

Budget and Control Board Capital Processes

Budget and Control Board participates in the capital project process through 2 areas of the agency:

1. Capital Planning and Budgeting – Division of State Budget
 - a. Process overview presented by Carol Routh at the May 23, 2013 committee meeting
2. State Engineer – Division of Procurement Services
 - a. Has construction authority with the following educational institutions: universities, technical colleges, the Governor's schools, and the School for the Deaf and Blind. Also applies to other state agencies.

State Engineer provides the following functions:

1. Building code function
 - a. Adopts building codes applicable to State projects
 - b. Conducts code inspections
 - c. Issues certificates of occupancy
2. Contract management function
 - a. Provides assistance during the design and construction process at the request of agencies
3. Procurement function
 - a. Oversees construction procurements
 - b. Audits for procurement code compliance
 - c. Serves as hearing officer for construction procurement protests

State Engineer involvement begins after all Step 1 approvals. Step 2 approvals are required before State Engineer authorizes construction.

1. Higher Education Institutions Step 1 approval process
 - a. Board of Trustees and CHE approval – elapsed period of an average of 89 days
 - b. JBRC and Budget and Control Board approval – elapsed period of an average of 46 days
 - c. Total approval period for Step 1 – 135 days
2. Higher Education Institution Step 2 approval process
 - a. Board of Trustees and CHE approval – elapsed period of an average of 114 days
 - b. JBRC and Budget and Control Board approval – elapsed period of an average of 46 days
 - c. Total approval period for Step 2 – 160 days
3. Higher Education Institution approval process for Step 1 and Step 2 approvals
 - a. Total approval period – elapsed period of an average of 295 days (approximately 10 months)

The State Engineer primarily oversees construction procurements by:

1. Approving advertisements for A/E services and construction services
2. Approving the agency negotiated contracts for A/E services and construction services
3. Reviewing and approving A/E final designs and construction plans
4. Overseeing procurement process for construction vendors
5. Approving A/E and construction change orders
6. Conducting building code inspections
7. Conducting certificate of occupancy inspections

The average time to complete construction projects that range in value from \$2M to \$10M is:

Approval Process (Trustees, CHE, JBRC, B&C Board)	295 days
Development of Design and Construction Documents	262 days
Oversight by State Engineer	40 days
Procurement of Vendors by Agency	132 days
Construction	<u>374 days</u>
 Total Days to Occupancy	 1,103 days (approximately 3 years)

Comparison of State Engineer functions among states:

SOUTHEASTERN STATES

- All of the southeastern states have an office that is a counterpart to South Carolina's OSE
- States where OSE counterpart has significant procurement oversight of projects:
 - Georgia
 - Mississippi
 - North Carolina
- States where OSE counterpart has no procurement oversight of projects:
 - Florida
 - Tennessee
- States where OSE counterpart has procurement oversight over some but not all projects:
 - Alabama – bonded projects only
 - Virginia – Very limited oversight over four largest universities. No oversight of auxiliary functions such as dormitories.
- States where OSE counterpart is the building code official on projects subject to their procurement oversight
 - Alabama
 - Mississippi
 - North Carolina
 - Virginia

REMAINING 42 STATES

- All of these states except North Dakota have a counterpart to OSE
- Number of states where OSE counterpart has procurement oversight of projects: 14
- Number of States where OSE counterpart has no procurement oversight of projects: 24
- Number of States where OSE counterpart has procurement oversight over some but not all projects: 4
- Number of States where OSE counterpart is the building code official on projects: 20