

2027 CIP PROJECT APPLICATION INSTRUCTIONS

Capital Improvement Projects acquire, plan, construct, maintain, or improve facilities, land, major equipment, or other infrastructure. Capital Improvement Projects tend to be construction projects and involve new construction, major renovations, major reconstruction, major repairs, major deferred maintenance, land acquisition and site improvements. They may address long-term or large scale maintenance needs.

TYPICAL PROJECTS

A Capital Improvement Project (CIP) typically includes the construction of state office buildings and special state facilities such as prisons, mental hospitals, and university buildings. CIP's also relate to issues concerning life safety, ADA modifications, public infrastructure such as water systems and wastewater treatment, installation, or replacement of major items of equipment, technology systems, special use items, and other basic infrastructure requirements over \$100,000.

BACKGROUND

The CIP is reviewed and approved through an Executive and Legislative process that is separate from the agencies' Governor Recommends budget process. Agency CIP requests are presented to the State Public Works Board for the initial review and prioritization process. The Budget Division and the Governor's Office are then responsible for developing the Governor's final CIP recommendations to the Nevada Legislature. The CIP is approved through specific legislation (either an Assembly Bill or a Senate Bill). The approved CIP bill identifies each approved CIP and its associated funding (i.e., General Fund, Highway Fund and/or other authorized funding sources). The bill will also provide the authority for the state to issue general obligation bonds in support of the CIP, authorize spending of other revenues for capital improvements, and provide for the levy of a property tax to support the sale of the state's General Obligation Bonds that would be used to fund the CIP.

STATUTORY/ ADMINISTRATIVE REQUIREMENTS

In accordance with NRS 341.083, before October 1 of each even-numbered year the State Public Works Board must submit its recommendations for capital improvement projects in the next biennium to the Governor. The Board makes recommendations relative to its findings to the Governor and to the Legislature. The Board makes specific recommendations as to cost and to the priority of construction of any buildings, or other construction work, as represented in the totality of the agencies' requested CIPs, and ultimately in the Governor Recommends CIP.

In order to allow for sufficient time to complete this process all agency CIP request submittals are due to the State Public Works Division (SPWD) in April of every even numbered year. NRS 341 and SAM 1900 detail the roles and responsibilities of the SPWD and state agencies in the CIP process.

State agencies submitting new building CIP requests must be prepared to provide the funding source(s) for anticipated expenses as required by NRS 218D.430 and/or NRS 218D.445. If your new building project is included in the Public Works Board Recommendation to the Governor, you must provide a fiscal note with all related expenses such as personnel, operating, equipment, maintenance, data processing, and utilities for each project. An estimate of life cycle facility operational costs will be prepared by the SPWD for each new building CIP per NRS 341.151. This applies to all CIPs regardless of the funding source.

Per NRS 341.083, projects that exceed \$10 million must, to the extent practicable, be scheduled to receive funding for design and planning during one biennium and funding for construction in the subsequent biennium. Therefore, construction projects that exceed \$10 million either must have the design and planning funded in an earlier session or must provide in the project application evidence demonstrating the need for design, planning and construction funding all in one session. Agencies with projects over \$10 million that will be requested in the 2025 CIP should request design and planning funding now.

If the agency is submitting a project as an enhancement unit you will need to add fees for SPWD inspection services and plan review. See NAC 341.171 to calculate these fees.

RECOMMENDATIONS

It is recommended that agencies use SPWD resources and guidance where practical. If you need support to complete the CIP application or if you have any questions regarding the CIP application, please contact the SPWD as soon as practical.

DEFINITIONS

There are four types of projects:

1. Carpet, drapery, or painting projects have scopes that include only carpet, drapery, or painting.
2. Statewide projects include re-roofing, compliance with ADA accessibility requirements, life safety, advance planning, paving, mold abatement, and indoor air quality.
3. Structural projects are those that require structural modifications to existing buildings to repair, upgrade, or retrofit the structural system, to correct structural deficiencies, and to enhance the load bearing features of the building.
4. Exiting projects are those that alter the path of egress out of a building.

APPLICATION

Agency capital, major maintenance and deferred maintenance requests will fall into two categories:

The first category is the capital improvement program request which is to include non-carpet, non-drapery, non-painting, projects that require structural modifications, statewide type projects, projects affecting exiting and egress plans and other projects equal to or greater than \$100,000.

The SPWD web site includes the CIP application worksheet and submittal form. The CIP application should be completed like other executive budget enhancement requests, complete with detailed funding source, cost estimates and estimating methodology. Cost estimates must also include the total construction cost required to make a facility operational, including necessary initial equipment and furnishings, landscaping, utilities, parking, and project related roadwork. Contact the assigned SPWD project manager for support in developing the construction cost estimate.

For the 2027 CIP development, the State Public Works Division (SPWD) is implementing a new policy to streamline the Capital Improvement Program (CIP) process. This policy limits active project requests to a manageable number by restricting project estimation and retiring unfunded projects. By focusing on projects with a higher likelihood of funding, SPWD can allocate resources more effectively and develop accurate, fundable project plans instead of investing in projects that will not move forward.

1. Project Estimation Cap

- a) Development of full project budgets and scopes is limited to 50 projects per Department.
- b) Departments may submit additional projects; however, only the top 50 ranked projects will be fully developed based on each Department's preliminary prioritization.
- c) Each project will be assigned to a project manager to review its scope and validate its importance. SPWD reserves the right to fully develop lower-ranked projects if deemed necessary.
- d) Projects not selected for full development will receive an order-of-magnitude cost estimate to maintain visibility within the project backlog.

2. Unfunded Project Retirement

- a) Construction and Planning project requests that remain unfunded for two consecutive Legislative sessions will be retired from the active CIP list.
- b) Maintenance and Statewide project requests that remain unfunded for three Legislative sessions will be retired from the active CIP list.
- c) Departments may request retired projects again with a new application.

If a previous request should be deleted, please email mcbrown@admin.nv.gov with the appropriate index number and it will be removed.

The second category is the agency's operating budget request, which includes carpet, drapery, painting, non-structural, non-statewide projects, and other projects less than \$100,000.

In accordance with SAM 1900, an agency may request this category of projects in its biennial budget through either an M-425, E-730 or one-time decision unit depending on the rationale driving the improvement(s).

The agency may execute this second category of projects without project management services of the SPWD. However, all remodeling projects on state land or on land held in trust for any division of the state government must be reviewed by the SPWD to ensure code compliance through plan check and inspection services. Normally, when code compliance services are necessary, the agency will include a fee for design of the improvement by an architect or an engineer. If a project is within this second category and the agency is planning on requesting that the project be managed by the SPWD, the project shall be submitted as a CIP by the CIP deadline.