State of Washington

# 2017-19 Capital Projects Evaluation System

## Four-Year Higher Education Institutions
## Project Evaluation Guidelines and Submittal Instructions

Office of Financial Management
Budget Division

June 2016

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# 2017-19 Capital Project Evaluation System: Four-Year Higher Education Institutions

## Project Evaluation Guidelines and Submittal Instructions

### Overview of Contents

**Chapter 1** summarizes the purpose of the capital project evaluation system, and the state's strategic and financial environment. This section highlights changes to the scoring process for 2017-19, as suggested by the four-year prioritized project list technical work group created in the 2015-17 capital budget. Key dates also are provided.

**Chapter 2** describes the evaluation framework and defines project categories.

**Chapter 3** outlines the evaluation process, including evaluation panel structure and process phases.

**Chapter 4** includes submittal guidelines, instructions for project proposals, and a checklist for required elements. It also includes descriptions of the project evaluation criteria.

**Chapter 5** provides the expected project cost ranges by type of facility and construction cost index for escalating costs to mid-construction date.

**Chapter 6** lists minimum thresholds for project submissions.

Chapter 1

# Project Evaluation Objectives and Schedule

## Background

**Statutory Requirements**. Chapter 43.88D RCW mandates a process for evaluating and scoring capital project requests by the state's four-year higher education institutions. The law highlights the importance of strategic planning in the facility prioritization process, stating that the new process must emphasize "objective analysis, a statewide perspective, and a strategic balance among facility preservation, new construction, and innovative delivery mechanisms."

The statute requires a transparent and objective system that gives four-year institutions the opportunity to articulate their capital facility needs while enabling decision makers to identify tradeoffs and make the best strategic choices, given limited state resources.

**State Strategic and Financial Context.** In accordance with RCW 43.88D.010, OFM is to score projects based on, at a minimum, an evaluation of enrollment trends, reasonableness of cost, the ability of the project to enhance specific strategic master plan goals, age and condition of the facility (if applicable) and impact on space utilization. RCW 28B.77.070 directs OFM to provide the Governor and Legislature with a single prioritized list of all the major projects for consideration of funding (including projects scored previously for early stages of development) during the 2017–19 biennium. For the single prioritized list, OFM is to prioritize projects based on the following criteria in order of importance: preserving assets, degree production and maximizing efficient use of instructional space.

In addition to these two guiding statutes, proviso language in the 2015–17 capital budget (Section 7040, Chapter 3, Laws of 2015, 3rd Special Session) directed OFM to form a technical work group to examine key process inputs and the needs of budget decision makers and to send a report of recommendations to the Legislature. The work group, which comprised staff from OFM, the four-year public higher education institutions, the Council of Presidents and the legislative fiscal committees, sent a report to the Legislature in early 2016 (http://www.ofm.wa.gov/budget/capital/4year_prioritized_capital_project_work_group_report.pdf).

The capital project evaluation and scoring system is intended to align the state's higher education goals with capital facility spending choices, and to provide decision makers with a comprehensive and accurate analysis of the relative value of potential capital projects. Other process objectives are discussed in Chapter 3.

## What Remains the Same for 2017–19?

In recent biennia, the evaluation process included significant changes that have been maintained for the 2017–19 evaluation process. A recap of some of those changes:

1. Establishment of subcategories for stand-alone projects costing between $2 million and $5 million, separate from the major projects costing more than $5 million. Overarching criteria will not be applied to these stand-alone projects, and institutional priority points will be applied separately across an agency's stand-alone project submittals from the priority points applied across its major project proposals costing more than $5 million.
2. The category "acquisition" includes land acquisitions, facility acquisitions and/or land acquisitions that include built improvements.

3. Institutions will be required to provide a checklist with each project proposal on which they will check off and certify the items that have been submitted. **Institutions are responsible for making sure that all required application materials are submitted to OFM by Aug. 15, 2016, and ready for review panel reading.**
4. Institutional priority points will be submitted separately to the OFM higher education budget analyst and remain confidential until after the evaluation panels have completed the scoring, at which point they will be added to the total project score. This is to ensure a fair evaluation of the projects on their own merits.

## What's New for 2017–19?

The work of the task force and feedback from the 2015–17 process resulted in several changes to the process for 2017–19. Significant changes include:

1. Enrollment access alternatives, such as university centers and distance learning, will not be a factor in any category other than Growth (where such consideration is required by RCW 43.88D.010).
2. Projected degree totals will be measured against 2014-15 totals in OFM's statewide public four-year dashboard.
3. OFM cost standards will allow for consideration of higher-than-expected costs per square foot if life cycle cost savings can be demonstrated for selected systems alternates.
4. Review panels will include members from agencies other than the higher education institutions (OFM staff are not a reviewers, only facilitators); panels will meet twice in person and the kick-off meetings will now happen electronically.
5. Any further changes deemed necessary at a later date will be issued by addendum.

# Key Dates for 2017–19 Capital Project Evaluation Process

| | |
|---|---|
| Capital budget instructions, evaluation guidelines and submittal instructions released | June 2016 |
| Institutions nominate panel members to assist in scoring | June 2016 |
| OFM recruits panel members from agencies and creates evaluation panels | June 2016 |
| Informal question and answer period: responses and additional information will be sent to all participants | June–July 2016 |
| Institutions submit completed predesign documents to OFM | July 1, 2016 |
| Institutions submit preliminary number of proposals per category to OFM | July 1, 2016 |
| Institutions submit **prioritized list** of project proposals | Aug. 1, 2016 * |
| **Institutions submit project proposals and supporting documents for evaluation** | **Aug. 15, 2016 *** |
| Evaluation panel orientation and charge (teleconference) | August 2016 |
| Panel members independently review project proposals | August 2016 |
| Evaluation panels meet in Olympia to review requests and ask questions of panel facilitators | August 2016 |
| Institutions respond to follow-up questions (through facilitators) | September 2016 |
| Evaluation panels meet for a second time to complete scoring | September 2016 |
| OFM compiles scoring results | September 2016 |
| **Institutions submit 2017–19 capital budget request to OFM** | **Sept. 16, 2016** |
| OFM reviews scoring results with four-year institutions and other stakeholders | Late September 2016 |
| **OFM releases results publically and transmits legislative fiscal committees and four-year institutions** | **Oct. 1, 2016*** |
| Evaluation of 2017–19 process | November 2016 |
| Governor's budget proposal transmitted to Legislature | No later than Dec. 20, 2016* |

* Date set in statute

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Chapter 2

# Project Evaluation Framework and Categories

## Scoring Framework

**Capital Requests.** Each institution should develop a capital request based upon program-based strategic planning and/or facility master planning. As required by Chapter 43.88D RCW, each institution should submit a single prioritized list of proposed projects for the ensuing six-year period to OFM by August 1, 2016.

Once projects are selected internally, institutions should submit a project proposal for any project expected to have a cumulative total cost of more than $2 million during the three biennia beginning in 2017–19. Projects that have already been scored do not need to submit a project proposal unless the design process has resulted in a significant change in project scope, schedule or cost from documents previously submitted to OFM and the Legislature, or if the project score is more than two biennia old. Institutions should consult with the OFM higher education capital budget analyst about whether a change is significant enough to require that a new or amended proposal be submitted. Projects that have not been scored but have received an appropriation for predesign or design in prior biennia must be submitted for scoring in order to be included in the single prioritized list (Chapter 28B.77.070 RCW).

**Category.** Based upon the project's primary purpose, the institution must identify the particular category (predesign, growth, renovation, replacement, research, infrastructure or acquisition) within which it recommends the project be evaluated. Many projects address multiple evaluation categories; for example, both renovation and enrollment growth, or both enrollment growth and research. In such cases, a useful rule of thumb is to assign the project to the category purpose that encompasses the majority of project square footage and/or cost. Institutions are encouraged to consult with OFM for questions about project classification.

**Major or Stand-alone Projects.** The institution should also indicate whether the project is a major project or a stand-alone project. A major project is a project with a total cumulative cost of more than $5 million and generally takes two to three biennia to complete. A stand-alone project is one with a total cumulative cost of between $2 million and $5 million and is generally completed within one biennium. Stand-alone projects will be evaluated as a subcategory under the relevant major category of growth, renovation, replacement or research.

**Evaluation Criteria.** The project proposal must specifically address the evaluation criteria. Agencies must provide a clear and accurate description of the facility need or problem addressed by the project and a thoughtful analysis of the suggested option to meet the need or solve the problem. Each institution should be prepared to make a strong case that its project is in the best interest of the state.

**Predesigns.** A predesign completed in accordance with the OFM Predesign Manual must be on file with OFM by July 1, 2016, for any project for which the institution is seeking design funding during 2017–19.

**Minor Works.** Minor works are not subject to this process and will not be scored or evaluated. Institutions should refer to the 2017-27 Capital Budget Instructions issued by OFM for further guidance.

**Evaluation.** Each project will be evaluated and scored within one of the seven defined categories. It is important to highlight that in terms of total scores, capital projects (except for predesigns, which are scored in a separate category) will be compared to each other only within one category and will not be compared across categories (i.e., growth projects will only be compared to growth projects and not to renovation projects). Furthermore, major and stand-alone projects will be considered separately within a category. The system has not been designed to compare projects across categories.

After all of the capital project requests have been scored, OFM will assemble them into a ranked list by category. The Governor and the Legislature will use the rankings generated by the higher education project evaluation process to inform and guide development of their capital budget proposals for 2017–19 and subsequent biennia.

The evaluation and scoring process has two levels:

- Overarching criteria: applicable to all project categories except infrastructure, acquisition and the stand-alone subcategories.
- Category-specific criteria: applicable only within each of the seven categories.

## Capital Project Categories and Definitions

Each capital project request should be made exclusively within one of the following seven categories, based on the institution's assessment of the project's primary purpose:

- Predesign
- Growth
- Renovation
- Replacement
- Research
- Infrastructure
- Acquisition

The project categories are based on the following definitions:

**Predesign.** Projects that define the scope of a discrete set of problems and needs, and that identify and assess the relative value of alternative capital budget solutions likely to cost $10 million or more to implement, should be requested in the Predesign category.

**Growth.** Projects whose primary purpose is to accommodate enrollment growth increases at main and branch campuses, at existing or new university centers, or through distance learning should be requested in this category. Growth projects should provide significant additional student capacity. Proposed projects must demonstrate that they are based on solid enrollment demand projections; provide enrollment access more cost-effectively than alternatives, such as university centers and distance learning (if such alternatives are not proposed); and make cost-effective use of existing and proposed new space.

Land acquisition associated with a specific growth request should be included as an element of the project request in this category.

**Renovation.** Projects that renovate facilities to restore building life and upgrade space to meet current program requirements should be requested in this category. Renovation projects should

represent a complete renovation of a total facility or an isolated wing of a facility. A reasonable renovation project should cost between 60 percent and 80 percent of current replacement value, and restore the renovated area to at least 25 years of useful life. New space may be programmed for the same or a different use than the space being renovated, and may include additions to improve access and enhance the relationship of program or support space.

**Replacement.** Facilities that cannot cost-effectively be renovated are considered replacement projects. New space may be programmed for the same or a different use than the space being replaced, and may include additions to improve access and enhance the relationship of program or support space.

**Research.** Projects with the primary purpose of promoting economic growth and innovation through expanded research activity should be proposed in this category, even if the project involves renovation or replacement of an existing facility. In assigning projects that serve both the research and the instructional missions, consider the percentage of assignable square feet allocated to each mission.

**Infrastructure.** This category is intended for major or stand-alone campus infrastructure projects that exceed the minor works threshold limit of $2 million. These projects may be inside or outside a building. Examples of infrastructure projects include the replacement of an electrical system, installation of a new steam tunnel, and the development of a water distribution system. These projects generally would be completed (predesign through construction) in one biennium.

**Acquisition.** This category is intended for the acquisition of land for which no specific facility project is being proposed at this time, including the acquisition of facilities and/or land with built improvements. Land acquisition needed for a specific facility should be included in the category most closely associated with the facility.

**OFM will publish a table with point totals for all evaluation criteria and institutional priorities during the week of June 13–17, 2016.**

Chapter 3

# Project Evaluation and Scoring Process

## Evaluation Panel Structure

The project evaluation and scoring process that will be used for 2017–19 involves formation of capital project evaluation panels with representation from the following groups:

- Office of Financial Management – capital and operating budget sections
- Staff from four-year institutions – capital facilities and academic affairs
- Council of Presidents
- Washington Student Achievement Council
- Department of Corrections or Department of Social and Health Services
- Department of Enterprise Services

Each institution is asked to identify up to two individuals with capital facilities expertise and up to two individuals from academic affairs. Final composition will be determined by OFM in consultation with legislative staff. OFM and legislative staff will not participate in project scoring but will facilitate the evaluation panels.

**Please note that it is critically important that the same panel member is able to attend both meetings.** If a panel member is unable to attend both meetings, his/her scoring will not be considered.

**Organizational structure.** The panels will be composed of four or five individuals who will evaluate and score a subset of the projects. The panels will operate under these guidelines:

- The individuals will evaluate and score projects in one or more categories, depending upon proposal volume.
- Representatives from four-year institutions will not score their own projects.
- Members of each panel will review project proposals individually, and then meet to discuss and come to an agreement on the scoring.
- Panel facilitators will be composed of OFM and legislative capital budget staff. Facilitators will participate ex officio in scoring discussions, but not in final scoring decisions.

## Evaluation Process Phases

The panels will work through a multipart process that will take place in two meetings. Facilitators will coordinate with their panel members to schedule meetings #1 and #2 within the dates indicated in the schedule in Chapter 1, and a schedule will be released when finalized.

OFM will electronically distribute process instructions and project submittals to the panel members, who will independently review them and note any questions they have about the proposals and how to apply the criteria. Panel members will forward any questions about individual requests to the panel facilitator in advance of the first panel meeting, and institutions will have the opportunity to respond to panel questions in writing prior to the meeting.

Proposals should be scored objectively based on information provided by the institutions through the submittals and responses to any follow-up questions. Panel members should come to meeting #1 having completed a preliminary review of all proposals assigned to them.

**Panel Meeting #1: proposal review and Q&A with facilitators**

- Discuss application of criteria to project proposals generally
- Review institutions' responses to panel members' questions
- Conduct group discussion of assigned project proposals

**Panel meeting #2: further review and final scoring**

- Review preliminary scores of assigned project proposals
- Agree to consensus score for each assigned project proposal

The purpose of meeting #2 is to determine a final score for each project within each category. Review panels will assign scores to each project under their review.

**Presentation of scoring results**
OFM will provide an electronic debrief and presentation of scoring results to four-year institutions and other stakeholders.

## Evaluation Process

**Evaluation and scoring process objectives.** The evaluation process has the following objectives:

- Provide decision makers with comprehensive and accurate analysis of the relative value of potential capital projects.
- Conduct a transparent, fair and understandable project review process.
- Provide comparable information across multiple institutions and projects.
- Respond to legislative direction to OFM to coordinate the evaluation and scoring of capital facility project requests.

**Question and answer period.** Institutions are encouraged to send questions about the scoring process to OFM at any point before review panels meet. Answers applicable to all institutions will then be forwarded to the entire group.

**Scoring.** Panel members will return scoring results to OFM for compilation. Project scores, prioritized within each category, will be publicly announced by October 1, 2016. OFM will conduct meetings with each institution to explain the scoring and debrief about the process at the request of the institution.

## Process Debrief and Review

The purpose of this final phase is to improve the process for the next biennium. OFM will ask participants to provide feedback, identify strengths and weaknesses, and recommend changes. Institutions and other stakeholders will have an opportunity to comment and provide suggestions on process, categories and evaluation criteria.

Chapter 4

# Project Proposal: Submittal Guidelines

## Project Proposal Submittal and Due Date

- Submittals are limited to **10 pages** (excluding project cost estimates, diagrams and sketches, appendices, cover sheet, title page and table of contents). Submit proposals in loose-leaf form with binder clips. Do not submit proposals in three-ring binders or with comb bindings.
- Each project proposal should be submitted within a single project category; do not submit minor works projects for this scoring process.
- A confidential institutional priority form (one per institution) should be **submitted under separate cover directly to the OFM higher education capital budget analyst**, either electronically or mailed in a clearly labeled envelope. This form can be found on the OFM project evaluation system website.
- A signed checklist (one per proposal) must be submitted. This form can also be found on the OFM website.
- Institutions should **submit 10 copies to OFM**, along with an electronic copy of the request. Please create a separate .pdf document for each proposal submitted.
- Submittals are due to OFM by 5 p.m., **August 15, 2016**. Submit electronic copies to gene.emmans@ofm.wa.gov.

## Proposal Format

Project proposals should be organized in four parts:

- Brief summary description of the project
- Overarching evaluation criteria (where applicable): how the project addresses the statewide and the institutional planning criteria
- Category-specific information: how the project addresses each individual evaluation criterion within the category
- Appendices: supplemental and supporting documentation, including technical exhibits

## Content Instructions

Each project proposal should address the following elements (see Exhibits A and B for applicability):
**Summary Narrative: Project Scope and Description.** Succinctly describe the proposed project, including the following information:

- Category and subcategory of project request
- Problem statement (including consequences of taking no action), short description of the project and its benefits, and a description of any alternatives considered
- History of the project or facility
- Programs addressed or encompassed by the project

## Overarching Criteria (Growth, Renovation, Replacement, Research and Predesign)

Major project submittals in the Growth, Renovation, Replacement and Research categories and Infrastructure requests will be evaluated by two overarching criteria: whether a project is integral to statewide policy goals and the extent to which the project fits within existing campus strategic and academic plans.

**Integral to Achieving Statewide Policy Goals.** Identify the statewide goal or goals the project is expected to address, and describe how and the specific extent to which it will do so.

**Integral to Institutional Planning and Goals.** Describe the proposed project's relationship and relative importance to the institution's campus master/facilities plan and strategic plan.

The statewide goals relate to increasing the number of bachelor's and advanced degrees awarded, including bachelor's degrees in the high-demand fields identified in the statewide public four year dashboard. (A full listing can be found at http://www.ofm.wa.gov/hied/dashboard/stem_and_high_demand_CIP_codes.xlsx).

## Other General Criteria (See Exhibits A and B for Applicability)

**Adequacy of Space.** Identify lack of suitable space and the upgrades needed to address program standards and needs.

**Space Utilization.** Identify the average number of hours per week that each classroom seat and classroom lab is expected to be utilized in fall 2016 on the proposed project's campus. If the campus does not meet the utilization standards of 22 hours per classroom seat and/or the 16 hours per class lab, describe any institutional plans for achieving that level of utilization.

Fall 2016 utilization should be estimated by increasing the fall 2015 actual enrollment by the fiscal growth factor by which academic year 2016-17 state-supported enrollments is budgeted.

**Building Condition.** Provide the facility's most recent condition score (1 superior–5 marginal functionality) in the 2016 Comparable Framework study and summarize the major structural and systems conditions that resulted in that score. Provide selected supporting documentation in appendices and reference them in the body of the proposal.

For renovation projects only, identify whether the building is on the Washington Heritage Register, and if so, summarize its historic significance.

> ***Note:*** This criterion is scored differently in the renovation and replacement categories. In renovation, points are weighted more toward buildings in fair condition because buildings at the low end of the condition should be replaced rather than renovated, with the exception of those designated for historic preservation. Buildings on the Washington Heritage Register with building condition scores of 3, 4 or 5 will receive additional points in scoring.

**Efficiency of Space Allocation.** For each major function in the proposed facility (classroom, instructional labs, offices), identify whether space allocations will be consistent with Facility Evaluation and Planning Guide (FEPG) assignable square feet standards. If any proposed allocations exceed FEPG standards, explain the alternative standard that has been used and why. See the FEPG at http://www.wsac.wa.gov/sites/default/files/FacilitiesEvaluationandPlanningGuide.pdf .

Example: Efficiency of Space Allocation – FEPG Standard

| FEPG Room Classification No. | FEPG Room Classification Type | Project ASF per Station | FEPG Standard | Meets Standard (Y/N) | Comments |
|---|---|---|---|---|---|
| 110 | Classroom | 20 | 16-26 | Y | |
| 110 | Classroom | 30 | 16-26 | N | Exceeds standards due to programmatic need for demonstration space |
| 210 | Class lab - physical sciences | 70 | 40-90 | Y | |
| 215 | Class lab service | | | N/A | Sized appropriately to serve 2 labs |
| 230 | Computer lab | 45 | 60 | N | Falls below FEPG guideline, but meets programming needs |
| 250 | Research lab | 80 | | N/A | Sized for research program needs |
| 255 | Research lab service | | | N/A | Sized appropriately to serve research labs |
| 311 | Faculty office | 140 | 140 | Y | |
| 311 & 312 | Faculty chair office | 175 | 175 | Y | |
| 311 & 312 | Dean's office | 200 | 200 | Y | |
| 313 | Student assistants office | 140 per 4 | 140 per 2 min. | Y | 4 student assistants = 2 FTE |
| 314 | Clerical office | 140 | 140 | Y | 2 FTE |
| 315 | Office service, clerical station | 100 | 100 | Y | 2 FTE |
| 316 & 317 | Staff & other office | 120 | 120 | Y | |
| 350 | Conference room | 300 | 310 | N | Total SF shown; FEPG = Total Office Area/12; project SF insignificant amount below standard, still meets FEPG guideline of 20 SF per station |
| 610 | Auditorium/ lecture hall | 20 | 15-16 | N | Additional SF needed to meet ADA requirements due to site conditions |
| 760 | Hazardous material storage | | As appropriate by code | N/A | Sized appropriately to serve labs |
| 770 | Hazardous waste storage | | As appropriate by code | N/A | Sized appropriately to serve labs |

Identify the (a) assignable square feet in the proposed facility; (b) the gross square feet; and (c) the net building efficiency ("a" divided by "b").

**Reasonableness of cost.** Provide the Capital Budgeting System (CBS) report CBS002 and detailed cost estimates for the entire project, regardless of fund source. Complete and attach the Excel C-100 form for each project greater than $5 million (RCW 43.88.030(5)(i)), and complete and attach the CBS 003 cost estimates or the Excel C-100 for projects between $2 million and $5 million. The C-100 cost estimator in Excel aligns with the estimating in CBS 003. This information is required but not scored for predesign requests.

If project costs exceed OFM cost standards (see Chapter 5 for reference), provide a description of any building or system alternates that are expected to result in significant operational savings. Selected systems alternates for which a life cycle cost analysis shows net present savings over baseline options may receive additional points.

**Program-related space allocation.** Identify planned use of proposed space, including assignable square footages by use type. Below is an example.

| Type of Space | Points | Assignable Square Feet | Percentage of total | Score = Points x Percentage |
|---|---|---|---|---|
| Instructional space (classroom, lab, library) | 6 | 88,483 | 88.4 | 5.3 |
| Student advising/counseling | 4 | | 0.0 | 0.0 |
| Child care | 1 | | 0.0 | 0.0 |
| Faculty offices | 4 | 6,729 | 6.7 | 0.3 |
| Administrative | 3 | 3,805 | 3.8 | 0.1 |
| Maintenance/central stores/student center | 4 | 1,073 | 1.1 | 0.0 |
| Total | 22 | 100,090 | 100.0 | 5.7 |

**Age of building since last major remodel (renovation and replacement categories).** Identify the number of years since the last substantial renovation of the facility. If only a portion of a building is to be remodeled, provide the age of that portion only. If the project involves multiple wings of a building that were constructed or renovated at different times, calculate and provide a weighted average age, based upon the gross square feet and age of each wing.

**Significant health, safety and code issues.** Identify whether the project is needed to bring the facility to current life safety or energy code requirements. Clearly identify the applicable standard or code, and describe how the project will address these issues. Cite examples of existing conditions that do not comply with current codes that the project will correct. Provide selected supporting documentation in appendices and reference them in the body of the proposal.

**Enrollment growth (growth category).** Identify the estimated number of additional FTE students the project is expected to enable the institution to serve when the space is fully occupied. Describe the method by which additional FTEs are calculated, including an analysis of probable student enrollment demand from project completion to full occupancy. Also provide an estimate of the number of additional FTE enrollments in high-demand fields and the particular fields in which such growth is expected to occur.

Per RCW 43.88D.010(1)(a), growth projects must also demonstrate that they can more cost-effectively provide enrollment access than alternatives such as university centers and distance learning.

## Criteria Specific to the Research Category

**Impact on economic development.** Identify any specific state, regional or local economic development plans associated with the project and describe how it would support them. Demonstrate that federal or private funding is likely to be available to support the research that would be conducted in the facility. Summarize and estimate the expected economic benefits of the project and provide selected supporting documentation in a clearly referenced appendix.

**Impact on innovation.** Explain how the research activities proposed for the project will advance areas of existing preeminence or position the institution for preeminence in a field or area. Evidence of existing or potential research preeminence could include, but is not limited to, funding history, faculty qualifications, publications, patents, business spin-offs, etc.

**Availability of research space.** Describe the extent to which there is sufficient square footage in existing campus facilities to conduct the proposed research.

**Adequacy of research space.** Describe the functionality and adequacy of existing campus research space. How will the new project address any existing or planned research needs, including expanded research capability?

**Contribution of other funding sources.** Identify the source and amount of capital planning and construction costs that will be covered by sources other than the State Building Construction Account or the State Taxable Building Construction Account. Provide supporting documentation demonstrating the likelihood that such nonstate revenues are likely to be available and any restrictions on their use.

## Criteria Specific to the Infrastructure Category

**Evidence of increased repairs and/or service interruption.** Identify prior repairs and/or service interruption beyond routine preventive maintenance activities. Describe increasing utility and/or maintenance costs and/or system unreliability. Address the impact of deferring the project. Provide selected supporting documentation in appendices and reference them in the body of the proposal. Examples of supporting documentation include, but are not limited to, work order history on repairs, number of call-outs to outside contractors to address a specific problem, utility bills demonstrating increased costs over time due to an issue that needs to be corrected, evidence of cessation of services due to required repair(s), etc.

**Impact on institutional operations without infrastructure project.** Describe the impact to existing operations or impact to funded or planned construction projects should this infrastructure project not occur.

**Engineering study.** Identify whether there is a completed comprehensive engineering study, site survey and recommendations, or opinion letter. Provide referenced supporting documentation in appendices.

**Reasonable estimate.** Provide a recent, detailed cost estimate applicable to the scope of work and carried out by an experienced project manager.

**Resource efficiency and sustainability.** Document project benefits associated with low-impact development, improvements in energy and resource conservation, and use of renewable energy sources. "Low impact development" refers to an approach to land development that works with nature to manage stormwater as close to its source as possible. Examples include bio-retention facilities, rain gardens, vegetated rooftops, rain barrels and permeable pavements. "Renewable" energy systems include, but are not limited to, hydroelectric power, active or passive solar space, heating or cooling, domestic solar water heating, windmills, waste heat, biomass and/or refuse-derived fuels, photovoltaic devices and geothermal energy.

## Criteria Specific to the Acquisition Category

**Reasonableness of cost.** Provide an appraisal of the land or facility to be acquired and costs for two comparable acquisitions in the same area. Provide the CBS cost estimate (CBS003 report) for the entire project regardless of fund source plus as much detailed cost information that is available based on the project phase.

**Intended use.** Indicate the intended use of the property, whether for instructional building, noninstructional building or other.

**Percentage of buildable area.** For land acquisitions with unusable structures, indicate the percentage of the total property that is suitable for development based on the results of an environmental review and engineering inspection of the property. Address the suitability of the property in terms of condition and location.

**Building condition.** For facility acquisitions or land acquisitions with usable facilities, indicate the condition of the facility using the methodology prescribed in the 2016 Comparable Framework update as evaluated by an architect or engineer.

**Capital improvements required.** For facility acquisitions, provide a cost estimate for the funds required to adapt the facility to the proposed use.

**Savings to operating costs.** Submit estimates of operating savings as a result of this acquisition. Present the savings in terms of years of payback of the cost of the acquisition.

## Exhibit A: Criteria Matrix: Growth, Renovation, Replacement and Research

| | Category | Growth | | Renovation | | Replacement | | Research | |
|---|---|---|---|---|---|---|---|---|---|
| | Criteria | Major | Stand-Alone | Major | Stand-Alone | Major | Stand-Alone | Major | Stand-Alone |
| Over-arching | Increases number of bachelor's degrees | X | | X | | X | | X | |
| | Increases number of bachelor's degrees in high-demand fields | X | | X | | X | | X | |
| | Increases number of advanced degrees | X | | X | | X | | X | |
| | Integral to campus/facilities master plan | X | | X | | X | | X | |
| | Integral to institution's academic plan | X | | X | | X | | X | |
| | Promotes access | X | X | | | | | | |
| | Adequacy of available space | | | X | X | X | X | X | X |
| | Availability of space in relation to HECB utilization standards | X | X | X | X | X | X | X | X |
| | Building condition (2016 Comparable Framework) | | | X | X | X | X | | |
| | Enrollment growth | X | X | | | | | | |
| | Efficiency of space allocation in relation to FEPG | X | X | X | X | X | X | | |

## Exhibit A: Criteria Matrix: Growth, Renovation, Replacement and Research (Continued)

| Category | Growth | | Renovation | | Replacement | | Research | |
|---|---|---|---|---|---|---|---|---|
| Criteria | Major | Stand-Alone | Major | Stand-Alone | Major | Stand-Alone | Major | Stand-Alone |
| Meets building efficiency guidelines (ASF/GSF) | X | X | X | X | X | X | | |
| Reasonableness of cost | X | X | X | X | X | X | X | X |
| Program-related space allocation | X | X | X | X | X | X | | |
| Age of buildings or last major remodel | | | X | X | X | X | | |
| Significant health, safety and code issues | | | X | X | X | X | | |
| Impact on economic development | | | | | | | X | X |
| Adequacy of research space | | | | | | | X | X |
| Impact on innovation | | | | | | | X | X |
| Other funding sources | | | | | | | X | X |

## Exhibit B: Criteria Matrix: Predesign, Infrastructure and Acquisition

| | Category | Predesign | Infrastructure | Acquisition |
|---|---|---|---|---|
| | Criteria | | | |
| Over-arching | Increases number of bachelor's degrees awarded | X | | |
| | Increases number of bachelor's degrees awarded in high-demand fields | X | | |
| | Increases number of advanced degrees | X | | |
| | Integral to campus/facilities master plan | X | X | |
| | Integral to institution's academic plan | X | | |
| | Promotes access (if predesign for growth project only) | X | | |
| | Appropriateness/adequacy of available space | X | | |
| | Availability of space in relation to HECB utilization standards | X | | |
| | Building condition | X | | X |
| | Reasonableness of cost | | X | X |
| | Significant health, safety and code issues | | X | |
| | Evidence of increased repairs/service interruption | | X | |
| | Impact on operations without project | | X | |
| | Engineering study | | X | |
| | Resource efficiency and sustainability | | X | |
| | Intended use | | | X |
| | Percentage of buildable area | | | X |
| | Capital improvements required to adapt existing facility to proposed use | | | X |
| | Savings to operating costs | | | X |

## Institutional Priority Points

Institutional priority points will be submitted to the OFM higher education budget analyst separately from the evaluation documents and remain confidential until after the evaluation panels have completed the scoring. This is to ensure an objective evaluation of projects on their own merits.

Priority points will be allocated among the institution's top three projects in each category, with the highest-priority project receiving an addition of approximately 10 percent of the points possible in the applicable category. The second- and third-priority projects will receive fewer additional points. OFM will distribute priority point totals with the institutional priority forms.

## Project Proposal Appendices

Supplemental and supporting project documentation, limited to materials directly related to the evaluation criteria, such as:

- Capital Project Request CBS002 and Project Cost Estimate CBS003 reports (required for each project proposal)
- Degree and enrollment growth projections
- Selected excerpts from institutional plans
- Efficiency of space allocation chart
- Data on instructional and/or research space utilization
- Additional documentation for selected cost comparables
- Selected materials on facility conditions
- Selected materials on code compliance
- Tables supporting calculation of program space allocations, weighted average facility age, etc.
- Evidence of consistency of proposed research projects with state, regional or local economic development plans
- Evidence of availability of nonstate matching funds
- Selected documentation of prior facility failures, high cost maintenance and/or system unreliability for infrastructure projects
- Documentation of professional assessment of costs for land acquisition, land cleanup and infrastructure projects
- Selected documentation of engineering studies, site survey and recommendations or opinion letters for infrastructure and land cleanup project

Chapter 5

# Project Cost Standards

## Expected Project Cost Range in 2008 Dollars

The following data are from the Facilities Financing Study dated Dec. 10, 2008, prepared by Berk & Associates, http://www.ofm.wa.gov/budget/capital/higher_ed_capital_finance_study.pdf. This study was completed in response to Chapter 205, Laws of 2008.

| | | Construction Costs / GSF | | Total Project Costs / GSF |
|---|---|---|---|---|
| Facility Type | Number of Data Points | Standard Deviation | Best Fit | Expected Cost |
| Classrooms | 19 | 57.36 | $297 | $420 |
| Communications buildings | 5 | 68.28 | $267 | $378 |
| Science labs (teaching) | 16 | 65.59 | $309 | $437 |
| Research facilities | 12 | 61.31 | $440 | $623 |
| Administrative buildings | 9 | 36.20 | $218 | $309 |
| Day care facilities | 4 | 23.72 | $199 | $283 |
| Libraries | 6 | 59.44 | $237 | $336 |

## Construction Cost Index 2016

The following data are based on the May 2016 Global Insight forecast for state and local government spending and is to be used for adjusting the expected costs from July 1, 2008, to the mid-construction date for comparison to project estimates.

| Mid-construction Date | Construction Index | Mid-construction Date | Construction Index | Mid-construction Date | Construction Index | Mid-construction Date | Construction Index |
|---|---|---|---|---|---|---|---|
| 7/1/2008 | 1.000 | 5/15/2012 | 1.100 | 5/15/2016 | 1.153 | 5/15/2020 | 1.301 |
| 8/15/2008 | 1.011 | 8/15/2012 | 1.105 | 8/15/2016 | 1.160 | 8/15/2020 | 1.310 |
| 11/14/2008 | 1.027 | 11/14/2012 | 1.109 | 11/14/2016 | 1.168 | 11/14/2020 | 1.319 |
| 2/14/2009 | 1.026 | 2/14/2013 | 1.116 | 2/14/2017 | 1.178 | 2/14/2021 | 1.328 |
| 5/16/2009 | 1.016 | 5/16/2013 | 1.123 | 5/16/2017 | 1.188 | 5/15/2021 | 1.337 |
| 8/16/2009 | 1.010 | 8/16/2013 | 1.131 | 8/16/2017 | 1.198 | 8/15/2021 | 1.346 |
| 11/15/2009 | 1.012 | 11/15/2013 | 1.139 | 11/15/2017 | 1.208 | 11/14/2021 | 1.355 |
| 2/14/2010 | 1.017 | 2/14/2014 | 1.146 | 2/14/2018 | 1.218 | 2/14/2022 | 1.363 |
| 5/16/2010 | 1.022 | 5/16/2014 | 1.153 | 5/16/2018 | 1.228 | 5/15/2022 | 1.372 |
| 8/16/2010 | 1.028 | 8/16/2014 | 1.158 | 8/16/2018 | 1.237 | 8/15/2022 | 1.381 |
| 11/15/2010 | 1.035 | 11/15/2014 | 1.159 | 11/15/2018 | 1.247 | 11/14/2022 | 1.389 |
| 2/14/2011 | 1.045 | 2/14/2015 | 1.158 | 2/14/2019 | 1.256 | 2/14/2023 | 1.398 |
| 5/16/2011 | 1.058 | 5/16/2015 | 1.157 | 5/16/2019 | 1.265 | 5/15/2023 | 1.407 |
| 8/16/2011 | 1.071 | 8/16/2015 | 1.156 | 8/16/2019 | 1.274 | 8/15/2023 | 1.416 |
| 11/15/2011 | 1.082 | 11/15/2015 | 1.151 | 11/15/2019 | 1.283 | 11/14/2023 | 1.424 |
| 2/14/2012 | 1.092 | 2/14/2016 | 1.149 | 2/14/2020 | 1.292 | 2/14/2024 | 1.433 |

## Adjustment of Expected Cost Ranges

Here is an example of how to determine the expected cost range for a specific project:

**Facility Type:** Classrooms

**Construction Dates:**

**Start:** Sept. 1, 2018 (from CBS003)
**End:** June 1, 2020 (from CBS003)
**Midpoint:** July 16, 2019 (calculated)

**Construction Index for Midpoint:** 1.271 (interpolated from index table: (1.274-1.265)*2/3+1.265)

**Expected Total Project GSF Cost in 2008 Dollars:** $420 (from expected cost table)

**Expected Total Project GSF Cost at Construction Midpoint:** $524 (calculated)

Chapter 6

# Minimum Thresholds for Capital Projects

Proposed capital projects must pass the following minimum thresholds before being evaluated.

**All categories, except infrastructure and acquisition:**

- Project may not be an exclusive enterprise function such as a bookstore, dormitory or contract food service.
- Project meet LEED Silver Standard requirements, in compliance with Chapter 39.35D RCW.
- Institution has a greenhouse gas and vehicle emissions reduction policy in place, in compliance with RCW 70.235.070 and RCW 47.01.440.

**Design.** A completed predesign study, completed in accordance with the OFM predesign manual, has been submitted to OFM by July 1, 2016.

**Growth.** RCW 43.88D.010(1)(a) requires growth projects to demonstrate that they are based on solid enrollment projections and that they can more cost-effectively provide enrollment access than alternatives such as university centers and distance learning.

**Renovation.** Project should cost between 60 and 80 percent of current replacement value and extend the useful life of the facility by at least 25 years.

**Stand-alone projects, infrastructure and acquisition.** The proposal is a single project requesting funds in one biennium.

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