTV, etc.) and information technology services (network and phone capabilities).

#### **Master Facilities Planning Committee Review Process**

The MFPCC review process is divided into five phases: Justification, Conceptual, Design, Construction and Occupancy.

#### **Justification Phase**

In the Justification Phase the primary focus is on the strategic planning perspective and the preliminary costs and benefits associated with the proposed capital projects. The department should state how the proposed capital project aligns to the Countywide Strategic Priorities, contributes to the attainment of the Department's mission statement and strategic plan; improves or expands the effectiveness of service delivery or impact to the customer justifies the project need; and presents preliminary total cost implications for the County.

The Capital Project Justification form must be submitted to the Assistant County Manager of Administrative Services at least 1 month prior to the next scheduled Master Facilities Planning Construction Committee meeting. MFPCC meetings are held on the 3<sup>rd</sup> Thursday of every month. If the deadline is not met, the item will be reviewed at a subsequent MFPCC meeting. Submissions may be made during any month. Justification forms are available on the Pinal County Intranet website <http://pcgov/services/committees/masterfacilities/Pages/Home.aspx>

Justification forms for General Fund projects must be received no later than October 1<sup>st</sup> to assure consideration in the Annual Budget process.

Justification approval (completed by obtaining Committee approval), allows the department to proceed to the conceptual phase. At this stage, the MFPCC will determine if the project is assigned to the County's Chief Engineer or the Facilities Management Director (based on scope and amount thresholds) for the next phase of the process.

Justification approval represents preliminary approval of the project concept, scope and estimated total costs, but does not assure project funding.

A project forfeits the authority granted by Justification, and must be resubmitted for Committee approval, if:

1. As a result of programming or other causes, the project requires reassigning or changing 20% or more of the gross square footage.

2. The project does not receive Conceptual approval within 60 days of being granted Justification.
3. All General Fund projects must be resubmitted for approval even if the amount of the change is less than 20%.

The department shall seek guidance from the Committee to determine what approvals are necessary in the event that a project forfeits Justification approval.

#### Conceptual Phase

During the Conceptual Phase, the department, with the assistance of the County's Chief Engineer and or Facilities Director, defines (in greater detail) the project scope, schedule and budget, and proceeds with completion of planning and architectural programming.

The MFPCC may be able to assist submitting departments with conceptual designs. The cost of the conceptual design should be included in the final budget recommendation for the project. If the final project is approved by the Board of Supervisors, the project must repay the MFPCC for any conceptual cost. At completion of the Conceptual Phase, the final project is presented to the MFPCC by the Project Coordinator and Chief Engineer. The MFPCC will determine the type of design contract (design build, etc.) to include in the final project cost.

Conceptual approval, allows the project to be presented to the County Manager for inclusion in the annual budget process and/or presented to the Board of Supervisors for final approval. Conceptual approval by the MFPCC does not guarantee approval by the County Manager and/or the Board of Supervisors.

The MFPCC will present the prioritized list of all capital projects to the County Manager no later than January 1 to be considered for inclusion in the annual budget for the next fiscal year.

The Project Coordinator shall consult with the Budget & Research Department to confirm that necessary funding is in place prior to moving forward to the Design Phase and incurring expenditures for the project. This applies to both mid-year approvals and projects submitted during the annual budget process.

A project forfeits the authority granted by Conceptual approval, and must be resubmitted for Justification approval, if:

1. As a result of programming or other causes, the project requires reassigning or changing 20% or more of the gross square footage.
2. The project costs exceed the approved budget by 10%.
3. The project does not complete the design phase within the same fiscal year of being granted Conceptual approval.
4. Non-General Fund sources are not sufficient to complete the project (both capital and operating cost).

If a project forfeits authority the project will be removed from the committee's list of conceptual projects and removed from the annual budget. The department shall seek guidance from the Committee to determine what approvals are necessary in the event that a project forfeits Justification approval.

#### Design Phase & Construction Phase

During the Design and Construction Phase, the Chief Engineer and/or Facilities Director and Project Coordinator shall manage the completion of the design and construction documents (Appendix B). Formal work begins with the Work Authorization Form (Appendix C). All projects must adhere to Pinal County Space Standards outlined in the 2006 Durrant Space and Needs Assessment Study. The 2006 Durrant Space and Needs Assessment Study is available on the Pinal County Intranet at <http://pcgov/services/committees/masterfacilities/Pages/Home.aspx>

Occupancy Phase

During the occupancy phase, before substantial completion and final payment to the consultants and contractors, the Chief Engineer and the Project Coordinator must conduct a walk through with the Facilities Department.

The Chief Engineer and/or Facilities Director performs a review and formal evaluation of the consultants' and contractors' performance. This review includes:

1. Necessary building inspections shall be completed and deficiencies corrected prior to the end of the contractor and/or equipment warranty period.
2. After a minimum of six months and no more than 24 months after occupancy, the Chief Engineer and/or Facilities Management Director will complete a warranty walk through that will examine both functional space and building systems.
3. Completed reports will be submitted to the MFPC, and will be used to improve subsequent projects.

**Definitions**

Change of Use - A Change of Use is when a change is made in the character of the use or occupancy of a building that would require it to be reclassified into a different use or occupancy as defined in the International Building Code.

Modification – Any alteration/demolition to the interior or exterior of a building that involves cosmetic, functional, mechanical, plumbing or electrical, with the exception of routine maintenance, general repairs and major repairs of existing materials and equipment.

Master Facilities Planning & Construction Committee  
Capital Project/Lease Justification Form

Department: \_\_\_\_\_

Project Coordinator: \_\_\_\_\_

Project Name: \_\_\_\_\_

Project Location: \_\_\_\_\_

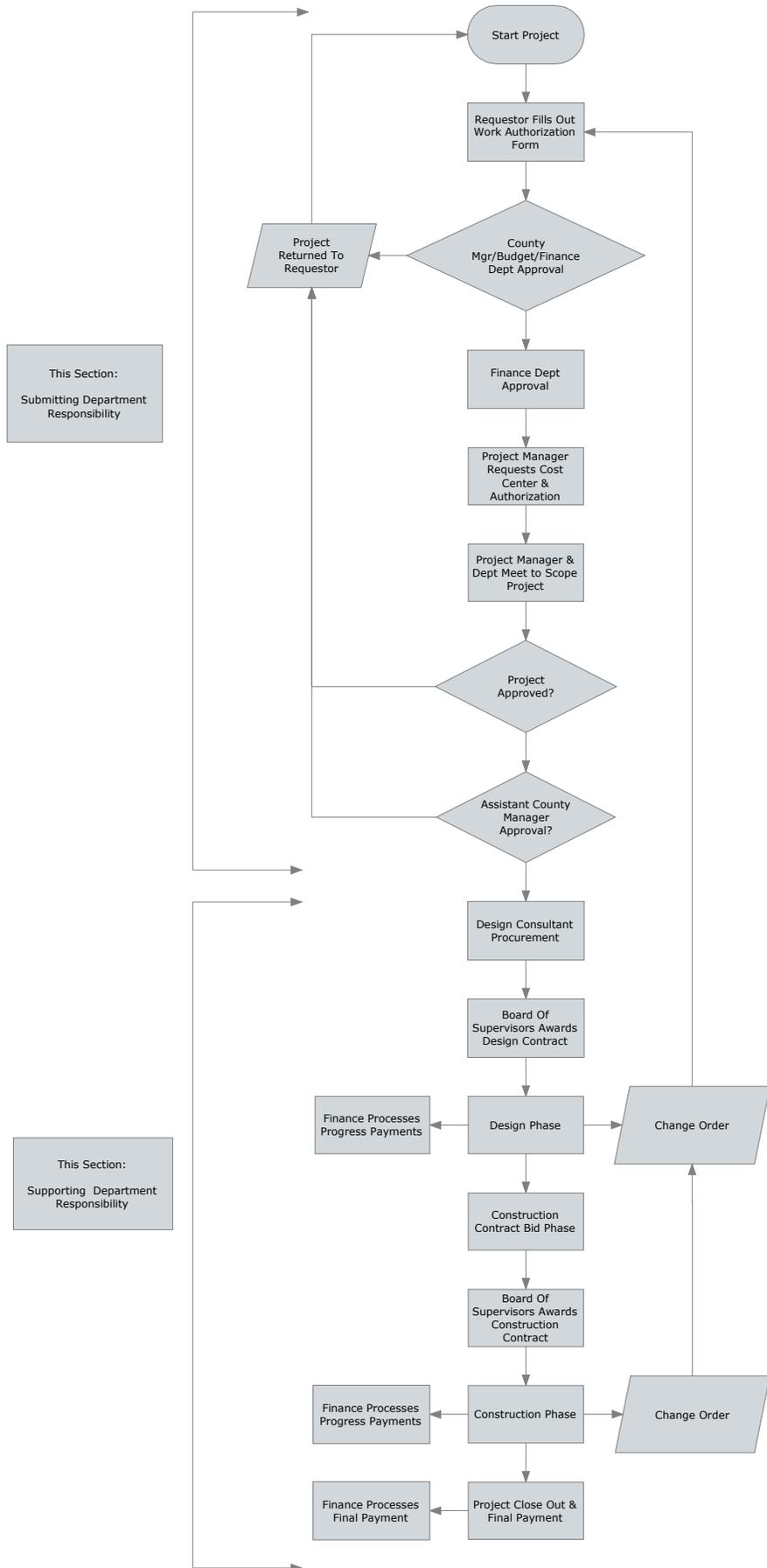
Funding Source: \_\_\_\_\_  
(Ex. General Fund, Special Revenue, Enterprise, Grants, etc.)

Fund / Cost Center: \_\_\_\_\_

1. Describe the project or building/lease, addressing as a minimum, the following:
  - State the need,
  
  
  - Proposed use,
  
  
  - Design and size,
  
2. How does this relate to the Countywide Strategic Goals?
  
  
  
  
  
  
  
  
  
  
3. What is your function or service? Are Citizens community groups involved and if so, in what capacity?

## Appendix A

4. What costs are anticipated? Identify funding sources (grants, federal or state funding, bonds, etc.)
  
5. Are there unique needs or special features? (Special requirements, such as temperature and climate controls, special storage requirements, secured areas, access, 24 hours/day utilization).
  
6. Are there specific deadlines for this project that have already been established (i.e. strong Community pressures, emergency community need, grant funding expiration date, etc.)?
  
7. What is the estimated operating impact of the project (ex. Staffing, utilities, furniture, fixtures and equipment?)
  
8. For leases, what is anticipated term of the lease, are there special requirements, funding availability?





34-201. Notice of intention to receive bids and enter contract; procedure; doing work without advertising for bids; county compliance

A. Except as provided in subsections B through G and L of this section, every agent shall, upon acceptance and approval of the working drawings and specifications, publish a notice to contractors of intention to receive bids and contract for the proposed work. This notice shall be published by advertising in a newspaper of general circulation in the county in which the agent is located for two consecutive publications if it is a weekly newspaper or for two publications that are at least six but no more than ten days apart if it is a daily newspaper. The notice shall state:

1. The nature of the work required, the type, purpose and location of the proposed building, and where the plans, specifications and full information as to the proposed work may be obtained.

2. That contractors desiring to submit proposals may obtain copies of full or partial sets of plans and specifications for estimate on request or by appointment. The return of such plans and specifications shall be guaranteed by a deposit of a designated amount which shall be refunded on return of the plans and specifications in good order.

3. That every proposal shall be accompanied by a certified check, cashier's check or surety bond for ten per cent of the amount of the bid included in the proposal as a guarantee that the contractor will enter into a contract to perform the proposal in accordance with the plans and specifications. Notwithstanding the provisions of any other statute, the surety bond shall be executed solely by a surety company or companies holding a certificate of authority to transact surety business in this state issued by the director of the department of insurance pursuant to title 20, chapter 2, article 1. The surety bond shall not be executed by an individual surety or sureties, even if the requirements of section 7-101 are satisfied. The certified check, cashier's check or surety bond shall be returned to the contractors whose proposals are not accepted, and to the successful contractor upon the execution of a satisfactory bond and contract as provided in this article. The conditions and provisions of the surety bid bond regarding the surety's obligations shall follow the following form:

Now, therefore, if the obligee accepts the proposal of the principal and the principal enters into a contract with the obligee in accordance with the terms of the proposal and gives the bonds and certificates of insurance as specified in the standard specifications with good and sufficient surety for the faithful performance of the contract and for the prompt payment of labor and materials furnished in the prosecution of the contract, or in the event of the failure of the principal to enter into the contract and give the bonds and certificates of insurance, if the principal pays to the obligee the difference not to exceed the penalty of the bond between the amount specified in the proposal and such larger amount for which the obligee may in good faith contract with another party to perform the work covered by the proposal then this obligation is void. Otherwise it remains in full force and effect provided, however, that this bond is executed pursuant to the provisions of section 34-201, Arizona Revised Statutes, and all liabilities on this bond shall be

determined in accordance with the provisions of the section to the extent as if it were copied at length herein.

4. That the right is reserved to reject any or all proposals or to withhold the award for any reason the agent determines.

B. If the agent believes that any construction, building addition or alteration contemplated at a public institution can be advantageously done by the inmates of the public institution and regularly employed help, the agent may cause the work to be done without advertising for bids.

C. Any building, structure, addition or alteration may be constructed either with or without the use of the agent's regularly employed personnel without advertising for bids provided that the total cost of the work, excluding materials and equipment previously acquired by bid, does not exceed:

1. In fiscal year 1994-1995, fourteen thousand dollars.

2. In fiscal year 1995-1996 and each fiscal year thereafter, the amount provided in paragraph 1 of this subsection adjusted by the annual percentage change in the GDP price deflator as defined in section 41-563.

D. Notwithstanding the provisions of subsection C of this section, any street, road, bridge, water or sewer work, other than a water or sewer treatment plant or building, may be constructed either with or without the use of the agent's regularly employed personnel without advertising for bids provided that the total cost of the work does not exceed:

1. In fiscal year 1994-1995, one hundred fifty thousand dollars.

2. In fiscal year 1995-1996 and each fiscal year thereafter, the amount provided in paragraph 1 of this subsection adjusted by the annual percentage change in the GDP price deflator as defined in section 41-563.

E. For the purposes of subsection D of this section, the total cost of water or sewer work does not include services provided by volunteers or donations made for the water or sewer project.

F. Notwithstanding the provisions of this section, an agent may:

1. Construct, reconstruct, install or repair a natural gas or electric utility and distribution system, owned or operated by such agent, with regularly employed personnel of the agent without advertising for bids, unless otherwise prohibited by charter or ordinance.

2. Construct recreational projects, including trails, playgrounds, ballparks and other similar facilities and excluding buildings, structures, building additions and alterations to buildings, structures and building additions, with volunteer workers or workers provided

by a nonprofit organization without advertising for bids for labor and materials provided that the total cost of the work does not exceed:

(a) In fiscal year 2001-2002, one hundred fifty thousand dollars.

(b) In fiscal year 2002-2003 and each fiscal year thereafter, the amount provided in subdivision (a) of this paragraph adjusted by the annual percentage change in the GDP price deflator as defined in section 41-563.

G. A contribution by an agent for the financing of public infrastructure made pursuant to a development agreement is exempt from the provisions of this section if such contribution for any single development does not exceed:

1. In fiscal year 1994-1995, one hundred thousand dollars.

2. In fiscal year 1995-1996 and each fiscal year thereafter, the amount provided in paragraph 1 of this subsection adjusted by the annual percentage change in the GDP price deflator as defined in section 41-563.

H. In addition to other state or local requirements relating to the publication of bids, each agent shall provide at least one set of all plans and specifications to any construction news reporting service that files an annual request with the agent. For the purposes of this subsection, "construction news reporting service" means a service that researches, gathers and disseminates news and reports either in print or electronically, on at least a weekly basis for building projects, construction bids, the purchasing of materials, supplies or services and other construction bidding or planned activity to the allied construction industry. The allied construction industry includes both general and specialty contractors, builders, material and service suppliers, architects and engineers, owners, developers and government agencies.

I. Any construction by a county under this section shall comply with the uniform accounting system prescribed for counties by the auditor general under section 41-1279.21. Any construction by a city or town under this section shall comply with generally accepted accounting principles.

J. Any construction, building addition or alteration project which is financed by monies of this state or its political subdivisions shall not use endangered wood species unless an exemption is granted by the director of the department of administration. The director shall only grant an exemption if the use of endangered wood species is deemed necessary for historical restoration or to repair existing facilities and the use of any substitute material is not practical. Any lease-purchase agreement entered into by this state or its political subdivisions for construction shall specify that no endangered wood species may be used in the construction unless an exemption is granted by the director. As used in this subsection, "endangered wood species" includes those listed in appendix I of the convention on international trade in endangered species of wild flora and fauna.

## Appendix D

K. All bonds given by a contractor and surety pursuant to the provisions of this article, regardless of their actual form, will be deemed by law to be the form required and set forth in this article and no other.

L. Any building, structure, addition or alteration may be constructed without complying with this article if the construction, including construction of buildings or structures on public or private property, is required as a condition of development of private property and is authorized by section 9-463.01 or 11-806.01. For the purposes of this subsection, building does not include police, fire, school, library, or other public buildings.

M. Notwithstanding section 34-221, any agent may enter into a guaranteed energy cost savings contract with a qualified provider, as those terms are defined in section 15-213.01, for the purchase of energy cost savings measures without complying with this article and may procure a guaranteed energy cost savings contract through the competitive sealed proposal process prescribed in title 41, chapter 23, article 3 or any similar competitive proposal process adopted by the agent as long as the agent follows any additional requirements set forth in section 15-213.01.

**PC1-343 EMERGENCY PROCUREMENT**

- A. Notwithstanding any other provisions of this code, upon declaration of an emergency or other approval as required under PC1-344, the director may make or authorize others to make emergency procurements if there exists a threat to public health, welfare, property or safety or if a situation exists which makes compliance with PC1-315 or PC1-328 impracticable, unnecessary or contrary to the public interest. Such emergency procurements shall be made with such competition that is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.
  
- B. Emergency conditions may arise from, but are not limited to, floods, epidemics, riots or equipment failures. An emergency condition creates an immediate and serious need for commodities, services or construction that cannot be met through normal procurement methods and that seriously threatens the functioning of Pinal County Government, the preservation of property or the public health or safety.
  
- C. An emergency procurement shall be limited in time and quantity to those commodities, services or construction necessary to satisfy the emergency need.